



THE
PRIVATISATION
COMMISSION

Presentation to Malawi Internet Service Provider Association (MISPA)

at The Privatization Offices, Blantyre Thursday 13th May 2010

RCIPMW, AFFORDABLE BROADBAND CONNECTIVITY FOR MALAWI



Overview of the presentation

- BACKGROUND
- PROJECT OBJECTIVES AND DESCRIPTION
- PROGRESS TO-DATE
- NEXT STEPS



BACKGROUND

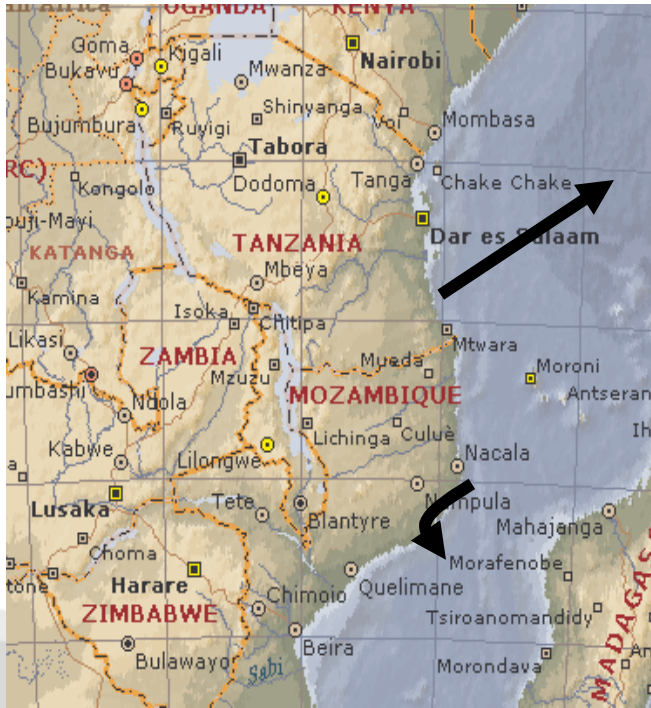
Background

- Undeniable ICT Revolution in Africa
 - E.g. total number of phones have increased by 14 times in 10 years in Africa
- High call rates compared to any other region
- Lower broadband penetration compared to other regions
- Ongoing policy/legislation framework reforms
- Poor information flow/access
- Poor productivity as a result of low ICT utilization levels
- Exposure to the risk of reduced economic growth



PROJECT OBJECTIVE AND DESCRIPTION

PROJECT OBJECTIVES



- To address the Missing Gap (coast connectivity)
- To improve quality , affordability and availability of broadband
- To promote private sector participation in the ICT sector
- To support further reforms in ICT sector

RCIPMW project approach

- Open access and pro-competition format for all network elements
- Sector wide approach to facilitate commercial service uptake and the participation of diverse role players
- PPP model of implementation for efficiency, private sector resource mobilisation
- Private ownership and operation of network infrastructure elements
- World Bank Procurement Regulations

RCIPMW project description

- RCIP is multi-lateral project to connect to IO submarine cables
- Funding sourced from the IDA
- Kenya, Burundi , Madagascar, Rwanda have already benefited in phases 1 and 2
- Malawi component was awarded the sum of US\$ 20 million
- Privatization Commission is the implementing agency
- PPP model to be used for regional connectivity and VLP
- Government of Malawi will pre-purchase capacity as a measure of underwriting cost

Project components

1. ENABLING ENVIRONMENT

- Capacity Building and Advisory Support
- Policy, Legislative and Regulatory Reform Support
- Environmental Management and Resettlement
- Monitoring and Evaluation & Communications

2. CONNECTIVITY

- Pro-competition Open Access
- Fibre Connectivity to the Coast
- Virtual Landing Point
- Broadband Connectivity to Select Institutions

Project Components Cont'd

3. PROJECT MANAGEMENT

- RCIPMW Establishment and Set up
- Project Steering Committee (MACRA, MICE, MoF, MoPDC, NRA, MoLNRE, MoJ)



PROJECT PROGRESS TO-DATE

Project Timeline



- Authorisation Bill passed in July 2009
- Financing Agreement signed July 2009
- IDA Declaration of Effectiveness October 2009
- Work Plan, Procurement Plan , Budget approved by IDA in November 2009
- November 2009 initial disbursement made by the IDA
- Project office fully operational by January 2010

Major Consultancy Studies

- Enabling Environment
 - Review of the Communications Act
 - Formulation of e-Legislation
 - Environmental Guidelines for the ICT sector
 - ICT Regulations (economic, technical)
 - Internet Policy and GWAN Security Audit
- Connectivity
 - PPP Transaction Advisor
 - Counterpart Advisor
 - Detailed Feasibility

Other Initiatives

- Tanzania Cross-Border Negotiations
 - First negotiations tour conducted in February 2010
 - SEACOM Landed in July 2009
 - EASSy expected in June 2010
 - National Backbone (TTCL) to reach KASUMULA June 2010
 - No regulatory impediments
- Last Mile Connectivity
 - up to 100 end-points envisaged
 - Concept paper drafted
 - Budget approx US \$ 2 Million

Other Initiatives Cont...

- National ICT Policy
 - First of four working meetings completed
 - Three more meetings pending
- Provision of GWAN Internet Bandwidth

Next Steps

- PC launches tender to supply broadband regional connectivity from Malawi to Dar-es-Salaam
- Operators provide Malawi-Tanzania high capacity optic fiber link
Government signs long-term supply contract with winning bidder
- Bidder owns and operates network infrastructure under strict conditions
- One or more VLPs is established in Malawi granting all operators and ISPs equal access
- There is an up to tenfold drop in broadband charges


For more information, please contact :

**The CEO
The Privatization Commission
P.O. Box 937
Blantyre.**

Tel: 01 823 655

Fax: 01 821 248

E-mail: info@pcmalawi.org



**Thank You for Your
Attention**

