



Bridging the Divide



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EVALUATION REPORT FOR THE MALAWI MULTI-PURPOSE
COMMUNITY TELECENTRES PROJECT - 7GLO07062

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Executive Summary

In December 2009, the International Telecommunications Union (ITU), together with Malawi Communications Regulatory Authority, initiated a project called the Malawi Multi-purpose Community Telecenter (MCTs) Project aimed at supporting the efforts of the Government of Malawi to extend ICT access and services to rural communities by providing basic sets of accessible ICT equipment and facilities such as Braille printers and other assistive technologies to enhance of ICT for all.

The project cost of USD 140,000 was met by the ITU and the US State Department for equipment and personnel. MACRA's in-kind contribution was USD 279,554. The project was to be extended to 12 rural districts of Malawi.

The field visit which was conducted between 19th and 23rd September aimed at assessing the level of implementation of the project and to make recommendations on how to improve future MCT operations.

Key Findings

I. Operational Status

Of the twelve (12) planned MCTs, seven (7) are operational namely; Balaka, Chikhwawa, Nkhatabay, Nkhotakota, Mulanje, Salima and Mzimba.

Buildings at Nsanje, Ntchisi, Dowa and Chitipa MCTs required substantial renovations which were on-going at the time of the visit. It was planned that these MCTs shall open by end of April 2012.

In Mchinji, a new building had to be constructed as the existing MPC building was not adequately equipped for MCT services.

II. Location

All MCTs are within a radius of 5 km of the town or district centre and there was evidence of availability of electricity, telecommunication infrastructure and sufficient demand.

III. Project Partners and Beneficiaries

Six Community based organisations (CBOs) were selected to operate the MCTs following evidence of experience and community participation, backed up with a strong leadership team. MACRA also partnered with Malawi Postal Corporation (MPC) to establish MCTs in six district postal offices.

IV. Equipment Supplied

Nearly all the equipment pledged by the ITU and MACRA was procured except for the 6 fixed telephone booths where only one fixed telephone set was given to each centre to serve as both the fax and telephone and assistive technologies. With the prevalence of mobile phone services in most of the location visited, the business case for fixed pay phones is no longer as strong. MACRA also did not procure assistive technologies for PwDs. This money has been warehoused and MACRA is in a process of identifying specific institutions working with persons with disabilities to benefit.

All the procured equipment is satisfactory and operational except for some printers and computers that require minor repairs.

Although the billing software had been installed some of the administrators were not fully averse with the new system as were the users. Some of the centres did not have up to date antivirus software.

V. Funds Disbursements

By the time of the mission in August 2011, MACRA had disbursed close to USD 253,116 (91%) of USD 279,554 pleaded. The ITU's contribution on the other hand was USD 139,350 with a balance of approximately 650 to cater for exchange rate fluctuations.

VI. Services offered

All MCTs visited provided basic MCT services such as internet, photocopying, fax, laminating, binding and printing services. To complement their revenues, some MCTs have set up stationary and soft drink stalls, design and print wedding and invitation cards, post advertisements on MCT notice boards and produce mass posters for the community.

Most of the MCTs visited do not provide ICT training as a main stream service. Lack of qualified personnel to conduct the training, limited facilities and space were cited to be some of the reasons for not offering this service.

Furthermore, none of the MCTs visited provided specific programs for the community and/ or women, except for the Nkhotakota Women led MCT where they have designed a special rate for the youth who access internet at a reduced rate during holidays and after class hours.

VII. Appropriateness and delivery of services

Internet reliability, speed and cost (ranges from 128kbp to 256kbp at a cost of USD 120-300 per month) were highlighted as a major hindrance by all MCTs visited as most believe that they actually receive much lower capacity than what has actually been paid for by MACRA.

Unstable electricity characterised by frequent power rationing and surges means that on average cafés run for less than 5 hours a day.

Photocopying and related services such as printing of cards and posters generate most of the revenues for all MCTs visited. Power reliability, breakdown of equipment and the fact that most of the MCT administrators have limited capacity to carry out basic maintenance and troubleshooting, means that this service is still below its maximum potential.

MACRA is required to provide routine service maintenance for the MCTs it directly supervises; however there is no routine schedule for this.

VIII. Administrative Structure

MCTs managed by Malawi Postal Corporation are incorporated within the postal mainstream based on a centralised structure where budgets are managed at the General Post Office.

The CBO run MCTs independently control their budgets through their respective board committees and are required to send monthly operational reports to MACRA.

IX. Technical capacity to run the MCTs

With regard to technical capacity, all MCTs visited employed at least one person or more with some knowledge in computers and ICTs.

X. Training Conducted

At the start of the project, MACRA conducted training for all MCT owners, managers and administrators. No refresher courses have been conducted since.

XI. Project Sustainability

An analysis of revenues and expenditures over a 12 months period shows that most of the MCTs can meet their operational expenses and therefore can be sustainable in the long-run except for Mulanje. This situation may however change when the MCTs begin to pay for their own internet connectivity.

XII. Social and economic benefits of the project

In most of the areas visited, one or more commercial MCTs have opened since the launch of the project. This on its own means that the existence of the seed MCTs has generated awareness, which in turn has created employment and income for the new MCT providers.

Interviews held with some of the users of the MCTs cited improved operational efficiency, reduced transport costs and improved communication and social networking as some of the benefits for the MCTs. Internet according to them has brought them closer to Blantyre and the rest of the world.

Recommendations

1. The ITU should follow-up and ensure that the MCTs that are not operational are running and are fully equipped.
2. All equipment and where possible premises for the MCT should be insured
3. An ITU logo should be placed on all the equipment purchased by ITU & MACRA and a list of inventory created.
4. Training on the billing software should be conducted for all administrators and up to date antivirus software provided for all MCTs.
5. MACRA should ensure that there are defined programs with specific actions for persons with special needs and that they are incorporated in the current and future activities for all MCTs. The ITU should ensure a commitment from MACRA when the assistive software and equipment for the Project shall be procured and implemented. Ramps should also be built at all MCTs.
6. MCTs should diversify their products and services in order to generate more revenues and improve their sustainability.
7. Special promotions for the youth, women and the targeting of local events should be encouraged to enhance revenues and generate awareness. None of the MPCs visited had a clear marketing plan for their services.
8. MCTs should also design special training programs for health, schools within the community. The training component was inadequate for all the MCTs visited, yet training is one of the key avenues for generating awareness and demand for MCT services.
9. All administrators should regularly be trained in basic trouble shooting. It is also recommended that in future, suppliers of all equipment should provide maintenance support and training for at least a period of 6 months as part of their contracts.
10. MACRA should arrange annual knowledge sharing sessions and workshops so that MCT operators can share experience and learn from each other.
11. The use of alternative power supply and alternative energy enabled ICT equipment such as solar computers should be explored.
12. Post masters at each MCT should be given the authority of managing or running a petty cash to replenish consumables such as paper and toner needed for the day to day operation.
13. Operational reporting especially for the Individual operated MCTs supervised by MACRA should be regularised and books of accounts and records made easily accessible.

Lessons

1. The use of existing institutions and infrastructure such as the Postal Corporation which are ideally located near the “incumbent’s” telecommunications infrastructure and have defined administrative/ operational structure is much faster and efficient to roll out rural MCTs than the pure start up approach.
2. For MCT start-ups run by CBOs, a local champion and a steering committee composed of the local community should be established to enhance ownership and community participation.
3. The model to incorporate ICT services within main stream postal services means that internet has been transformed from a competitive to a complimentary service thus improving this sector’s sustainability.

4. Energy efficient solutions such as solar, inverter power and low energy equipment should be explored for future projects.

Conclusion

The significance of using the MCTs as a tool and a business catalyst to create an impact in the social and economic developments of Malawi communities cannot be overemphasized. It goes without saying that, ICT services through the MCTs will enhance their participation in economic activities and raise their incomes and social status. Through these centres, communities can transform small informal business communities into formal and professional businesses by having affordable and reliable access to markets and financing sources not only in Malawi but globally. As a result, they will be better informed on important issues which affect their daily lives, business and any other social and cultural activities thereby leading to poverty reduction in their communities.

1. Introduction

In December 2009, the International Telecommunications Union (ITU), together with Malawi Communications Regulatory Authority (MACRA), initiated a project called the Malawi Multi-purpose Community Telecenter (MCTs) Project aimed at supporting the efforts of Government of Malawi to extend ICT access and services to rural communities by providing basic sets of accessible ICT equipment and facilities such as Braille printers and other assistive technologies to enhance of ICT for all.

This report which marks the conclusion of project implementation contains the technical and economic evaluation of the project following its successful implementation.

1.1 Background

The Government of Malawi recognizes that access to ICT services is a key ingredient in its national and community development efforts. With an agricultural based economy, people need information on prices and sources of agricultural inputs as well as markets and prices to sell their products. Unfortunately, the bulk of the ICT infrastructure in Malawi like in many African countries is located in urban areas, where only 15% of the population live. The need to reach the remaining 85% producing the bulk of its Gross National Income is clearly an important prerogative for the government.

This project sought to sustain and empower the rural communities in an environment where communication facilities are non-existent in order to use ICTs as a leverage to bolster their activities and sustain the fabric of the Malawi economy. It is against this background that the Government of Malawi through the Malawi Communications Regulatory Authority (MACRA) in partnership with the ITU launched the Malawi MCTs project. The project objectives included:

- I. To facilitate establishment of MCT infrastructure in rural locations through provision of ICT equipment and facilities to identified sites in Malawi;
- II. To provide affordable and accessible ICTs including assistive technologies such as Braille printers and FM system and hearing aids to people with visual and hearing impairments to ensure equal ICT opportunities enabling them to participate in the information society;

Intended output of the project included:

1. Improved ICT services, applications and local content based on local needs to be provided to the identified rural communities;
2. Increased use of ICT for social and economic activities by rural based communities as participants in the global information society village and narrowing of the global digital divide and between urban and rural areas in their respective countries;

3. Improved standards of living and enhanced security for the respective rural communities leading to higher productivity in their social and economic activities and income.

The following were the identified performance Indicators:

- I. Affordable and accessible ICT equipment, facilities and services to be purchased and installed at twelve rural locations;
- II. Established Multi-purpose Community MCTs at twelve locations equipped to deliver products and services tailored to local needs and phased in accordance with evolving needs of the communities.
- III. At least 30% of the adult population from the surrounding community in the twelve rural communities trained in ICTs one year after commencement of operations.
- IV. Application and relevant software developed to meet local needs and content by the end of at least one year from date of commencement.

The project cost of USD 140,000 was met by the ITU and the US State Department for equipment and personnel. MACRA's in-kind contribution was USD 279,554. The targeted districts for the project included:

- i. Nkhotakota- the beneficiaries are a group of business women who own a Building for the MCT.
- ii. Balaka- A new commercial district with no internet facilities
- iii. Nkhata Bay- A tourist location
- iv. Salima- A lake district in the central region of Malawi with high economic activities
- v. Chikhwawa- A major agricultural district producing cotton and beef products
- vi. Nsanje – A major agricultural and fishing district
- vii. Chitipa- A fast growing trading centre bordering Tanzania & Zambia and next to a uranium mine.
- viii. Mchinji- Is a busy border post open twenty four hours and is Malawi's major producer of groundnuts and maize.
- ix. Ntchisi- A maize, soya beans and vegetable producer.
- x. Dowa- Agricultural district producing maize, peas and vegetables.
- xi. Mulanje- An agricultural district
- xii. Mzimba- A growing trading centre and agricultural producer

The map below shows the location of project MCTs within the country



1.2 Scope of the Assignment

The field visit which was conducted between 19th and 23rd September aimed at assessing the level of implementation of the project and mainly focused on examining:

- i. The procurement and suitability of the equipment deployed in the centre
- ii. The level and relevance of services provided to the targeted beneficiaries
- iii. The technical and administrative capacity of the project implementers as well as an assessment of the experts providing training to trainers and users.
- iv. The ability of the project to sustain its operations and thus continued rendering of services to the public and target community.
- v. Programs conducted by the centre to build awareness of the projects and promote access and use of ICTs by disadvantaged members of the community such as women and persons with disabilities.
- vi. The social and economic impact of the project to the target population and to draw lessons and experiences so far gained.
- vii. Identifying ways and means of making ICTs more accessible and relevant to local information and communications needs of the target community.
- viii. Drawing lessons and challenges being faced by the centres in their day to day operations and to come up with recommendations on how to better and sustain their operations for continued service provision.

Eight (8) out of the twelve (12) MCTs namely; Mulanje MCT, Balaka MCT, Salima MCT, Nkhotakota Business MCT, Nkhatabay MCT, Mzuzu MCT, Ntchisi and Mchinji were randomly selected for the visit.

Chapter 2

2. Findings

2.1 Project Locations

In determining the location, consideration was given to rural communities that showed readiness:- economic versatility, demand for ICT services and evidence of existing prerequisites for setting up an MCT such as electricity and presences of telecommunication infrastructure. The project locations were pre-selected by MACRA prior to the project launch.

All MCTs visited were within the radius of 5 km of the town or district centre. The Nkhatabay MCT for instance was close to a busy waterfront and in Mulanje the MCT was right within a busy taxi/ bus park. The locations ensured that there was relative demand for MCT services.



Picture 1; The Nkhata Bay Easy Communication Centre located at the Shores of Lake Malawi



Picture 2: Outside the Nkhatabay MCT- at the Shores of Lake Malawi

In the typical African context however, the location identified can be classified as semi –urban and not purely rural. The strategy to initially extend the MCTs at district town centre was appropriate as the readiness for the deeper rural communities is still partial given the inexistence of infrastructure, power and low awareness. It is hoped that the growth demand at the core town centres should be a catalyst in advancing awareness and improving readiness in the deeper rural communities.

2.2 Project Partners and Beneficiaries

MACRA used both the pure start up approach (building from scratch), while the second model considered presence of existing infrastructure and systems in identifying partners and beneficiaries. Under the pure start up approach, MACRA sent out expressions of interest to business institutions and individuals to run the MCT in the selected location. Individuals or firms needed to be: i) registered and operating a business within the community and ii) show evidence of experience in running ICT related business and or knowledge of ICTs, iii) strong leadership with a sound business plan. The beneficiaries also needed to show how their activities would positively impact their community

In the second approach, MACRA partnered with Malawi Postal Corporation (MPC) to establish the MCTs on the premise that MPC already had the relevant organisational capacity and infrastructure such as offices, telecommunication facilities among others to facilitate the operation of MCTs. The partnership also aimed at supporting MPC to integrate and enhance its revenues by incorporating ICT facilities within their business model.

Table 1 Beneficiaries and Rationale for their Selection

	Name and Rational for selection	Beneficiaries/ Project Administrator	Rationale
	Nkhotakota-	Women based community organisation	Existing administrative and operational structure within the community- Building structure in place to run MCT
	Balaka- A new commercial district with no internet facilities	Malawi Postal Corporation	Existing infrastructure
	Nkhatabay- A tourist location	Community based run by individual with previous experience in ICT related businesses	Previously providing stationary and photocopying services. Administrators previous run a stationary and photocopying centre.

	Salima- A lake district in the central region of Malawi with high economic activities	MPC Managed	Newly renovated MCT with a tram to cater for PwD.
	Mchinji	MPC	New Building set up by MACRA- located within the centre of Mchinji
	Mulanje	MPC	Existing infrastructure and centrally located
	Mzimba	MPC	Existing infrastructure
	Ntchisi	MACRA	Renovations Underway- Not operational

Emerging issues 1

The incorporation of ICT services with main stream postal services means that internet has been transformed from a competitive to a complimentary service. Secondly, because Malawi Postal Corporation had existing premises, was ideally located near the “incumbent’s” telecommunications infrastructure and had defined administrative/ operational structure, it was easier to start- up the MCTs, thus making this model much more efficient.

2.3 Equipment supplied and suitability

The table below shows the list of equipment that was planned and supplied by the time of the visit. MACRA did not provide a list of items procured- it may be possible that some of the items such as computers for the MCTs that are not yet operational are already procured and await distribution.

In terms of operational status, the following were noted:

1. Of the 12 planned MCTs, 7 are operational namely; Balaka, Chikhwawa, Nkhatabay, Nkhotakota, Mulanje, Salima and Mzimba. These were opened between the months of June and August 2010.
2. The Nsanje, Ntchisi, Dowa and Chitipa MCTs required substantial renovations which were on-going at the time of the visit. It was planned that these MCTs would open by end of April 2012.
3. In Mchinji, a new building had to be constructed as the existing MPC building was not adequately equipped for MCT services. The construction was fully funded by MACRA.



Picture 3 MACRA's Newly Constructed Building at Mchinji MPC

Some items were not procured as shown in table ** below. They included;

1. Telephones – One fixed telephone set was given to each centre to serve as both the fax and telephone. The telephone management software and telephone booths as such were also not procured- With the prevalence of mobile phone services in most of the location visited, the business case for fixed pay phones is no longer as strong.
2. The hearing aid and software as well as the software for the visually impaired person to be procured by the MACRA were also not procured. This money has been warehoused and MACRA is in a process of identifying specific institutions that support People with Special needs to be assisted. It is believed that targeting such institutions will yield more benefits because they are more concentrated users, trainers among others compared to public cafes. In Mulanje a ramp to enable persons with disabilities to access the MCT was constructed as shown below.



Picture 4- Newly Constructed ramp at the Mulanje MCT

In terms of suitability, most of the equipment procured including computers, printers, scanners as shown in table above was satisfactory and mostly still operational. Minor repair maintenances were required for some of the printers and computers for instance in Mulanje and Salima MCTs.

Some concerns were however raised on the new billing software, Cybera which according to users was presumed to be over charging and in some instances the administrators were not fully averse with the new system.

It is also worth noting that all equipment supplied is neither insured nor labelled posing a risk to the project.

A list of equipment supplied including the specification for each item is attached.

Recommendations

1. All equipment and if possible premises for the MCT should be insured.
2. All equipment should be labelled. An ITU logo should be placed on all the equipment purchased by ITU & MACRA.
3. Most of the premises visited also did not bare any labels of the sponsors. This is more so for the MPC run MCTs which did not bare any external label of ITU. MCTs that have benefited from the ITU support program should bare an ITU logo within and outside the MCT premises.
4. MACRA should ensure that defined programs with specific actions for persons with special needs are incorporated in the current and future activities for all MCTs.

2.4 Funds Disbursed

The ITU and the US State Department contributed a combined total of USD 140,000 for procurement of equipment and services to the project. MACRA on the other hand contributed in-kind a total of USD 279,554 as per the revised project document of March 2010. The development of local content was the key item incorporated in the project activities.

The table below shows the disbursement of funds from each entity. By the time of the mission in August 2011, MACRA had disbursed close to USD 253,116, equivalent to 91%. The value of equipment and services supplied by the ITU on the other hand was USD 139,350 with a balance of approximately USD 650 to meet for exchange rate fluctuations.

Table 2- Funds Pledged by MACRA for the Project

Items	Planned amount in USD
Monitoring and Evaluation	3000
Mission Costs	2000
Development of Local Content	107,142.85
Training of MCT Staff	13,144.29
Internet Connection for 1 year	9,308.50
Digital Camera	5,940
Paper Puncher	1,140
Staplers	300
Scanners	2,520
Telephone Management software	9,540
Braille Printers	19,980
Air conditioners	34,284
Furniture	35,714
Billing software	26,438
Sundries	5000
Reporting	2000
Contingencies	2100
Project Personnel	90,000
Equipment	90,000
Misc., Contingency and AOS	20,000

The table below shows reported expenses by MACRA as of February 2010

Table 3 Funds Disbursed by MACRA as of February 2010

Digital cameras	5,940
Paper puncher	1,140
Staplers	300
Scanners	2,520
Telephone management software	9,540
Braille printers	19,980
Tuition fees & DSA for MCT staff	13,144.29
Internet connection & 1 year subscription for 12 MCTs	9,308.52
Develop local content	107,142.85
Air conditioners (12)	34,285.71
Furniture	35,714.28
TOTAL	253,115.65

TABLE 4: Equipment Supplied per MCT.

List of Equipment	No	Entity	TOTAL	MCT Visited								Others Not Visited			
				Mulanje	Balaka	Salima	Nkhotakota	Nkhatabay	Mzimba	Ntchisi*	Mchinji*	Dowa**	Chitipa**	Nsanje**	Chikhwawa
PC Cubicles	48	MACRA	42	6	6	7	6	6	5	NO	NO	NO	NO	NO	6
Telephone cubicles	48	MACRA	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	0
Chairs	96	MACRA	56	8	8	8	8	8	8	NO	NO	NO	NO	NO	8
Computers	48	ITU	43	7	6	7	6	6	5	NO	NO	NO	NO	NO	6
Tables	24	MACRA	14	2	2	2	2	2	2	NO	NO	NO	NO	NO	2
Display Shelf	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
UPS	48	ITU	43	7	6	7	6	6	5	NO	NO	NO	NO	NO	6
Photocopiers	8	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Printer/ B/W	12	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Scanner	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Fax	12	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Telephone	36	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
LAN & Power cables	12	MACRA	7	Y	Y	Y	Y	Y	Y	NO	NO	NO	NO	NO	Y
Laminating Machine	12	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Binding Machine	12	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Paper Cutter	12	ITU	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Paper Puncher	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Stapler	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
Air Conditioning	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
ISP	12	MACRA	7	Y	Y	Y	Y	Y	Y	NO	NO	NO	NO	NO	Y
Telephone Management Software	12	MACRA	N	N	N	N	N	N	N	NO	NO	NO	NO	NO	N
Telephone Meter	12	ITU	N	N	N	N	N	N	N	NO	NO	NO	NO	NO	N
Braille Printer	2	MACRA	N	N	N	N	N	N	N	NO	NO	NO	NO	NO	N
Hearing Aid (ITU)	4	ITU	N	N	N	N	N	N	N	NO	NO	NO	NO	NO	N

Software for visually Impaired	4	ITU	N	N	N	N	N	N	N	NO	NO	NO	NO	NO	N
Digital Camera	12	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
MS & Billing software	48	MACRA	7	1	1	1	1	1	1	NO	NO	NO	NO	NO	1
* New Building under construction															
** Renovations underway to be opened end of April															

Table 4 List of Equipment Supplied to Each MCT

2.5 Services offered

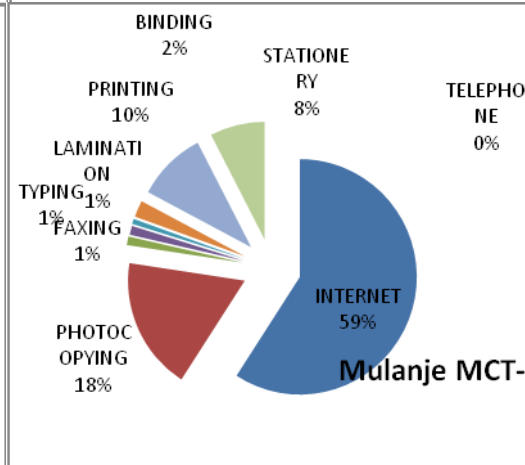
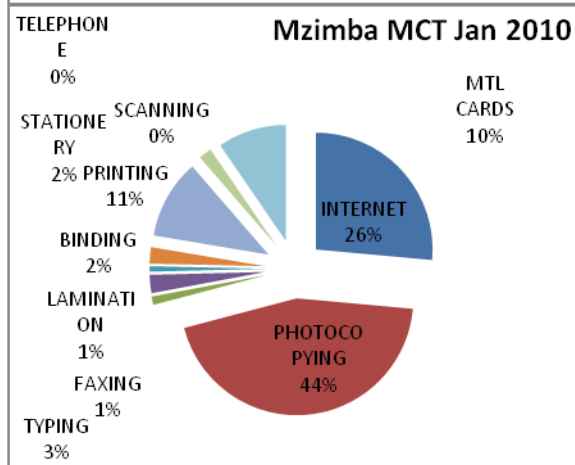
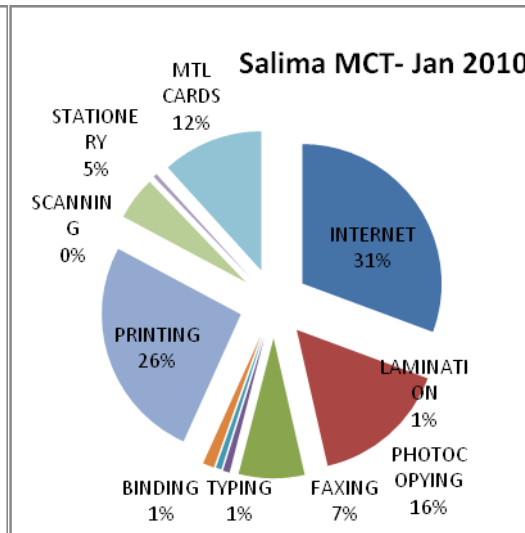
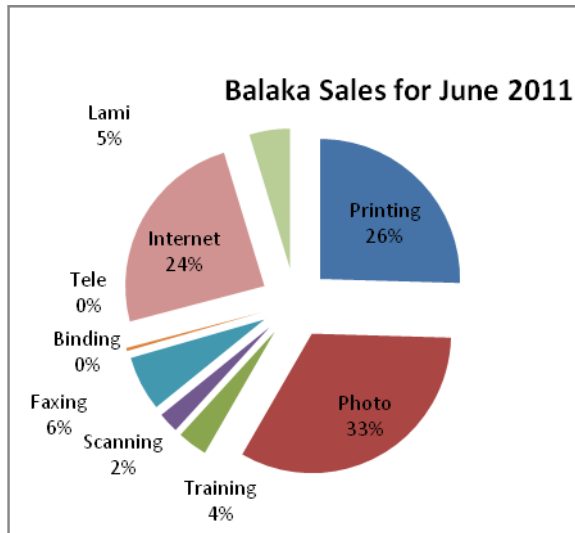
All MCTs visited provided basic MCT services such as internet, photocopying, the fax, laminating, binding and printing services printing.

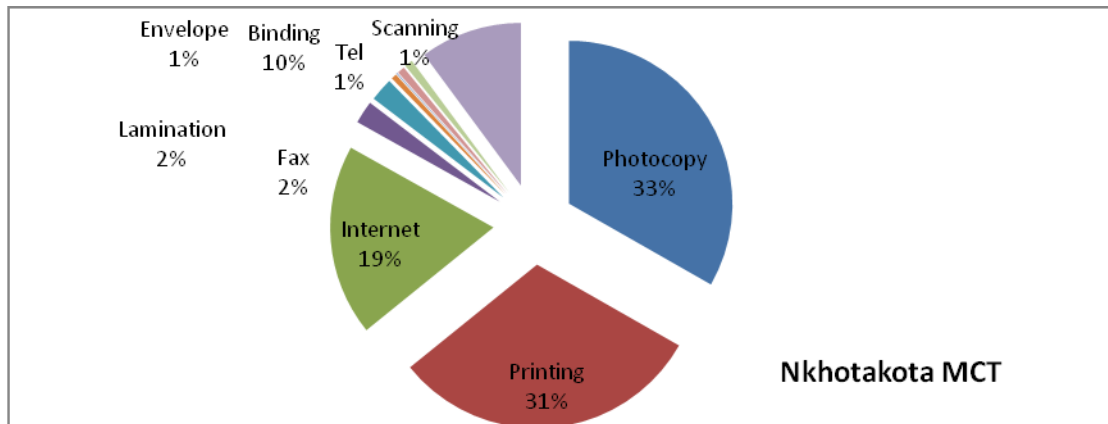
To complement their revenues, some MCTs such as the Nkhotakota women led MCT and Nkhatabay have set up a stationary and soft drink stalls, design and print wedding and invitation cards and produces mass posters for the community.

Most of the MCTs visited do not provide ICT training as a main stream service except for the Nkhatabay MCT. Lack of qualified personnel to conduct the training, limited facilities and space were cited to be some of the reasons for not offering this service. The provisioning of telephone services and fax is also limited as shown in figure 1 below:

Furthermore, none of the MCTs visited provided specific programs for the community and/ or women, except for the Nkhotakota Women led MCT where they have designed a special rate for the youth who access internet at a reduced rate during holidays and after class hours.

Figure 1: Services Provided and their Contribution to Revenue





In terms of appropriateness and delivery of services; the following were observed:

- i. **Internet services:** This is one of the core businesses for all MCTs. Connectivity ranges from 128kbp to 256kbp shared. Monthly connectivity ranges from 19,000K– 49,500K. (US\$120 to US\$300). MACRA paid the annual cost of connectivity as agreed in the project document. All MCTs visited charge on a minute basis, ranges from 7-5 k per minute, equivalent to US\$0.04

Reliability and low speed were highlighted as a major hindrance by all MCTs visited as most believe that they actually receive much lower capacity than what has actually been paid for by MACRA. The service is also disrupted by **unreliable electricity**. Although all the MCTs visited are connected to the grid, frequent power rationing and surges mean on average cafés run for less than 5 hours a day. Power outages also affect the other core business of the MCTs, impinging on revenues and sustainability.

- ii. **Photocopying and printing services:** Photocopying and related service such as printing of cards and posters generate the most revenues for all MCTs visited. This service generates more than 50% of revenues for most of the MCTs visited as shown in the figures above.

Power reliability, breakdown of equipment and the fact that most of the MCT administrators have limited capacity to carryout basic maintenance and troubleshooting, means that this service is still below its maximum potential.

MACRA is required to provide routine service maintenance for the MCTs it directly supervises; however there is no routine schedule for this. For the MCTs run by MPC, an IT technician from the GPO is required to carry out routine maintenance and support with trouble shooting. This is not regularly done. In Mzimba for instance, the photocopy machine had broken down by the time of the visit. The drivers had been un-installed and a simple re-installation by the IT personnel we were travelling with got the machine running. **All Administrators should be trained to run basic troubleshooting.**

Recommendation:

1. It is desirable that MPC diversify their products and services in order to generate more revenues and improve their sustainability. MACRA should for instance arrange an annual knowledge sharing sessions and training workshop so that MCT operators can share experience and learn lessons from each other.
2. Special promotions for the youth, women and the targeting of local event should be encouraged to enhance revenues and generate awareness. None of the MPCs visited had a clear marketing plan for their services.
3. MCTs should also design special training programs for health, schools within the community. The training component was inadequate for all the MCTs visited, yet training is one of the key avenues for generating awareness and demand for MCT services.
4. All administrators should regularly be trained in basic trouble shooting. It is also recommended that in future, suppliers of all equipment should provide maintenance support and training for at least a period of 6 months as part of their contracts.
5. The use of alternative power supply and alternative energy enabled ICT equipment such as solar computers should be explored.

2.6 Administrative and Technical Capacity

In terms of the administrative structure, MCT managed by Malawi Postal Corporation are centralised within the postal mainstream. The regional Post Master, supported by designated officers is charged with overseeing the operations of the centre and reports to a designated project manager at the General Post Office. All collections are channelled to the GPO and all expenditures including stationary, tonner is approved at the GPO and distributed on a monthly basis.

On the other hand, the MCTs run by individuals or associations such as the Nkhatabay and Balaka are run independently by the owners who manage all collections and expenditures. These MCTs are required to send monthly operational reports to MACRA. MACRA on its part monitors performance and also provides technical and maintenance support to these MCTs.

With regard to technical capacity, all telecentres visited employed at least one person or more with some knowledge in computer and ICTs as shown in the table below. Except in Nkhotakota where the Manager (seen in the caption below) has a bachelor in computer science, most of the administrator's knowledge is purely basic and therefore require additional training.

ACTIVITY/ NAME	Responsible Institution/ Administrator	Date opened	Persons Responsible on Ground & Email	Qualifications of administrators and training received
Mulanje MCT	MPC	Aug-10	Esther Kamyango - kamyangoesther@yahoo.com	Diploma in Information Technology - 2007
Balaka located in Balaka bus/ taxi park	MCRA	May-10	2 Entrepreneurs; Steven Kayinga and Lugero Leo- Ownership and 2 administrator; Grey Chitsonga	Diploma in computer operation -
Salima MCT	MPC	May 2010	2 telecentre officers-Kezia & Olivia Mshali	- Certificate in Computer operations
Nkhotakota Business Telecom	MACRA and Women LED CBO	Aug 2010	5 Women entrepreneurs and employs a Manager , 2 Administrators and a	Manager-Mrs. Getrude Kamphambe

Centre			watchman;	has a BSC in computer and administrator Shave ICT diplomas
Nkhatabay MCT	Nkhatabay Easy Communication centre- MACRA	30th May 2010	Owned by 2 entrepreneurs Gift Chongwe & Wanangwa Mwalughali	Gift Chongwe has a Certificate in Computer operations
Mzimba MCT	MPC	12th August 2010	2 MCT Officer- Elias Mbale and Patricia Mijoni (nyasuluprisca@hotmail.com)	Certificate in computer programming and certificate in secretarial services
Ntchisi MCT	MACRA	Not Opened	Not Open	
Mchinji MCT	MPC	Not Open	Mercy Kawenda is the Post Master-	

Table 5 Names of Administrators and their Qualifications



Picture 5: Interview with the Post master Elias Mbale and Telecentre officer MsPatrica Mijole at the Mzimba MCT

Recommendations

1. Whereas the decentralisation of operations may be desirable in some instances, Post masters at each MCT should be given the responsibility of managing or running a petty cash to replenish consumables such as paper and toner required for the day to day operation. In some areas visited, delays to supply daily consumables such as paper and toner from the GPO were cited as some of the challenges and affecting the operations of the MCTs.
2. More training should be conducted specifically in troubleshooting to improve service delivery.
3. Operational reporting especially for the Individual operated MCTs supervised by MACRA should be regularised and books of accounts and records made easily accessible.

2.7 Training

At the start of the project, MACRA carried out a training workshop for all MCT owners, managers and administrators.

- a. Training of telecentre staff was successfully conducted at Malawi College of Accountancy early in December 2009 where 26 telecentre staff participated. The training which was for two weeks involved the following courses: Basic Computer skills
- b. Book keeping

2.8 Project Sustainability

In measuring sustainability, a review of the daily sales and expenses (cash flows and outflows) was done for the MCTs visited that had proper records in place. Figure 2 below shows revenues collected and expenditure in January 2011 for the 6 MCTs namely Salima, Mulanje, Mzimba, Nkhata Bay and Nkhotakota. Revenues did not match operational expenses in three of the 6 centres reviewed. This was however in the early days of the projects as most of the MCTs had been operational for less than 3 months.

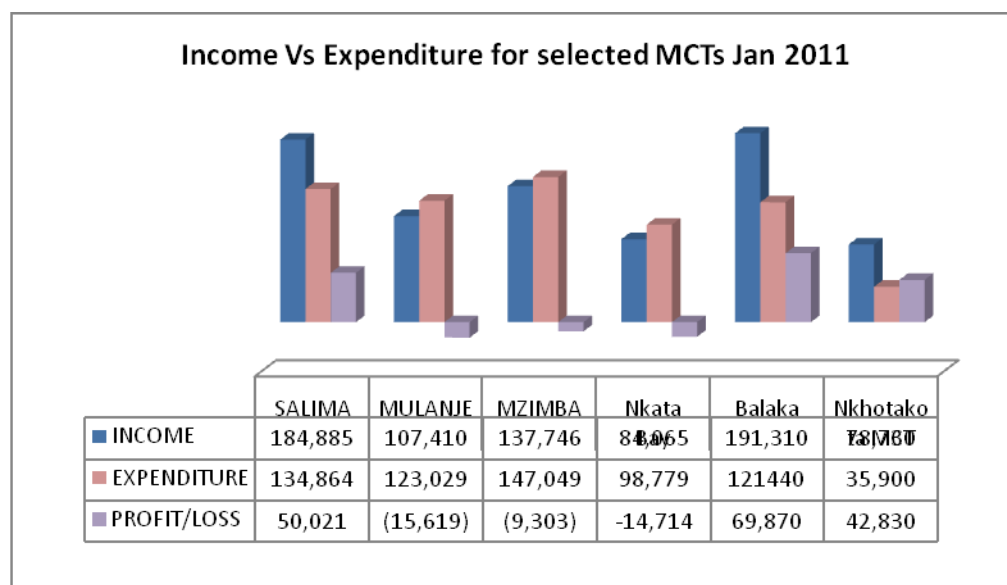


Figure 2 Income Vs Expenditure

An analysis of revenue and expenditures over a 12 months period shows that most of the MCTs can meet their operational expenses and therefore can be sustainable in the long-run. It is only Mulanje whose expenses exceeded its revenues. However Mulanje collects nearly the same volume of revenue as Nkhotakota and maybe a review of their expenses may be desirable in order for them to be profitable.

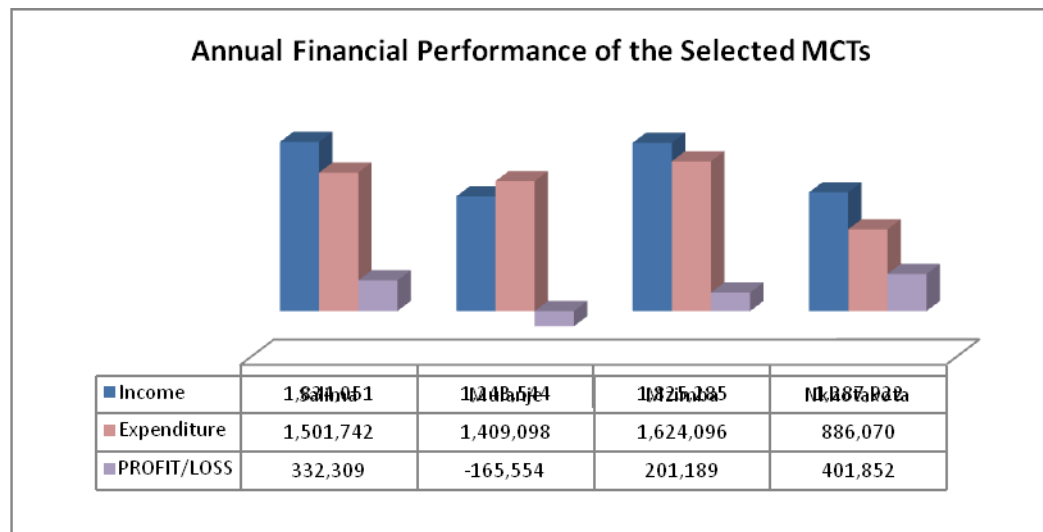


Figure 3: Financial Performance of Selected MCTs

2.9 Social and economic benefits of the project

In most of the areas visited, one or more commercial MCTs have opened since the launch of the project. This on its own means that, the existence of the seed MCTs has generated awareness, which and in turn has created employment and income for the new MCT providers.

A number of interviews were held with some of the users of the MCTs and some of the benefits cited were improved operational efficiencies, reduced transport costs and improved communication and social networking. Internet according to them has brought them closer to Blantyre and the rest of the world.



Figure 4- Interview with Ms Prisca Nyasulu-- a frequent user of the Mzimba MCT

Chapter 3

3 Lessons Learnt

Some of the lessons learnt from the Malawi project to be taken forward include;

- I. The use of existing institutions and infrastructure such as the Postal Corporation which are ideally located near the “incumbent’s” telecommunications infrastructure and have defined administrative/ operational structure is much faster and efficient to roll out rural MCTs than the pure start up approach.
- II. For MCT start-ups run by CBOs, a local champion and a steering committee composed of the local community should be established to enhance ownership and community participation.
- III. The model to incorporate ICT services within main stream postal services means that internet has been transformed from a competitive to a complimentary service thus improving this sector’s sustainability.
- IV. Energy efficient solutions such as solar, inverter power and low energy equipment should be explored for future projects.

4 Conclusion

Provision of MCTs and associated internet access to the rural communities in Malawi has for the first time provided these communities with a tool not only for social networking but also to improve their social and economic performance through access to global markets and various information relevant to their lives.

Most of the challenges highlighted such as the insurance of equipment, labeling, installation of anti- virus and training of administrative staff can be remedied by MACRA in the short and medium term. In the long term however, solutions to address the shortage and reliability of power should be explored. The use of low voltage equipment and PC alternative power solutions such as solar, inverters among others should be explored for projects in rural communities for these projects to be sustainable.

The ITU and its partners should draw from the lessons of this pilot project as they extend connectivity and access these underserved communities in other countries.