

## Malawi

### The Microwave Network Improvement Project



Installed digital switchboards and transmission tower

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	4,136 million yen / 4,136 million yen
Loan Agreement	July 1986
Terms & Conditions	Interest rate 1.5% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	July 1991

#### Project Outline

In order to meet growing demand for telecommunications in Malawi, the project aimed to increase the capacity and reliability of backbone telecommunication networks by replacing microwave equipments and installing some associated equipments.

#### Results and Evaluation

The project involved the expansion of the most important telecommunication networks in the country, which occupy 80-90% of the nation's telecommunication traffics, and link four major cities, including the nation's capital, Lilongwe. Prior to the project implementation (1985) there were approximately 31,000 telephone lines in Malawi; this increased to around 71,000 after the project was completed (1999). The call completion rate for international calls climbed from 24% (1985) up to 40% (1999), which significantly improved the reliability of international telephone connections.

Moreover, since its completion, there has been continual growth in the numbers of mobile phone and Internet companies nationwide, thus the project is evaluated to have contributed to the development of IT businesses in this country.

In terms of the operation and maintenance of the facilities installed under the project, whilst a lack of spare parts has been reported, there are no major problems in terms of human resources and the financial status of the executing agency.

The World Bank and African Development Bank are currently promoting institutional reforms of the telecommunications sector, as a part of which, the project's executing agency has become an independent public entity from the Department of Post and Telecommunications. The organization has been pursuing greater efficiency with a view toward future privatization.