Background

More than 80 percent of Papua New Guinea’s population lives in rural areas. Most of these people depend on subsistence activities such as smallholder farming and fishing as well as alluvial mining and betel nut sales for their livelihoods.

One of the main barriers to shared growth and development in rural areas is poor quality and lack of access to information and communication technologies (ICT). In fact, access levels are some of the lowest in the world. Service delivery is extremely low due to high prices and limited investment in access networks. In mid-2007, total tele-density was just four percent countrywide and zero percent in the majority of rural areas.

Private operators and aggressive competition in the mobile sector has resulted in increased coverage and access. Despite this, access is still limited in many parts of the country.

About the Project

The objective of the Rural Communications Project is to facilitate improved access to affordable and reliable telecommunications in rural and remote areas of Papua New Guinea. The project will provide telecommunications access to nearly 500,000 rural Papua New Guineans and facilitate broadband internet access in rural district centres that currently do not have any form of internet services.

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; potential for new businesses, tourism, and services such as internet cafes will be created; and rural communities will gain easier access to information on health and education services, job information, and closer contact with distant family members. Women are also expected to benefit from improved access to communications such as income-generating opportunities and family contacts.

The project will provide technical assistance to the Department of Communication and Information (DCI) to strengthen ICT policy development and to the National Information & Communications Technology Authority (NICTA) to address emerging regulatory challenges and to strengthen the competitiveness of the telecommunications market. It will help establish a universal access and service (UAS) regime and associated fund to develop regulations and operating procedures.

Telecommunications services are expected to benefit up to 500,000 currently unserved people across all four regions of Papua New Guinea. This one-time subsidy, combined with existing initiatives by mobile operators, is expected to boost total population coverage from about 20 percent in 2009 to around 93 percent by the end of 2014. A demonstration project for internet service will also provide a one-time capital subsidy to prospective bidders to increase broadband access and establish public internet access points in rural district centres.

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