RURAL TELECOMMUNICATIONS
CONSULTANCY
CASE STUDY

By Mr. Anthony c. Ojobo
Special Assistant to the
Executive vice-chairman
Nigerian communications commission
INTRODUCTION

New Telecom Policy

NCC’s responsibility for Universal Access under the NTP

• Promote market initiatives
• Define development targets etc for short and long term national community access
• Design appropriate strategies for achieving the above which will include; but not limited to the following;
Establishment of USF
Opening the market in unserved areas i.e. (Rural areas)
Public call offices (PCO’s) Projects
Establishment of multipurpose Community Telecenters (MCT’s)
Roll-out obligations on operators etc.
Encourage public/private financing of infrastructure developments.
CHARACTERISTICS OF A RURAL AREA

- Lack of infrastructures such as; water, roads, electricity etc.
- Lack of skilled or limited skilled manpower
- Difficult topography
- Severe climatic conditions in some cases
- Low level of economic activity
- Low income per capita
- Lacking social amenities, hospitals, post offices, schools etc.
Low Population density
High cost of service provision per line
RATIONALE FOR NCC RT INITIATIVE

- Responsibility under the new NTP
- Inadequate infrastructure
- Low penetration in RA’s
- Telcos reluctance to deploy in RA’s
- Low teledensity
- Urban migration.
HOW NIGERIA HAS FAIRED IN PROVISION OF TELECOM SERVICES COMPARED TO A NUMBER OF COUNTRIES

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION</th>
<th>TELEDENSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>120 million</td>
<td>0.4 (1999)</td>
</tr>
<tr>
<td>Senegal</td>
<td>8.6 million</td>
<td>1.2</td>
</tr>
<tr>
<td>Cameroon</td>
<td>13.5 million</td>
<td>0.86</td>
</tr>
<tr>
<td>Algeria</td>
<td>29 million</td>
<td>6.20</td>
</tr>
<tr>
<td>Egypt</td>
<td>57.5 million</td>
<td>6.12</td>
</tr>
<tr>
<td>Kenya</td>
<td>29 million</td>
<td>0.98</td>
</tr>
<tr>
<td>South Africa</td>
<td>34 million</td>
<td>11.2</td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td>94.0</td>
</tr>
<tr>
<td>CANADA</td>
<td></td>
<td>97.0</td>
</tr>
</tbody>
</table>
ITU World Telecom Report 1998 on rural telecom penetration indicates that:

- Rural areas in developing countries have 8.9 residential lines per 100 household and 0.56 Public Payphones per 1000 inhabitants.
- 102.7 and 5.17 respectively for developed countries.
RURAL AREA DEFINED
An isolated and poorly served area, where various factors interact to make establishment or provision of telecommunications services difficult.

Universal Access What is it?

Universal Service What is it?
UNIVERSAL SERVICE

At least a telephone per household.
Appointment of Consultants

- World Bank (Funding)
- USAID
- NTCA (International Consultant)
- GBF (Local Consultant)
ROLE OF CONSULTANTS

Advise on

- Ownership structure
- Technology
- Financing Mechanisms
- Training
- Programme viability
- Sustainability
WORKSHOP

- (CBO’s) and NGO’s

Objectives

- Identify and design appropriate Community Consultation model including the Communities

- To draw from the experience of CBO’s on modalities for executing Community based programmes.
- Identify relevant stakeholders.
- Articulate a programme for a National Stakeholders workshop.
ISSUES COVERED AND ADOPTED

- Necessity and Rational
- Universal Access
- Rural Telecoms Services Agency
- Ownership and Control
- Subsidies
- Equitability
- Government Support through
- Enabling regulatory environment
- Provision of Infrastructures, electricity, roads, etc.
- Universal Access Fund.
- Funding and Financing
- Management structure
- Stakeholders participation
Training/capacity building
National Stakeholders forum and the launching of initiative.
DECLARATIONS

- That CBTs providers be set up
- Rural Communities be empowered through provision of RTs
- To be Community based, owned and controlled
- Pilot projects to start in some communities in the six geo political zones
- Nation-wide Community Consultations
- Involve all stakeholders
- Government role to be reduced
- Low interest loans for start-up to be provided through the USF.
- Training should be provided
- Set up an agency for USF.
COMMUNITY CONSULTATIONS

A) Consultation Model

- Baseline Data gathering such as;
  - Demographic and geographical data (e.g. population, location, Age distribution etc.)
  - Economic data (e.g. income levels, principal economic activities etc)
  - Available infrastructure (e.g. roads, water, electricity etc)
  - Nearest telecom infrastructure (e.g. telephone exchange, masts, towers etc).
INTERACTIVE SESSIONS

B) Introductions
   – Overview of NCC objectives
   – Discussions of the objective
   – Questions and Answer Sessions on;
   – Community needs and priorities
   – Previous CD initiatives or efforts
   – Ownership structure
- Cost considerations
- Funding
- Training
- Previous or Current ICT initiatives if any
- Methods for distance Communications
- Explanations of terms such as telecenter, phone shop, cybercafe, MCT’s etc.
Over view of States and Communities visited

- Enugu State - Ukana, Udi Local Government Area - CBO, CIDJAP
- Umokpala, Egede LGA
- Delta State - Isheaga, Ogawashu LGA
- Anambra State - Oraifite, Ekwusigo LGA
- Edo State - Egbae, Uhunmwode LGA
- Abia State - Amaekpu, Ohafia LGA
- Cross River State - Akamkpa, Akamkpa LGA
- Akwa Ibom State - Ukuo, Esit Eket LGA
- Ogun State - Atan, Ijedu North-East LGA
- Oyo State - Igangan, Ibarapa LGA
- Ekiti State - Itapaji LGA
- Kano State - Yadakwari, Garum Mallam LGA
- Gombe State - Tula, Kaltungo LGA
- Yobe State - Fika, Fika LGA
- Bauchi State - Gar, Al Kaleri LGA
NEGATIVE FINDINGS

- Lack of basic social infrastructures
- Low income level, mostly peasant farmers, and small scale traders
- No access to telecom services in all communities visited
- Average of 30km to the nearest call centre in all communities visited.
- Low literacy level
• Dispersed population in some areas (e.g. Northern regions)
• Higher costs incurred on transportation than cost of telephone calls for same distance e.g. Ukana Community (Enugu State) one way transportation cost is higher than the cost of a 3 minutes trunk call to same distance.
• Limited skilled manpower.
POSITIVE FINDINGS

- Willing Partners
- History of CD efforts and strong desire for telecom services
- Expressed preference for Community ownership
- Most Communities were within 30 - 40km away from a NITEL Microwave relay tower
- Ready to donate lands, buildings, and in some areas, volunteered to pay the local personnel.
- LGA willing to fund RT in some of the Communities
- Ready to pay for use of services
- Good understanding of benefits.
Workshop objectives

- Create awareness
- Consultation with stakeholders
- Discuss findings of Community Consultations
- Articulate ideas for sustainable Rural Telecom
- Institutional arrangement options
Issues
- Institutional arrangement
- Ownership structure
- Funding
- USF
- Government Participation
- Technology
- Legal/Regulatory Framework
COMMUNIQUE

- Telecom - Key to socio-economic development and transformation
- Community ownership and management
- Empowerment through capacity building for the RTSP
- Public/Private Partnership
- FGN should offer incentives to Communities
- Waivers, tax holiday, L&R Framework.
- Provision of infrastructures, roads electricity, water etc.

- Establish a USF to be privately managed
- Create appropriate conditions for funding of RTSPs.
- Collaboration with Rural Micro-finance Intermediaries, CBO’s and NGO’s
• Encourage transfer of ICT skills by building capacity for management staff and other personnel of RTSP’s.
CURRENT TRENDS

Policies adopted by some countries to achieve universal access.

- **POLICY**
- Placing Service obligations to reach certain categories of community on newly privatized monopoly operators
- Enforcing rural percentages for new competitive entrants,
- monopoly concessions, reformed or partially privatized operators
- Offering monopoly licences for services areas which are predominantly rural
- Czech Republic, Hungary, Bangladesh, Venezuela
- Allowing competitive entry or cooperative service providers to serve rural areas
- Argentina, Poland
- Trying rural obligations to attractive international gateway, cellular or value-added operating licences
- Philippines, South Africa
- Offering Telecommunication Development fund finance for areas not covered by main operator obligations
  - Chile, Peru