Lessons Learned from PPIAF Activities: Affordability and Universal Access in ICT Services in Cambodia

Background

In the past several years, mobile phone access in Cambodia has flourished due to increasing competition between operators, with coverage close to 99% and most of the subscriber base located in and around urban centers. In terms of internet use, Cambodia trails behind with an internet penetration rate of 0.53% compared to 5% in Lao PDR and the 6% average for low-income countries (2009 figures). High-capacity internet or broadband has been identified as one technology that could bring about radical innovation in providing services such as in health or education, and in creating new opportunities for individuals and households to diversify income generating activities and increase income.

PPIAF's Contribution

As part of the government's initiative to improve broadband access in Cambodia, PPIAF provided funding in January 2011 to assist the Ministry of Posts and Telecommunications in finalizing the draft Universal Telecommunications Program and further developing a credible universal access implementation strategy (UAS). The UAS included options for the establishment of a universal service fund (USF), which could be made available to encourage the private sector to provide ICT services to remote, rural areas where 80% of Cambodia's population resides. A typical USF is funded out of a portion of the telecommunications industry's earnings that is then used to finance universal access/service projects.

Initial results of the PPIAF-funded work revealed **that the main constraint for broadband adoption is not internet infrastructure but affordability**. This affordability constraint does not only apply to households but also public institutions—many of the schools and universities are not provided sufficient budget to pay for monthly broadband services. The lack of Khmer-language content on the internet and awareness of benefits of the broadband also hinder broadband up-take.

Internet use will likely remain low in rural areas in the medium term, which makes it necessary to look into the potential of commercially-run telecenters, which can provide public access to broadband, awareness building, on-site training on the use of ICT applications, and serve as a platform for e-government service delivery. Broadband connections may also be extended from these telecenters to rural villages using wireless solutions with marginal investment.

Lessons Learned

Affordability constraints would need to be taken into account in developing Cambodia's UAS, especially for the potential set up of a USF, which is normally used for funding the supply of infrastructure. As a result, the scope of the PPIAF-funded work has been narrowed down to looking at the feasibility of telecenters as part of the UAS strategy, identifying initiatives that would reduce the service price paid by the consumers (including public institutions), and reviewing elements of the existing regulatory regime that impact affordability and usage.