

## Last Mile Anitiative

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http://www.usaid.gov Keyword: Last Mile Initiative

## **Peru Franchises for Growth**

Small business entrepreneurs in Peru now have an innovative model that makes it easier for their telecommunications businesses to grow. Through the Last Mile Initiative in Peru, a new franchise organization will help the entrepreneurs establish individual franchises called "Micro-Telcos" that offer voice and data services to rural and underserved users left out of the "last mile." The model also makes it easier for the small franchises to provide services in a way that is easier to replicate on a larger scale.

Photo by: Noreene Janus, EGAT/EIT/IT

Universal Access Fund rural phone in Huanuco District Peru

The Government of Peru's telecom provider is changing its policies on spectrum management to make it easier for wireless services to be resold in rural areas. The rural access fund is also improving outreach to small towns through greater access to telephones. The overall result is a winwin situation for rural users in Peru and for the Last Mile, which provides a business model that's just right as well as equipment that's affordable.

Replication of the franchise model is implicit in the model itself because it emphasizes a system that

will provide quality standards, managerial support, and technical assistance. "The discipline required to start-up a franchise will serve the program well", says David Mendoza, Last Mile Initiative Senior Advisor to Peru and Guatemala. "Each service, activity, and phase of the project must be sufficiently scrutinized and documented so that potential risks will be caught early on."

Through the Micro-Telcos, voice and data communications will be provided to government offices, small businesses, health clinics and hospitals, schools, and homes that are served by USAID/Peru's programs throughout the Andean region.

## **Last Mile Committee Comments**

## **Proposing Second Year LMI Countries**

The Year Two (FY2005) Last Mile Initiative selection process is underway. Regional ICT Coordinators are gathering expressions of interest from Mission staff and working together with Missions to develop concept papers. The concept papers are then presented to the Last Mile Committee, which will make the final decisions. A total of \$5.6 million is being made available through "taxes" on regional bureau and EGAT bureau budgets.

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