



RURAL TELEPHONY PROJECT

1. INTRODUCTION

The Malawi Government through the National ICT Policy of 2013 has a deliberate policy whose objective is to ensure that all its citizens access ICT services which are a catalyst for socio economic development. The ICT Policy aims at developing the ICT sector, promoting the development, use of ICT in all sectors and enhancing universal access to ICT services as well as addressing the rural –urban digital divide. In addition, through the Malawi Growth and Development Strategy (MGDS III), Government recognizes that access to ICT services is key to national development and focuses on ICT infrastructure development.

Considering that Internet and Broadband are globally recognized as the basis for transformation to a **knowledge-based economy**, the Government has also developed a five-year National Broadband Strategy whose objectives are to promote broadband deployment, increase broadband adoption and usage as well as ensure availability of broadband services at affordable prices.

This document presents a Rural Telephony Concept which seeks to address rural telephony access gaps. The concept is in line with MACRA's Strategic Plan which aims at increasing voice telephony penetration which is

currently at 47% to 50 % in 2021. This project will be implemented in areas where there is a market failure. The project cost is approximately MK 468,585,641.

2. PROBLEM STATEMENT AND JUSTIFICATION

Rural areas pose a challenge for the private sector-investments as telecom operators contend that there is no business case to deploy infrastructure in some rural areas due to their socio economic characteristics. The latest statistics indicate that about 16% of Malawi's population lives in areas that are unserved by mobile coverage of any kind. Statistics show that 2G has a population coverage of 84% while 3G and 4G/LTE coverage is at 56% and 29%, respectively. However, this is mostly in the urban and semi-urban areas. The challenges point out to the percentage of the population in the country which does not access telephony services because there is no infrastructure as operators find it very challenging to deploy networks so that such areas are not economically viable.

3. PROJECT OBJECTIVES

The Rural Connectivity Projects aims to improve mobile signal coverage in rural unserved and underserved areas.

3.1 Specific Objectives

Specific objectives for Rural Connectivity include the following:

- (i) To increase coverage for mobile signal.
- (ii) To raise awareness of the project in the communities where the projects are located.

(iii) To provision of alternate sources of energy where necessary.

4. PROJECT DESCRIPTION

The project aims to facilitate construction of towers and bring services in areas where there is no mobile signal. The project will provide electricity or other forms of energy where necessary to ensure that that areas that deserve mobile signal but cannot do that due lack of energy source do get signal.

In order to generate demand the project will subsidize the data rate at specific US funded towers. Finally the project recognise that that window of SME to play a role in through the development of solutions through the use of Innovation hubs. The project will also conduct awareness campaigns through roadshows, brochures, and community meetings from the inception.

5. FUNDING MODEL

The project will be funded through Universal Service Fund. The project further will have collaborative partnerships with the private sector on scale-up of innovative technologies or business models for rural mobile signal deployment. This project aims at financing of least-cost subsidy “reverse auctions” for private sector deployment of shared infrastructure and mobile services in targeted rural areas.

6. STAKEHOLDER ENGAGEMENT

As the Universal Service Fund is a product of a collaborative financing mechanism to accelerate service provision, this project will engage stakeholders’ in the implementation of the Rural Connectivity project from the onset. Amongst the stakeholders to be approached are MoLG, Telecoms operators, Ministry of Energy.

No	INSTITUTION	RESPONSIBILITIES
1	Ministry responsible for ICT	Policy direction
2	Ministry of Local Governments	Identification of schools Identification of training needs Coordination of similar projects
3	Ministry of Energy and Mining	Identification of energy sources
4	MACRA- Universal Service Department	Site surveys and needs assessment Financial and Technical support Coordination of activities Monitoring and evaluation
5	Beneficiary Communities	Identification of location Management of the labs Security of the project structures Utilizing the computer labs
6	Telecom operators	Internet connectivity.

In order to enhance the relationships with the stakeholders the following Committees will be put in place:

- a) Project Steering Committee comprising of various stakeholders including officials from MACRA (Universal Service Department), Telecom operators, MoICT, Ministry of Energy and Mining will coordinate the activities of the project.
- b) Rural Connection Management Committee: to oversee the project at the Rehabilitation Centre.

7. IMPLEMENTATION PLAN

The project activities are as follows:

OBJECTIVE	ACTIVITY	PROCESS DELIVERABLE	KEY PERFORMANCE INDICATORS	FRAMEWORK
To increase coverage for mobile signal	<ul style="list-style-type: none"> • Consultation meetings – operators , local authorities etc • Conduct Needs assessments - Drive test • Procurement Process - Pre-bid meeting, Advertisement Tower construction tenders, • Evaluation • Contract negotiations 	<ul style="list-style-type: none"> • Coverage verification report – 3 sites identified • Bid specs developed • Contractor identified • Contract signed 	Three towers installed	July to Dec 2020
To raise awareness of the project in the communities where the projects are located	<ul style="list-style-type: none"> • Develop sensitization programs and brochures 	<ul style="list-style-type: none"> • Sensitizations held in the schools 	3 Awareness and sensitization meetings held in the targeted sites Brochure distributed	July to Dec 2020
To provide alternate sources of energy where necessary (optional)	<p>Procurement process; Pre-bid meeting, Advertisement, Bid opening & Evaluation</p> <p>Contract negotiations – to include alternate source of power in areas where there is no electric grid</p>	<ul style="list-style-type: none"> • Contractor identified • Contract signed 	Alternative source of power installed where necessary	July to Dec 2020
Monitoring and evaluation	<p>Site visits</p> <p>Stakeholder meetings</p> <p>Report writing</p>	M&E reports	Annual Report	July 2020 to June 2021

8. INDICATORS

MAIN ACTIVITY	Indicators	Outputs/targets
To increase coverage for mobile signal	<ul style="list-style-type: none"> • Coverage verification report – 3 sites identified • Bid specs developed • Contractor identified • Contract signed 	Three tower sites installed
To raise awareness of the project in the communities where the projects are located	<ul style="list-style-type: none"> • Sensitizations held in the schools 	3 Awareness and sensitization meetings held in the targeted sites Brochure distributed
To provide alternate sources of energy where necessary (optional)	<ul style="list-style-type: none"> • Contractor identified • Contract signed 	Alternative source of power installed where necessary