



USAID
FROM THE AMERICAN PEOPLE

MONGOLIA



Mongolian herder using an LMI/Mongolia WiFi mobile phone
Photo by LMI/Mongolia project

BACKGROUND

USAID's Last Mile Initiative (LMI) is a global program to expand the access of the rural poor to communications. Launched in April 2004, LMI intends to spur increases in productivity and transform the development prospects of farmers, small business, new startups and other organizations in rural areas presently underserved by the world's major voice and data telecommunications networks.

Six countries were selected to participate in LMI in the inaugural year. Fifteen additional countries were selected in 2005, Mongolia being one of them.

MONGOLIA CONTEXT

Mongolia has one of the lowest population densities in the world with a population of 2.7 million, 65% of which is scattered outside of the capital. Vast areas of the country are virtually uninhabited with the exception of nomadic herders who rely on the countryside for grazing their herds. Teledensity stands at 10.5/100 in the capital of Ulaanbaatar and less than 1/100 in most of the rest of the country, with some areas falling well below that. The national average is 5.3/100.

PROJECT OBJECTIVES

The goal of the Mongolia LMI Project is to install low cost community-centric telecommunication services – primarily voice - in four soum county centers so that those living in these rural communities will have telephony access linking them not only to their neighboring citizens, but to the other cities of Mongolia, and to the world.



**IMPLEMENTATION
ACTIVITIES TO DATE**

An initial LMI assessment of Mongolia was undertaken in April 2005. During that assessment, a WiFi-based pilot project was suggested as the best means of connecting rural Mongolia in an effective and affordable way. Based on that initial assessment, in December 2005, a team was dispatched to Mongolia to test a Voice over Wireless Fidelity (VoWiFi) phone network in rural Mongolia and to develop a more detailed project plan. The core elements of this project plan are highlighted below.

STRATEGIES AND PARTNERS

The project will partner with the Khan Bank, Incomnet, and possibly other private sector entities to expand the existing and planned satellite-based networks for supporting inter-community backbone services. The project relies on key innovative technologies, primarily Voice over IP (VoIP) for switching and protocol, and Wireless Fidelity (WiFi) for the distribution/access. Further, the Mongolia LMI Project design includes the development of a business model for the management and operations of these rural community phone systems. This business model is aimed at establishing a viable and sustainable rural community system, most likely through a local community-based entrepreneur.

CORE COMPONENTS OF THE PROJECT

- A public-private partnership between USAID/Mongolia, Khan Bank, and Incomnet that is aimed at leveraging current and planned resources in such a manner as to share costs and expand the benefits to those citizens living in the targeted rural soum centers;
- The deployment of advanced VoIP/WiFi technologies that hold promise for delivering Internet-based telephony to rural communities at a substantially reduced cost from other technologies used to date;
- The development of a community-based business model to demonstrate that the approach and technologies for delivering telephony services into these rural areas can be undertaken in a way that generates a profitable community-based business enterprise that is sustainable, and thus encourages private sector investment into these markets; and
- To demonstrate a viable approach to the Government of Mongolia (GoM) for consideration in its future licensing of telecommunication services and in shaping its Universal Service Obligation Fund (USOF).

FUNDING PERIOD:

October 2005-September 2007

IMPLEMENTED BY:

**Academy for Educational Development
/dot-ORG**

Last Mile Initiative