



41 Zimbabwe
Mashonaland Manicaland Digitalization Project (2)

Project suspended due to problems in the procurement stage. Qualitative and quantitative improvement of telephone lines remains an issue.

Loan Amount / Disbursed Amount 11.451 billion yen / 1.744 billion yen
Loan Agreement July 1996
Terms & Conditions 2.3% interest rate, 30 year repayment period (10 year grace period), General untied
Final Disbursement Date October 2001
Executing Agency TelOne (<http://www.telone.co.zw/>)



Project Objectives

The objective of this project was to meet the increasing demand for telecommunications by developing telecommunication facilities including switchboards, transmission facilities, and out-station facilities in the Mashonaland provinces, including the capital Harare, and Manicaland Province, and by installing an additional 128,800 lines, thereby contributing to the improvement of the living and investment environments of the region.

Effectiveness and Impact

Rating **C**

The initial plan for this project was to install subscriber switchboards for 128,800 lines (125,800 local lines and 3,000 long-distance lines). However, only 38,300 local lines were installed. This was because the project was suspended, except for some components. The suspension was because (1) proposal documents were stolen during the bidding for the main contractor, and no preventive measures or detailed report of the incident were shown nor was there prospect of a fair rebid and (2) Zimbabwe was at that time in social and economic confusion from land reform and other problems. Because the implementation of the project was limited, and, especially because the installation of subscriber cables, which was considered highly important at the time of appraisal, was not realized, the effectiveness of this project has been evaluated low.

Relevance

Rating **a**

This project has been highly relevant with national policies both at the time of the appraisal and at the time of the ex-post evaluation. At the time of ex-post evaluation, especially in the targeted areas where the installation of the equipments was not realized, the need for development in the telecommunications sector remains high.

Efficiency

Rating **b**

Comparing the project period and cost for the implemented component with the planned figures, the project period greatly exceeded the plan, while the cost was almost as planned. The project period exceeded the plan due to a challenging bidding process in the midst of social and economic confusion in Zimbabwe. Thus, the evaluation for efficiency is moderate.

Sustainability

Rating **C**

Although there are no technical problems with the operation and maintenance agency, the organization is suffering from financial losses and the direction of privatization is unclear amid the social and economic confusion in Zimbabwe. Thus, the sustainability of this project is low.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be unsatisfactory. Not only due to the incident during the bidding process, the continuation of aid to Zimbabwe was considered very difficult because the country was often delinquent in the repayment of yen loans, concern had arisen over the preservation of credit, and the country was receiving international criticism regarding its land reform program. Against this background, it is believed that the decision to discontinue the project was appropriate. However, given the strong need for support for the telecommunications sector in Zimbabwe and the importance of ODA loans in this sector, the suspension of aid had a huge impact on the sector, and improvement of telephone lines, both in terms of quality and quantity, is still strongly desirable. A lesson learned is that while support may



An exchange station provided through the project.

sometimes need to be suspended for various reasons, as was the case in this project, due consideration must be given to the fact that such a decision will have a great impact on the development of the borrower country.

Third-Party Opinion

While project implementation was limited and the effectiveness of the project was low as a result of problems during the procurement stage, for the development of Zimbabwe, the need to improve telecommunications equipment in terms of quality and quantity remained as high at the time of ex-post evaluation as at the time of appraisal.

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