

Feud exposes Malawi's telecommunication gaps

By Gregory Gondwe: @Kalipochi

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A feud that has ensued between the Malawi Communication Regulatory Authority (MACRA) and Professor Mathews Chikaonda, chairperson of both Telekom Networks Malawi Limited (TNM) and Malawi Telecommunications Limited (MTL) has exposed glaring gaps in the telecommunication industry.

On 24 July 2012, Chikaonda, also the CEO of Press Corporation Limited (PCL) which has shares in the two telecommunication companies but also chairs National Bank of Malawi, in which PCL has shares as well, took a swipe at MACRA, accusing it of acting as a political party.

But MACRA's reaction to the attacks has exposed gaps in the telecommunication industry which, among other things, is operating without a national ICT Policy despite numerous developments that have taken place within the industry.

Speaking at a ceremony marking the opening of 7 billion Malawi Kwacha National Bank headquarters in Blantyre, Chikaonda said MACRA makes a lot of money but wrongly spends it.

"Recently they bought cloth for a political party and gave 80 million Malawi Kwacha to the [government's] Zero-Deficit Budget to bluff the nation," said Chikaonda, who then suggested that instead, MACRA should be erecting telecommunication towers in the remotest of areas.

President Joyce Banda, MACRA's director general, Charles Nsaliwa and board chairperson Ted Nandolo, who has since been replaced were among other dignitaries who attended the ceremony.

Chikaonda said phone companies sometimes fail to erect transmission towers in certain rural areas because of lack of customers.

"MACRA must erect these towers. We could have achieved 100% telephony penetration," said Chikaonda.

He also attacked MACRA on the implementation of '[spy machine](#)', saying its use is a direct attack on peoples' privacy.

"They are wasting time on spy machine instead of concentrating on their role as a regulatory authority," said Chikaonda. "That machine has a potential to trace the whereabouts of everybody including the state president."

On that, Chikaonda asked the audience to take out their mobile phones and punch in '*#06'.

"That number that has appeared on your mobile phones is very dangerous, it is simply indicating that MACRA has automatically known the exact place where you are at the moment," said Chikaonda.

Last Monday MACRA decided to respond by hitting back at Chikaonda.

The regulator started by almost agreeing with Minister of Information and Civic Education Moses Kunkuyu, who said Chikaonda's remarks were made at a wrong platform.

"I just find it difficult to marry the two: about MACRA and a function of a bank opening its premises. I know he is on the board of TNM and MTL which can have issues with MACRA. It would then have been better to say what he said at a function such as launching a TNM tower where MACRA and I can be invited," said Kunkuyu in an interview.

"MACRA would like to set records straight and clarify the authority's position with respect to the statements made by group chief executive for Press Corporations Limited (PCL)," says the opening of the MACRA statement.

MACRA explained that Malawi does not have a nation ICT policy to govern the operations of the ICT sector and instead the prevailing policy document in the sector is the Communications Sector Policy Statement (1998) which established reforms in the sector in terms of telecommunications, broadcasting, and postal services.

"Pursuant to the policy," MACRA says "the Communication Act was enacted from where MACRA draws its regulatory mandate."

Urban vs. rural

MACRA says it is upon realising the gap in terms of service provision between urban areas which are commercially viable and rural areas which are commercially un-viable it lobbied for the passing of the national ICT policy to encompass the establishment of a Rural Communication Development Fund (RCDF) catering for the rural and underserved areas.

"With the advent of the new technologies and the necessity to adapt the requirements of the ICT industry and further noting the importance of providing universal ICT services to Malawian citizens, the policy for universal access was proposed to be separated from the overall national ICT policy," says the regulator.

It then discloses that with funding from the World Bank, a Universal Access (AU) policy was drafted which proposed the establishment of the Universal Access Fund (UAF) to cater for the rural and underserved areas.

The establishment of UAF MACRA explains also necessitated a bill for the amendment of Section 2 and 4 of the ACT as well as the introduction of a new section dealing with the establishment of the Universal Access Fund.

"Both the National ICT Policy and Universal Access Policy were presented to Government upon which a decision was made to merge the two policies into one over-arching national ICT policy," it explains. "This process is still on-going and the finalisation of the policy is being coordinated by relevant arms of government."

However, MACRA says in waiting for the passing of the policy to establish the UAF, with funding from World Bank through the Infrastructure Service Project (ISP) the regulatory implemented the Universal Access (UA) Pilot Project which sought to establish 10 points of presence (POP's) and 1274 public/community payphones in five selected developmental corridors covering 10 districts namely Mangochi, Nsanje, Zomba, Ntcheu, Chitipa, Rumphi, Neno, Mwanza, Mulanje and Phalombe.

The regulatory disclosed that this project has completed all establishments except for 50 public telephony sites in Chitipa which are set to be completed this month.

Apart from the initiative under the UA pilot project, MACRA says it has established other Multipurpose Community Telecentres (MCT's) under various models through partnerships with Local management Committees (LMC's), international

organisations like the International Telecommunications Union (ITU) and local entities like the Malawi Post Corporations (MPC).

MACRA also disclosed that it has currently facilitated about 50 MCT's spread all over the country through these various initiatives.

Connect a Constituency Project

"Furthermore, MACRA will soon embark on the implementation of the Connect a Constituency Project which seeks to establish at least a telecentre in all the 193 constituencies in Malawi," MACRA disclosed further.

It explains that while it will provide the infrastructure and ICT equipment, the National Assembly and other government departments like the E-government department, will provide content and other solutions to ensure that government services are brought to all Malawians even those in the rural areas.

"This project will facilitate governance and e-government services allowing the rural masses to access relevant government information within their communities," MACRA says.

The authority says it would therefore like to clarify contrary to what Professor Mathews alleged there has never been an operational Universal Access Fund (UAF) established under any ICT policy in Malawi.

Promoting Universal ICT Access

"MACRA is mandated to regulate the provision of communications services and not to be an operating entity by erecting towers for operations like TNM and MTL among others whose mandate is to provide such services in line with their license obligations," MACRA hit back.

It further states that when the National ICT Policy is eventually passed, it has proposed to work on the principle of providing subsidy to allow operators roll-out infrastructure and services to rural and under-served areas as was done under the AU pilot project.

"This fact is reflected in the [new MACRA logo](#) which was launched last year with the words 'Promoting Universal ICT Access,' MACRA says.

Reacting to Chikaonda attacks on giving out money unnecessarily, MACRA says its operations are governed by the Communications Act and with respect to financial management; Section 12 of the Act details the arrangement for the Financing of the Authority. Section 12 (e) (5) of the Act states that:

"All moneys of the Authority which, in the opinion of the Minister of Finance, are in excess of its budgetary requirements shall be paid into the Consolidated Fund, but the Authority shall be entitled to retain sums as it reasonably requires for its operations".

MACRA then says the act clearly stipulates what should be done with the excess income at the end of the financial years after it has budgeted for all its upcoming operations.

"...It is not out of the norm for MACRA to declare such surplus sums to government which is in line with normal accounting procedures as certified by accredited auditors," says the regulator.

It says it has always declared improved surplus income to government since it started its operations.

"It is therefore surprising that the PCL Group Chief Executive showed lack of basic understanding of the financial operations of a statutory corporation that has always honored its obligations to the Government of Malawi under which he

served in the capacity of a Finance minister as some point in time," says MACRA.

MACRA also categorically refuted what it called unfounded allegations made by Chikaonda that it abuses resources by buying party cloth for the previous ruling party, saying it does not respond to Corporate Social Responsibility request bordering on party politics.

MACRA also says the purported 'Spy Machine', which in the regulator's considered opinion should be referred to as the Consolidated ICT Regulatory Management Systems (CIRMS), is not in any way a spy machine as some sectors would want the general public to believe.

"Whilst we resist from commenting on matters that are in court as they are sub judice, we are of the considered opinion that the PCL group chief executive would have done better to understand the technical difference between a machine and a system," says MACRA.

The regulator says it is very wrong to call the equipment a machine because technically it is referred to as a system as it is a collection of modules with different software capabilities set to perform specific tasks in analyzing ICT data.

"However, MACRA will not be dragged into technical argument of the system seeing that there was no technical understanding of the subject matter in any of the allegations raised. Furthermore, the mere mention of the subject matter at an irrelevant forum has tremendously increased raised eye-brows among Malawians," the regulatory body says.

To this end MACRA says the code *#06# which Chikaonda referred to is used to provide the International Mobile Equipment Identity (IMEI) which is a unique serial number that is used to identify the receiving device (mobile handsets).

The body then explained that the IMEI is a 15 digit code that is used to identify the make, brand, model of the handset and has no permanent or semi-permanent relationship with the subscriber.

MACRA explained further that a subscriber can only be identified through the transmission of an International Mobile Subscriber Identity (IMSI), a 15 digit number which is stored on the Subscriber Identity Module (SIM) card and is accessed by subscribers upon subscription to any mobile network.

"The IMSI which is transmitted by the handset to the phone network allows subscribers to access their network and roam on other networks and identified as either being with the Home Location Register (HLR) or the Visitor Location register (VLR)," explains MACRA.

It says considering that the IMSI is a very useful number as it contains vital information for the subscriber, it is not always transmitted over the radio interface but however a Temporary Mobile Subscriber Identity (TMSI) is used to mask the details of the IMSI.

With respect to Professor Chikaonda's allegations on the *#06# code, MACRA says it would like to clarify that it does not need a rocket scientist to realise that an IMEI which was alluded to through the code *#06# is different from an IMSI which is stored on the SIM card and contains subscriber information.

MACRA says the IMEI is a number used to help in tracking of stolen handsets and that IMEI details can easily be obtained on the battery slot of some mobile handset as well as through the code *#06#.

"Once provided, any network provider can blacklist a stolen handset thus rendering the handset unusable even when the SIM card is changed," says MACRA which then argues that the tracking of a stolen handset is currently being done by operators in Malawi.

"It is surprising why accessing IMEI is considered dangerous with respect to MACRA operations unless if [Prof. Chikaonda] believes that tracking stolen devices qualifies to be classified as 'spying' and dangerous," says MACRA.

The regulator further says there is no mandatory registration for mobile SIM cards in Malawi and it is therefore surprising to expect MACRA to peg each SIM card to an individual and know the details and owner of each SIM card purchased and used in Malawi when MACRA itself does not in any way sell SIM cards and the operators do not keep detailed records of their subscribers' identity upon purchase of SIM cards.

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