ICT FOR RURAL DEVELOPMENT

An Indonesian Case



ICT CENTER WORKSHOP

Yangon, 7 July 2014

MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY (MCIT), INDONESIA



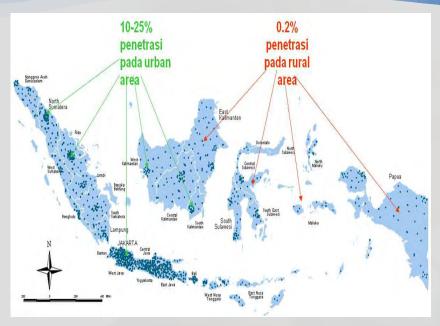
Some Important Indicators Socio-Economy

- > Total Population: 245 million (2012)
 - > Approx 63% live in rural
- GDP: 2011 US \$ 724 M, percap US\$ 3542;
 2014 est US\$ 1.2 B percap US\$ 4800
- Business Unit: 55.2 million units, and Micro-SME:
 54.5 million units (99.8%) employing approx 100
 million people info Ministry UMKM
- > Living in Poverty : 11.7% (2012)
- Literacy: 7% (above 15 years in 2011)

Some Important Indicators ICT - Infrastructure

- ➤ Telephone lines: PSTN: 8 million lines; Fixed wireless access 32 million users; mobile: 220 million users.
- ➤ Internet users: 82 million (2013). Forecast: 107 million (2014) APJII
- > PC population: 10 million (2012)
- ➤ Total cost of Internet Access (telephone + ISP charges) for 24 hours: US\$ 10
- ➤ Broadband penetration: 5%

BACKGROUND





- UNDISTRIBUTED COMMUNICATION
 ACCESS AND INFORMATION
 DEVELOPMENT PARTICULARLY FOR
 UNSERVED AREAS, BORDER AREAS AND
 UNECONOMICALLY VIABLE AREAS.
- EQUAL RIGHTS FOR ALL PEOPLE TO USE TELECOMMUNICATION AND IT FACILITIES.
- ACCELERATION OF PEOPLE WELFARE IMPROVEMENT THROUGH TELECOMMUNICATION AND IT INFRASTRUCTURE DEVELOPMENT.

USO INFRASTRUCTURE PROVISION PROGRAM

Legislation:

- Telecommunication Act, 1999
- Government Regulations
- Ministerial Decrees

Objective:

- To overcome information/digital gap
- To support the economy activities, to stabilize national
- security and to educate the nation including to increase
- prosperity of the society.

Priorities:

Provision of collective access to basic telephone and Internet services for isolated areas, border areas, remote areas, pioneer areas and for areas that economically unproper.

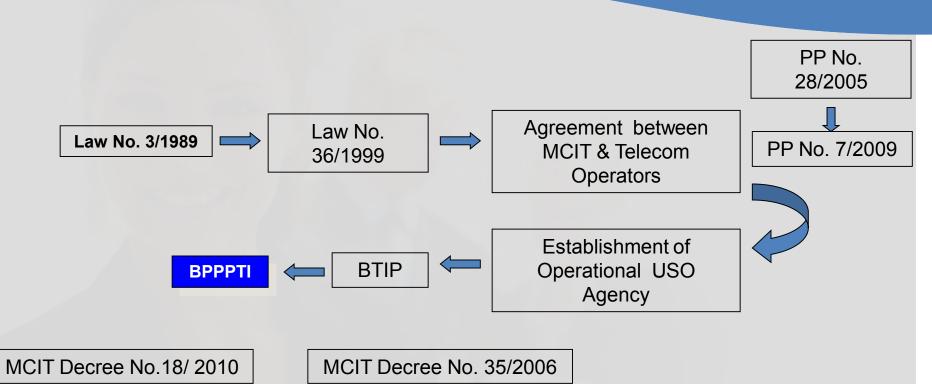
USO FUND

- With the agreement of all Network Operators in 2005, All Operators will contribute 0.75% of their gross revenue for implementing the USO program. This was endorsed by Government Regulation no 28 year 2005, and Government take responsibility in implementing the USO programmers
- Each telecom Operator then has to pay 0.75% for USO contributions on top of 1% (from Gross Revenue) Licensing Fee that has to be paid annually which go directly to state treasury.
- By negotiation between MCIT and MoF, the Licensing Fee was reduced to 0.5% and USO Fund increased to 1.25% to make sure that ICT could be implemented for all the people in Indonesia→ Government Regulation no 7 year 2009.

USO Implementing Agency

- The Government established Public Service Agency (BLU) -BTIP under the Ministry of MCIT and report to both Minister of MCIT and MoF
- ➤ The Agency which is semi-corporate agency, a notprofit 'company' (under Law No 1/2004 on State Treasury, and Government Regulation no 23/2005 on Public Service Agency).
- ➤ In 2009, BTIP was re-name BPPPTI with a bigger task of not only building ICT in villages, but also other facilities to provide cheaper cost of Internet and broadband as well to set up the eco –system to build up broadband in the country.
- BPPPTI collects USOF under Government Regulation from all license Operators.

Public Service Agency – BLU - BPPPTI



GOVERNMENT STRATEGIC PLAN 2010-2014

Ministerial Degree no 2 year 2010

Indicator	Unit	2010	2011	2012	2013	2014
Optical Fiber Network	% Province Capital connected	10%	30%	50%	70%	100%
Broadband Network	% District Capital connected	25%	30%	50%	60%	75%
Regional Internet Exchange	% Province Capital connected	10%	30%	50%	80%	100%
International Internet Exchange	% Province capitals installed	10%	30%	50%	80%	100%
Radio for Community	No of Villages covered	15	76	200	350	500
Telecommunicati on Access	% villages with telephony access	100%	100%	100%	100%	100%
Internet Access	% villages with internet access	5%	20%	40%	60%	80%

USO PROGRAMS (1)

- Desa Dering (Ringing Village): telephone and SMS services for unserved areas, border areas, remote areas, pioneering areas: 33,184 villages.
- Desa pinter (internet village): improvement from ringing villages, additional for internet services: 1.330 villages.
- Pusat Layanan Internet Kecamatan(PLIK)/Public Internet Center: public facilities to access internet service at district level: 5.748 locations and improved to 6.358 locations.
- M-PLIK / Mobile Public Internet Service: vehicle equipped with public internet service at the city (kabupaten) level 1.907 units.
- SIMMPLIK / PLIK/MPLIK System Supports: monitoring PLIK usage, providing proper and beneficial content (push) as well as providing proper bandwidth.

USO PROGRAMS (2)

- Nusantara Internet Exchange (NIX): exchange for managing domestic internet traffic in order to be efficient use and data center services (push content) ICT Incubator at 32 cities (capital)
- Internasional Internet Exchange (IIX): exchange for managing international internet traffic: at 4 cities (capital).
- □ PLIK Sentra Produktif (Public Internet Center for Productive Community): public internet service for certain productive communities : 1.235 locations.
- Wifi Kabupaten: providing free internet access (hotspot): 745 locations in cities (kabupaten)
- **Telinfo Tuntas:** providing BTS (cellular service) at the border areas: 198 locations (district level).
- PALAPA RING PROJECT : project to complete broadband connectivity infrastructure (fiber optic) at national level

Telecenter Project for Rural Developement

FUNCTIONS OF TELECENTER



Apps and Contents in Telecenters

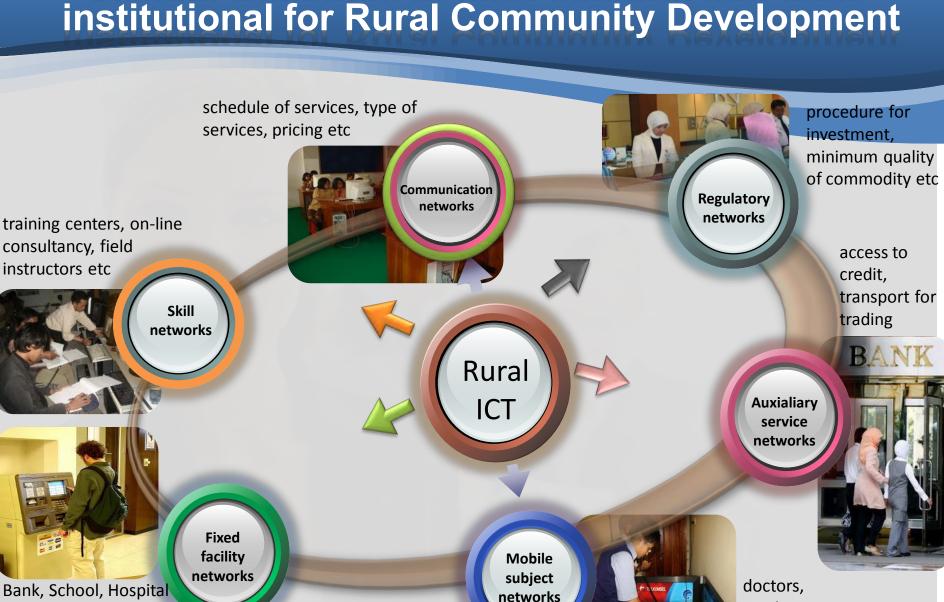
- Strategy
 - National Transformation
- Focus
 - Promoting Experience Economy
- Content of Training and Apps
 - Collaborative technology
- Example of Telecenters
 - Process and Outcome

Apps and content in Telecenter Programs

Strategy:

- Rural Telecenter is not only project for public service, but a part of national transformation program
- It is not only about ITC Sector program but also comprehend systems networks (programs in other sectors)

System Networks of Inter-sectoral and Inter-institutional for Rural Community Development



etc

teachers,

parents, etc

Role of economic sectors

 Role of economic sectors (education, trading, agriculture etc) is more dominant than ICT sector to transform rural community into knowledge based economy.



Example of Community Development in Telecenters

Telecenter as Community Business Center









www.jogjamedianet.com

ICT Literacy Programs



Training of the Trainer





After ToT, E-literacy at Rembang Telecenter http://www.youtube.com/watch?v=v2fMWIM3Te0

Technical Assistance

Banjarnegara



Puskud-Metaram



Content Training on Audio Video Books





Multimedia Training



Access for BYOD (Bring Your Own Device)

Leasing/Credit for Netbook



+ MSI trutel our bose Possed 10 Quality Test

MSI CX420 powered by Intel® Core™ i5 processor

. Mill moons Goodby and Performance, High GRASO is the Festival

erroll over the world.

Faster.

Smarter.

MSI is the Top 3 Norwhook beard in Tolwan and the Top 10 + MSI has won stone than 6000 Awards for

Parties the MANUTAGE, must be use the Higgs and Contact bear and restaurant of based Concession in the U.S. and then make a

in the world

MM to the Top 3 Matherboard Brand in the world

- MSF provides felerational Morenty

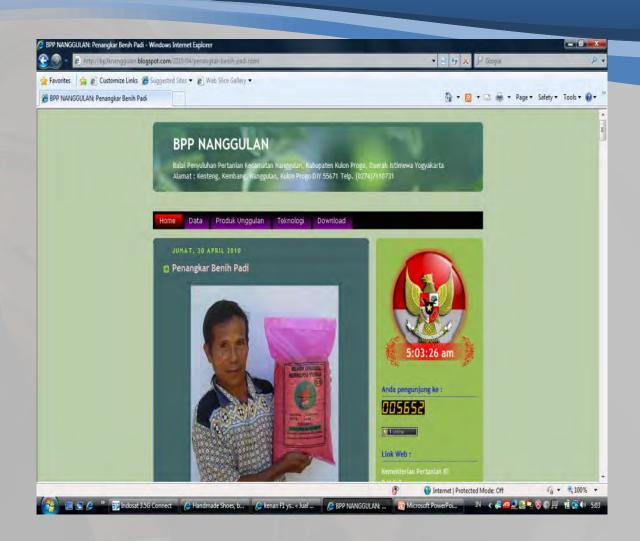
Collaborative Works

- Promoting Experience Economy with One Village One Product
- Internet Marketing
 - Youtube
 - Google
 - Facebook
 - Website
 - Video conference
 - etc

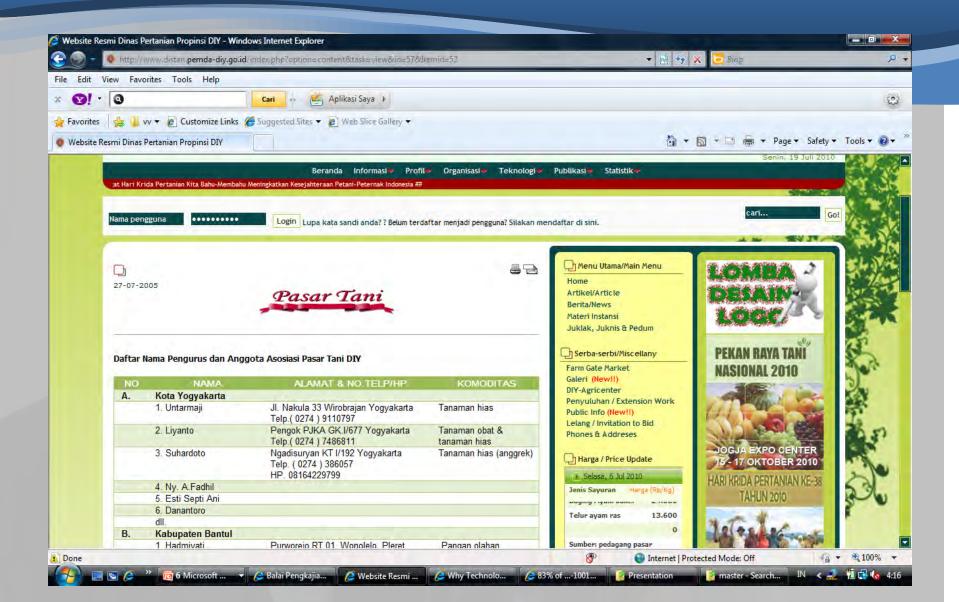




Result of Collaboration



Virtual Farmer Markets



Export



about us furniture

PT Java Purni Lestari | PT Prima Putra Bengawen PT Ragil Adi Perskasa |

EV Rimba Sentosa | home accessoris CV Mendong Jaya | OV Tashinda Putraprima

PT Harpa Inti Mandiri |

PT Lunar Mulia Kreasi

PT Setia Palem Sewu |

PT Amani Raka Tala

Sustainable Production Modules

news ==

certification



process

+62.274.388576

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Award and Recognition

USO Awards



Rural Community Recognition



Outcome of Promoting Experience Economy with Telecenters



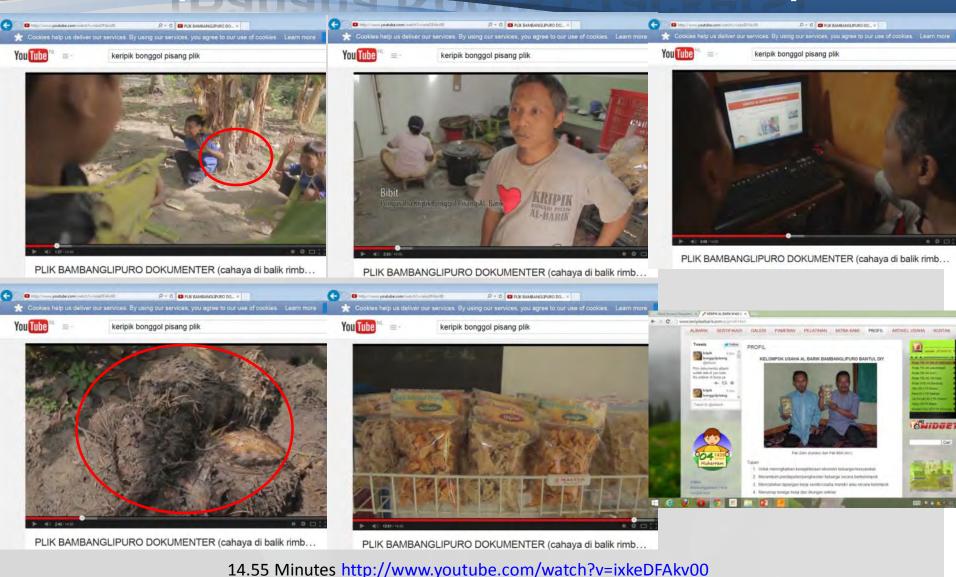
Outcome of Promoting Experience Economy with Telecenters

More on Youtube

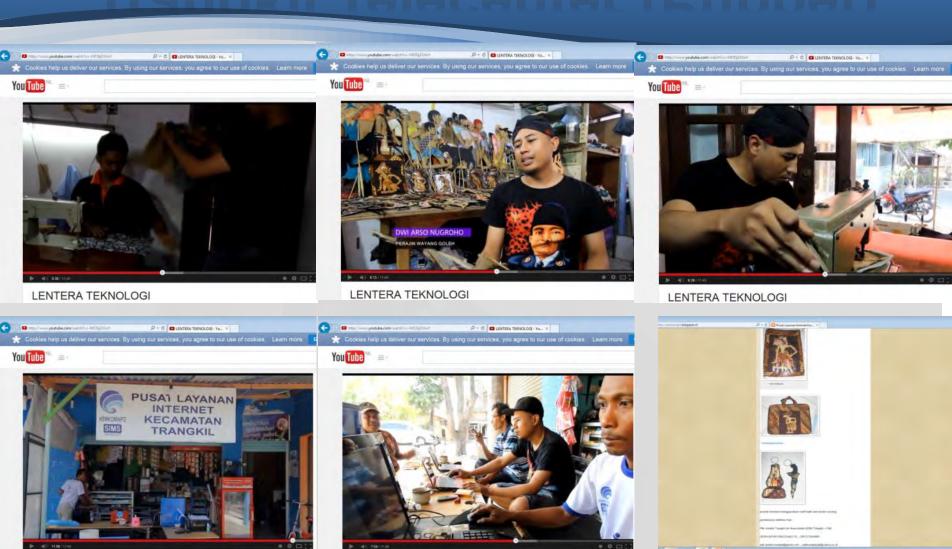
Nanggulan Telecenter (Crafts)



Bambanglipuro Telecenter (Banana Roots Crackers)



Trangkil Telecenter (Puppet)



LENTERA TEKNOLOGI

LENTERA TEKNINA TEKNINA TEKNINA

SME-UMKM KALIMANTAN









KALBAR

• 29.738 SME-UMKM

KALTENG

- DES 2011
- 298.979 SME-UMKM
- KAB. KAPUAS, KOBAR, KOTIM

KALSEL

- DES 2010
- 89.000 SME-UMKM

KALTIM

- Des 2011
- 5.611 UMKM
- Aktif 2.897 UMKM

CASE STUDIES

SME-embroided hijab

- A group of 10 women in Muara Karang producing embroided hijab.
- Previously 1 person made 1 hijab per day. It cost Rp 5000 to produce and they sold it for Rp 7500 in Tanah Abang. One week one person earned Rp 2500 x7=Rp 175,000.
- After they were introduced to computer, they can made various design of embroidery, they print and distributed to other member of the group and made more groups.
- They now already 8 group and sold it not only to Tanah Abang.
- Surprisingly now each person can made 4x as many as before and therefore could earn more than Rp 500,000 a week.

Conclusion

- ICT is catalyst for economic growth and brings significant benefits for people.
- ICT will increased productivity and speed up the economic development and welfare of the nation.
- People has many opportunities to work in ICT industry and ICT as tool for people to enter labour force without leaving home and family.

Thank Yau

