

Kenya Broadcasting Corporation Modernization Project



KBC Ngong Transmissiion Station (at the suburb of Nairobi)

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥16,198 million / ¥15,442 million
Loan Agreement	June 1989
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	August 1994

Project Profile

The project was to expand Kenya's medium wave radio network to reach all segments of the population, and to assist in improving the social infrastructure of the country.

Results and Evaluation

The project expanded broadcast coverage to 95% of the population and to 90% of the national land area, surpassing its initial objectives of 90% and 75%, respectively. Before the project, medium wave broadcast stations had no backup equipment, so breakdowns forced operators to interrupt service. The project enabled a more stable service. Radio now serves as a valuable medium to improve public access to information such as public health and new farming skills.

The Kenya Broadcasting Corporation (KBC), which is the maintenance agency, has no notable problems with its systems or its level of skills. However, the KBC's financial position has been deteriorating in recent years amid the decline in business revenues caused by the country's economic recession, leaving it unable to secure an adequate maintenance budget. Its response to the problem, in the near term, is to continue striving for more advertising revenue and increased collection of license fees. In the medium and long term, structural reform, including privatization, is likely to be necessary.