2013 Affordability Report

Stark Insights, New Solutions

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Today’s Agenda

• What is A4AI?
• What is the Affordability Report?
• Affordability: The True Picture
• Achieving Affordable Internet
• Conclusions

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WHAT IS A4AI?

What is A4AI?

• An global coalition: 40+ members

• Laser focus on broadband affordability via policy and regulatory reform

• Secretariat: World Wide Web Foundation

• Global Sponsors:
  – Google
  – UK DFID
  – Omidyar Network
  – US AID

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WHAT IS THE AFFORDABILITY REPORT?
AFFORDABILITY: THE TRUE PICTURE

The Summary

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<tr>
<th>Top Five Emerging Countries</th>
<th>Top Five Developing Countries</th>
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<tr>
<td>Malaysia</td>
<td>Morocco</td>
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<td>Mauritius</td>
<td>Indonesia</td>
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<td>Peru</td>
<td>Nigeria</td>
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<td>Colombia</td>
<td>Uganda</td>
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The True Picture

For the approximately two billion people living on less than $2/day in the 46 countries studied, the UN Broadband Commission target of entry-level broadband services priced at less than 5% of average monthly income remains far from attainable.

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Why is Malaysia #1?

ACHIEVING AFFORDABLE INTERNET
Competition Alone Is Not a Silver Bullet

- Competition alone, or the introduction of a particular number of players in a market, is not a sufficient condition to ensure affordable access

- Policy makers and regulators must establish a level playing field that incentivizes service providers to enter the market; innovate by enhancing the efficiency and cost-effectiveness of infrastructure investments; and deliver services to all, including in currently underserved geographies

- Countries that are succeeding are focusing on both supply and demand

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PPPs Can Play a Key Role re Infrastructure

• Affordability Index: only five countries score higher on the communications infrastructure sub-index than on the access and affordability sub-index.

• So further infrastructure investment is needed.

• PPPs can play a key role here – particularly in connecting underserved areas, and in creating an open access fibre network.

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Underserved Populations Should Be a Focus

A large majority of people for whom broadband access is unaffordable live in large (lower) middle-income countries such as India, Brazil, and China, with high income inequality.

Universal Service Funds can play a key role here in connecting underserved populations.

The funds from these should be used to stimulate/subsidize infrastructure investment, BUT they should also be used to promote digital literacy and make the Internet more relevant and useful to those communities being connected.

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Leadership and Commitment is Essential

• National leadership is a critical ingredient to maximize the positive impact of broadband on jobs, productivity, economic growth and innovation.

• Long term vision, commitment and coalition building

• Regional bodies have a key role to play too

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Nigeria’s National Broadband Plan 2013 sets clear targets and interventions.

CONCLUSIONS
In summary...

• Reality check: For people living on less than $2/day the UN Broadband Commission target remains far from attainable.

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In summary...

• Broadband markets that price Internet access out of reach for the majority of people are neither socially nor economically efficient.

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In summary...

- Policy and regulation is the key, and active participation of all stakeholders in hammering out a concrete plan of action is perhaps the single most important step to move from high prices and low uptake to low prices and high demand.

To find out more...

Join us at an Open Session on Tuesday 10 December in Kramer LT1 at 9AM
Thank you!

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