

Directorate General of Applied Telematics Made Breakthrough Through Provision of Community Access Points Supported by World Bank Grant to Facilitate Internet Access Development in Rural Areas

(*Jakarta, May 17, 2009*) . In celebrating [World Telecommunication and Information Day on May 17, 2009, ITU \(International Telecommunication Union\)](#) , Ministry of Communications and Information (Kominfo) informed that World Bank, as administrator for [Global Partnership on Output-Based Aid \(GPOBA\)](#) , in April 2009 has signed a grant agreement for US\$1.9 million with the Republic of Indonesia to facilitate access to Internet and associated telecommunication services for people living in remote areas in Java dan Sumatra. Access development and provision are fully financed by GPOBA and supervised by Ministry of Communications and Information's Directorate General of Applied Telematics (Ditjen Aptel). Minister of Communications and Information, Mohammad Nuh, said that witnessing Indonesia's development and progress in becoming a knowledge-based society driven by existence and free flow of information is mutually beneficial. Furthermore, targets to be reached with this grant is in line with government efforts in making information more accessible to communities in remote areas. With access to information, economic activities in remote areas will have equal opportunities in developing business potential and access.

Government's desire to accelerate information accessibility and telecommunication service provision is in line with objectives of [WSIS \(World Summit of Information Society\)](#) held in Geneva in December 2003, where leaders agreed to address digital divide by establishing common target that by 2010 all villages will be interconnected (at teledensity of 15%, or equal to 37 million telephone lines), and connected to community access center by 2015 (at teledensity of 50%). In other words, objective of the commitment is accessibility for all even in remote areas. This milestone provides inspiration and motivation for all economies to focus their efforts in realizing the objective. ICT infrastructure is considered as key to pool best talents in creating added value. This is the principle of infrastructure before ecommunity, best known as i-before-e. Indonesia's commitment in WSIS 2003 was reasserted [at WSIS 2005 in Tunisia](#). In addition, public is well-informed on [USO \(Universal Service Obligation\) mandated to Directorate General of Post and Telecommunication \(Ditjen Postel\)](#). Therefore, the efforts of Ditjen Aptel and Ditjen Postel should have a synergy in providing telecommunication access for rural communities.

Community Access Points (CAP), currently operated by Ditjen Aptel through Warmasif, is a CAP development model that is also an outlet where public in an area can use to communicate, access global information, market their product through internet, make online transaction, and access digital library. Warmasif (Warung MASIF) is located in various strategic places in several provinces in Indonesia. Through Warmasif, SME can promote and sell their product globally, buy product directly from other area or country, receive information required for their business, and make secured electronic transaction at post office in Indonesia. In digital library service, public can obtain various information related to science and education, make online order, connect to other digital library connected to digital library at Kominfo Ministry. Through health information service, public can receive various information related to health, information on

Posyandu, Clinic, Puskesmas, hospital, pharmacy, PMI, health insurance, health specialist, physician, etc. In addition, public can make online consultation and registration.

If the project is successful, it will support private-public-partnership approach in development and operation of CAP. CAP supported by GPOBA will provide access to internet, telecommunication, computer facilities and internet-based training program for communities in 222 sub-districts, 110 of which are in Lampung, and 112 are in West Java and Banten. Approximately 10 million people live in those three provinces. The project make it possible for communities in remote areas to use internet for students, rural women groups in developing their business or illiteracy eradication, farmers in finding commodity price, health workers, teachers and villagers in getting information or message from their family members working abroad. Joachim von Amsberg, World Bank Country Director for Indonesia, said that the project introduced an innovative mechanism for financing access to information and communication technologies, while contributing to Indonesia's goal of connecting all villages to basic telephony by 2010 and to the Internet by 2015. Furthermore, if successfully implemented, there are good opportunities for scaling up, not only in telecommunications and Internet access but also in other infrastructure sectors.

The project will use franchising model in development and operation of CAP. This will support financing for competitive subsidy program where interested companies can proposed CAP provision in certain project areas. Bidder or contractor winning the tender will carry out the work with local companies where CAP is operating. The project will finance CAP development and program management, including recruitment and training program for local companies. In addition, the project will provide financing for consultants assigned by Kominfo Ministry for project implementation and responsible for project administration, socialization, monitoring and evaluation. Payment for contractors will be based on output or performance. Following payment in early stages, next payment will largely dependent on performance indicating that CAP is well-functioning through service agreement. All will be verified independently. In response to the importance of information technology in rural areas, Mohsen A. Khalil, World Bank Group Director for Global Information and Communication Technologies, said that information and communication technologies are highly effective in extending access to key public and private services to rural and remote populations Mohsen also said that this innovative output-based aid project will enable Indonesia's low-income rural citizens to access the same opportunities as people living in cities.

Despite the fact that GPOBA's current donors are the UK's Department for International Development (DFID), the International Finance Corporation (IFC), which is a member of the World Bank Group, the Directorate-General for International Cooperation of the Dutch Ministry of Foreign Affairs (DGIS), the Australian Agency for International Development (AusAID), and the Swedish International Development Cooperation Agency (Sida), this project will only receive financing from Australian Agency for International Development and the Swedish International Development Cooperation Agency.

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