

# **RURAL TELECOMMUNICATIONS CONSULTANCY CASE STUDY**

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# 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;

...Continuation:

- 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.

**..Continuation:**

- 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 COMPAIRED TO A NUMBER OF COUNTRIES

● COUNTRY	POPULATION	TELEDENSITY
● Nigeria	120 million	0.4 (1999)
● Senegal	8.6 million	1.2
● Cameroon	13.5 million	0.86
● Algeria	29 million	6.20
● Egypt	57.5 million	6.12
● Kenya	29 million	0.98
● South Africa	34 million	11.2
● USA		94.0
● CANADA		97.0

# CURRENT WORLD REPORT

- 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 Stake holders 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.

# NATIONAL WORKSHOP ON PROMOTING UNIVERSAL ACCESS TO TELECOMMUNICATIONS IN RURAL AREAS OF NIGERIA

- 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.

- | <b>POLICY</b>  | <b>COUNTRY</b>                                 |
|--|--|
| ● Placing Service obligations to reach certain categories of community on newly privatized monopoly operators                | Mexico, Argentina, Venezuela, Peru             |
| ● Enforcing rural percentages for new competitive entrants, monopoly concessions, reformed or partially privatized operators | India, Indonesia, Malaysia Botswana            |
| ● 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                                    |