

Intervention:	<b>Rural Telecommunication : Integration of Rural Areas into the National Telecommunication Network Countrywide</b>
Country:	<b>People's Republic of Lao</b>
Date:	Ongoing since 1993, six phases in total
Challenge:	For the rural population, as well as for small entrepreneurs and administrations in Lao access to market information and communication with relatives, dealers and administrative bodies is restricted by poor road conditions and high transport cost, especially in the rainy season where significant parts of the rural roads are impassable. Access to telecommunication services provides an affordable and reliable means to overcome these limitations.
Objectives:	Improvement of the economical and socio-economic situation of the rural poor, the rural economy and rural administrations through the access to communication services
Approach of the Intervention:	<input type="checkbox"/> Implementation of rural networks with tropicalised technology <input type="checkbox"/> Starting points: unserved but economically active district capitals <input type="checkbox"/> Relocation of equipment in more remote areas once the maximum capacity is reached
Benefits and Impacts:	<input type="checkbox"/> Substantial savings on household incomes (USD 222 annual savings if three monthly trips replaced) <input type="checkbox"/> Business users mainly collect market information (93 %) <input type="checkbox"/> 73 % of business users experienced revenue increase <input type="checkbox"/> Private users collect information on government, personal well-being and markets (42/39/29 % respectively) <input type="checkbox"/> Social benefits i.e. improvements in social service provision, in support of decentralisation, in disaster management <i>Source: Impact Assessment of Rural Telecom Projects in Lao, ZEF, 2001</i>
Lessons learned:	<input type="checkbox"/> Demand and willingness-to-pay in rural areas often underestimated <input type="checkbox"/> Essential requirement to spur economic growth – even in rural areas <input type="checkbox"/> Few lines to serve many users to bring cost down, usage per line up <input type="checkbox"/> Private operators not prepared to serve rural areas without public support, however private partner essential to develop and run operations on a commercial basis <input type="checkbox"/> Firms required to operate rural networks on a sustainable basis need operations in profitable segments for cross-subsidy generation
Wider application:	The programme's approach and measures can be taken as a model for similar engagement in other regions.
Implementing agency & partners	<input type="checkbox"/> German Financial Cooperation (KfW) <input type="checkbox"/> Lao Telecom Corporation, LTC (private-public joint venture)
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