



PERU

Expanding rural coverage through commercial collaboration

Key lessons

- Voluntary infrastructure sharing is an effective way to expand mobile broadband coverage in commercially challenging geographies;
- In order for innovative business models that aim to expand rural coverage to succeed, an enabling regulatory framework is paramount; and
- Expanding rural mobile broadband coverage can be incentivized through spectrum policy.

Background

As of 2019, 1.6 million people lack access to 3G in Peru, while over 7.5 million people are not covered by 4G yet.¹ To help bridge the digital divide and connect communities in rural areas where deploying conventional telecom infrastructure is not yet commercially feasible, Telefónica, Facebook, IDB Invest and CAF (Latin American development banks) jointly launched the unique *Internet para Todos* project in Peru.

1. GSMA Intelligence (2020): GSMA Intelligence database





How did Peru improve coverage?

Internet para Todos is an open access wholesale provider for rural areas, which enables any mobile network operator to use its 3G and 4G infrastructure. Wholesale access is offered through a revenue share model to ensure the delivery of high-quality retail mobile communication services to individuals, businesses and other organizations in rural communities.

The project achieves economic sustainability through partnerships with local communities, and by using open technology standards to reduce the cost of deployment in areas where existing technologies prove cost prohibitive. *Internet para Todos* uses cloud-like architectures, automated network planning, open radio access solutions (Open RAN) and a combination of optimized fibre and microwave networks.

Providing sustainable rural connectivity also relies on complementary connectivity policies. The project partners have highlighted the positive steps taken by the Peruvian Government to foster investments in rural areas. Peru's commitment to Rural Access Connectivity is reflected in its telecom legislation, for example:

- Since 2018, mobile operators are allowed to substitute a percentage of their spectrum payments with a commitment to expand service in rural areas lacking mobile coverage or to migrate services from 2G to 4G;
- The regulatory framework includes the designation of Rural Mobile Infrastructure Operator ("RMIO"), which do not have their own allocations of spectrum, numbering resources, nor end users. Services are provided through mobile network operators; and
- The Broadband Development Law mandates the close coordination between the central government and local governments, in order to solve permits and rights of way needs.

Impact

The *Internet para Todos* initiative is aimed at connecting the more than 100 million people in Latin America with no internet access. In Peru, the project has so far benefitted around 600,000 people across 2,000 communities in remote areas. The success of *Internet para Todos* in Peru can pave the way for this type of business model in other countries in Latin America and the Caribbean.