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MALI TO IMPROVE TELECOMMUNICATIONS WITH IDA ASSISTANCE

Telecommunication services in Mali will be improved with the assistance of the International Development Association (IDA), which has approved a second credit, of SDR 11.8 million (\$13.5 million), for that purpose.

Communications facilities are extremely important in Mali, a landlocked country with a population that is dispersed over great distances. Efficient telecommunication services between Bamako, the capital, and secondary cities are necessary for encouraging decentralization of economic activities.

The government is carrying out a \$25.3 million project aimed at the country's most pressing telecommunication needs. Only two of the seven regional capitals in Mali have satisfactory telephone service; six of 46 district centers have no telephone service at all; and 70 out of 281 sub-district centers have neither telephone nor telegraph services. There are only 52 telegraph offices in the country, and with one exception all telex facilities are in Bamako.

Telecommunication services are inadequate even on the "backbone route", Bamako -- Segou -- Mopti, connecting the country's most productive areas. To take full advantage of the telephone exchanges that exist in several cities, the local cable networks have to be improved. New investments will include one automatic telephone exchange and a number of microwave radio links to some outlying centers.

The Office des Postes et Telecommunications will receive 60 man-months of technical expertise to help it improve technical operations, financial management, planning, programming, and statistical services.

Co-financing of \$7.7 million for the project will be provided by France's Caisse Centrale de Cooperation Economique. The government is providing \$4.1 million in Malian currency to cover part of the local costs.

The IDA credit of SDR 11.8 million will be repaid over 50 years, with 10 years of grace; it is interest-free but bears a service charge of 3/4 of 1% a year to cover IDA administrative costs.

NOTE: IDA credits are denominated in SDRs (Special Drawing Rights), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount of the IDA credit reflects the exchange rates existing at the time of negotiation of the credit.

TECHNICAL DATA

PROJECT: Second Telecommunications

COUNTRY: Mali

TOTAL COST: \$25.3 million

IDA FINANCING: SDR 11.8 million (\$13.5 million), on standard IDA terms

OTHER FINANCING: Caisse Centrale de Cooperation Economique
(France), \$7.7 million
Government of Mali (Office des Postes et Telecommunications),
\$4.1 million

IMPLEMENTING ORGANIZATION: Office des Postes et Telecommunications
Bamako, Mali

PROJECT DESCRIPTION: It will provide for (a) the construction of an automatic telephone exchange and the expansion of an existing exchange at a regional capital; (b) the substantial expansion of the local cable network in Bamako and the construction of such networks in about eight provincial cities; (c) the construction of a microwave radio relay link on the route Segou-Sevare; (d) the construction of a number of VHF, UHF, and SHF links to serve district and subdistrict centers; (e) the installation of a new telex exchange in Bamako; (f) tools, instruments and vehicles for installation, operation, and maintenance; and (g) technical assistance for design engineering and maintenance of installations, local training, and fellowships for training abroad.

PROCUREMENT: All equipment to be financed by IDA credit will be procured through international competitive bidding (ICB), except for a few items costing a total of about \$350,000. The items excluded are contracts for the laying of cables, accessories, tools, instruments, and vehicles, with each contract costing less than \$50,000. Such contracts will be awarded following OPT local procurement procedures, which are acceptable to IDA.

CONSULTANTS: Consultants will prepare technical specifications for ICB and assist OPT in the preparation of contract documents. Internationally recruited experts will assist OPT with operations and maintenance, and train Malians on-the-job. Technical assistance will total about 60 months.

ECONOMIC RATE OF RETURN: About 25%

ESTIMATED COMPLETION DATE: 1986