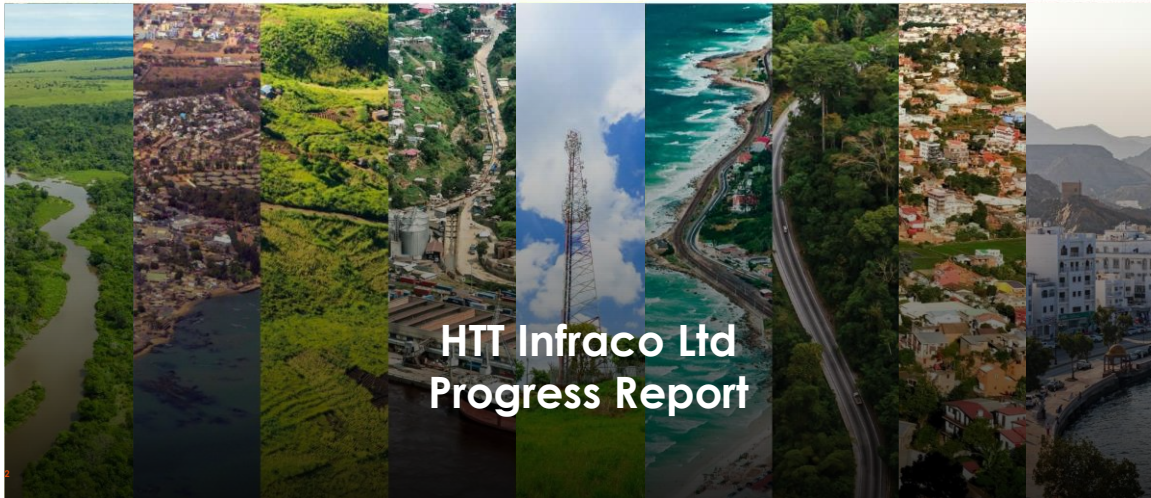


Annex 1



Project Title: Construction of 140 Telecommunication Towers for Rural Coverage under Universal Communications Services Access Fund (“**UCSAF**”)

Reporting Period: January – August 2025

1. Executive Summary

This report presents the progress made on the rollout of 140 telecommunication towers across rural Tanzania under the UCSAF program. To date, 135 sites have been completed and are already delivering communication services to communities that were previously underserved. The remaining five sites are on track for completion between September and October 2025.

2. Project Overview

Sector: Information and Communication Technologies (ICT)

Geographic Coverage: Multiple regions across Tanzania

Total Investment to Date: USD 16.8 million

Implementation Period: 2023 – 2025

3. Capital Investment Progress

Funds Invested So Far: USD 16.8 million

Expenditure Breakdown:

- Land acquisition and permits – USD 0.53m
- Civil works and construction – USD 7.6m
- Equipment (towers and power systems) – USD 8.7m

4. Employment & Local Impact

a) Jobs Created through Contractors: 200 workers

b) Casual Labor Engagement in Villages: 150 workers

c) There is also an opportunity to create and sustain employment for employees employed by our Maintenance Partners and Security Partners post-implementation of the project i.e following construction and installation of tower/sites. Security Partners may deploy guards to protect the telecommunication infrastructure, while Maintenance Partners continue to support site upkeep, equipment servicing, and repairs. Currently, approximately 160 field supervisors are employed by our Maintenance Partners to manage site operations across the country, and around 200 security guards are employed by our Security Partners to safeguard HTT sites across the country. This ongoing engagement not only strengthens the operational reliability of our network but also contributes significantly to local employment and economic development.

Rent fees: Each landowner among 150 landowners is expected to earn approximately USD 1,500 annually in rental fees, contributing to improved household income.

This project has had a significant socio-economic impact in rural areas by generating both skilled and unskilled employment opportunities.

In addition, by building these towers, we have been able to extend mobile and internet connectivity to communities that were previously underserved, thereby supporting both social and economic inclusion. The total population coverage clearly demonstrates the value of these investments, as each tower directly translates into improved access for end subscribers. For example, under the UCSAF Built to Suit Rural project, the deployment of 88 rural sites enabled mobile network operators to extend both voice and data services to approximately 400,000 people as end subscribers, many of whom had no prior access to reliable mobile and internet services. This example clearly highlights the transformative impact of the sites, ensuring that communities are not only connected but also empowered through greater access to information, mobile money services, and broader economic opportunities. Similarly, other tower deployments across the country continue to extend coverage, bridging the digital divide and enabling more people to actively participate in the digital economy.

5. Key Achievements

- Leasing of land secured for all 140 tower sites.
- Statutory permits (Civil Aviation Certificate, Building Permit, Environmental Impact Assessment, lease agreement) obtained for every site.
- Procurement of all construction equipment completed.
- Physical construction finalized on 135 towers (96% completion).

6. Implementation Challenges

- Increased customs and duty charges have raised project costs, while telecom service prices continue to decline, reducing Return on Investment Capital (ROIC).
- Construction of access roads has been costly, with USD 1.4m spent in remote and mountainous areas to enable tower access.
- Many sites remain off-grid, leading to high Operational Expenditures (OPEX) due to reliance on diesel and multiple site visits.

7. Mitigation & Support Required

- A waiver or reduction of customs duty charges would lower costs and speed up rural connectivity.
- Closer collaboration with Tanzania Rural and Urban Roads Agency (TARURA) for the development and rehabilitation of access roads.
- Stronger coordination between Rural Energy Agency (REA) and UCSAF to extend reliable grid electricity to rural tower sites.

8. Outlook & Next Steps

- Plan to build 100 additional telecommunication towers in 2026.
- Roll out solar power solutions across 150 sites to reduce fuel dependency.
- Upgrade resilience with improved battery backup systems and new generator replacements.
- Support mobile network operators with future network expansion, including 5G rollout.

9. Photos

Site ID and Name: TZRK7672-Muongano

Region: Rukwa

Customer: Vodacom

Completion date: January 2025





Site ID and Name: TZKSM7689 – Guduwi UCSAF

Region: Simiyu

Customer: Vodacom

Completion Date: November 2024

