Papua New Guinea Rural Communications Project

Improving access to telecommunications services in rural and remote communities.

Background
Over 80 percent of Papua New Guinea’s population lives in rural areas, engaged mainly in subsistence-level activities such as smallholder farming, fishing, and informal activities such as alluvial mining and the sale of betel nut. Overall, gaps in income between urban and rural areas, and among regions, remain high, and nearly all socioeconomic indicators are significantly worse in rural areas than in the cities. One of the main barriers to more equitable growth and development has been the poor quality of the country’s infrastructure, which constrains economic activity as well as service delivery. Access to Information and Communication Technology (ICT) infrastructure and services in PNG is among the lowest in the world. Internet service penetration is extremely low at under 30,000 subscribers (mostly in Port Moresby), due to high prices and limited investment in access networks. Meanwhile, in mid-2007 total teledensity was just four percent countrywide and zero in the majority of rural areas. The entry of private operators and aggressive competition in the mobile sector has resulted in increased coverage and access to services. However despite these developments, access is still limited in many parts of the country, and public access facilities are almost nonexistent.

About the Project
The Rural Communications Project will improve access to telecommunications infrastructure and services in rural and remote areas of Papua New Guinea. The project will provide access to telecommunications to over 420,000 rural Papua New Guineans in the provinces of Chimbu and East Sepik, and facilitate public Internet access in about 60 district centres.

The project is expected to contribute to many social and economic development objectives in the country. Local businesses will experience lower communications costs and improved access to information about markets and prices; the potential for new entrepreneurship, tourism, and establishment of new services such as Internet cafes will be created, and rural communities will gain easier access to information on health and education services, access to job information, and closer contact with distant family members. As in many previously isolated communities around the world, women are expected to benefit from improved access to communications, including for income-generating opportunities and family contacts.

The project will provide technical assistance to the National Information & Communications Technology Authority to strengthen the competitiveness of the telecommunications market for the medium-term and address emerging challenges. It will also work with a newly established universal access and service regime and associated fund in order to develop regulations and operating procedures. Three demonstration projects will be financed under the project. In Chimbu and East Sepik provinces, telecommunications services are expected to benefit up to 175,000 and 245,000 people respectively. Without a one-time subsidy like this, it is expected that at least 265,000 people in these areas would not receive any service. A demonstration project for Internet service will also provide a one-time capital subsidy to prospective bidders to establish Internet points of presence in about 60 district centres, affecting 4.9 million people. These public access Internet facilities are expected to be commercially operated, in the interests of financial sustainability. By providing access to information and, potentially, public services, to such a large portion of people, they are expected to contribute to local economic and social development and support local business development.

Location: The project will provide telecommunications access in Chimbu and East Sepik provinces and facilitate public Internet access in 60 district centres.

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