A4AI Policy Roundtable
What Will It Take to Achieve the SDGs on Universal and Affordable Access?

Thursday, June 23, 2016 – 9:00-10:00 AM
CasaMagna Marriot - Mexico/Cozumel Room - Cancún

A roundtable to discuss the daring and innovative polices needed to achieve universal access.

In late 2015, world leaders agreed to a new set of Sustainable Development Goals. Goal 9c calls for universal and affordable Internet access by 2020. Yet, as A4AI's 2015-16 Affordability Report (a4ai.org/affordability-report/report/2015) has found, the world is on track to miss this goal by over 20 years, achieving universal access only in 2042. This 20+ year gap means that, in many countries, at least one more generation will grow up excluded from the opportunities associated with Internet access. Immediate and urgent action is needed to correct this course and accelerate progress toward affordable access for everyone, everywhere. In Latin America and the Caribbean, this will require daring and innovative ICT and telecom policies.

What are these policies and how might they best be implemented? Those are the questions that key private and public sector stakeholders will discuss on Thursday, June 23, 2016, at a roundtable convened by A4AI within the framework of the 4th Latin-American Telecommunications Congress (http://www.clt2016.org/) and the OECD Ministerial Meeting on the Digital Economy (http://www.oecd.org/internet/ministerial/).

Format
The roundtable will be last approximately one hour and will be moderated by Sonia Jorge, A4AI Executive Director. It will start with a quick presentation of key findings from A4AI's most recent Affordability Report, which will provide some provocative thoughts on potential innovative policies.

This will be followed by a high-level panel discussion, wherein representatives of government, private sector, international organisations, and civil society organisations will share their own experiences and good practices for enabling wider affordable access, and will provide insights on specific policy recommendations. The audience will be invited to interact with the panellists.

Panellists
- **Mindel de la Torre**, Bureau Chief, Federal Communications Commission, USA
- **Manuel Ruiz Gutierrez**, President, Superintendencia de Telecomunicaciones, Costa Rica
- **Sebastian Kaplan**, Director of Regulatory Affairs for Latin America, Millicom Group
- **Judith Mariscal**, Professor, Centro de Investigación y Docencia Económicas, Mexico
- **Carolina Rossini**, Vice President, International Policy, Public Knowledge

Key Questions

Sonia will ask panellists questions around key issues, including:

- the effectiveness of certain ICT policies targeted at accelerating digital inclusion, particularly for low-income populations;
- how to close the gender digital divide;
- the relevancy of market supply-side structural reforms to allow new competitive dynamics and increase affordability;
- models to support price reductions and increased competition at the retail level;
- the new vision needed to expand subsidised public access solutions.

Language

The roundtable will be held in English, as no simultaneous translation service is available. But if a panellist needs to express a concept in Spanish or a participant needs to ask a short question in Spanish (or French or Portuguese), the A4AI team will help to translate live.

Registration

You can walk in the session, but it is preferable to register in advance (http://goo.gl/forms/DxxIX3lILNcJOGh43) so we can share updated agendas and other important details around the event.

Contact

If you need more information or have any question about this event, please contact Yacine Khelladi, A4AI Latin America & Caribbean Regional Coordinator (yacine.khelladi@webfoundation.org)

For A4AI membership, contact Karolle Rabarison, A4AI Membership Manager (karolle.rabarison@webfoundation.org).

For press inquiries and interviews email press@webfoundation.org, or call +1 512.814.6681

ANNEX

2015-16 Affordability Report: Executive Summary

http://a4ai.org/affordability-report/report/2015

Everyone should have access to the Internet. So concluded the 193 member states of the United Nations when they agreed on a new set of Sustainable Development Goals (SDGs) in September 2015. Underscoring the potential of the Internet to contribute to global development and empowerment, SDG target 9c calls for universal and affordable access in the world's least developed countries by 2020.
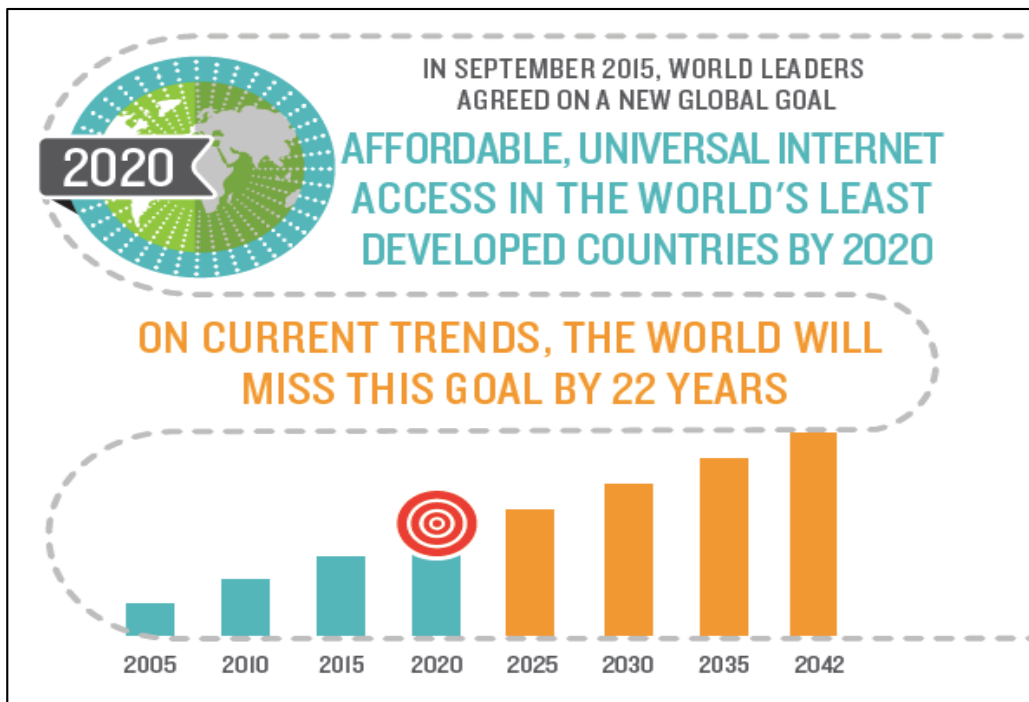
Reaching this goal will require bold and immediate action. On our current trajectory, A4AI predicts that we'll only hit this target in 2042 — 22 years after the target date set by the global community. Without urgent reform, in 2020 we will see just 16% of people in the world's poorest countries, and 53% of the world as a whole, connected. We won't just miss the target, we'll miss by a mile. This connectivity lag will undermine global development across the board, contributing to lost opportunities for economic growth and denying hundreds of millions access to online education, health services, political voice, and much, much more.
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Intended as a contribution to help leaders set us on a path to achieve this goal, the 2015-16 Affordability Report looks at the affordability environment across 51 countries, considers the effects of poverty and income inequality and takes a close look at gender inequality in access.

The Affordability Drivers Index

Our Affordability Drivers Index (ADI) looks at the policies, incentives, and infrastructure investments in place across 51 developing and emerging countries, and assesses the extent to which they are being implemented. This includes policies which we believe drive progress towards more affordable Internet. Countries that do well on the ADI also tend to have lower broadband prices for their citizens, although the ADI does not measure price directly.

Colombia and Costa Rica once again top the rankings, with scores that reflect improved infrastructure and access indicators. Myanmar achieved the largest jump in its ADI ranking, moving up nine places to 27th position, thanks to the successful opening of the previously state-owned telecoms market to new operators (2013), and the recent introduction of broadband services (2014). However, on the whole, scores on the ADI are low, meaning much hard work lies ahead for countries to create the right environment to drive prices down and connection rates up.
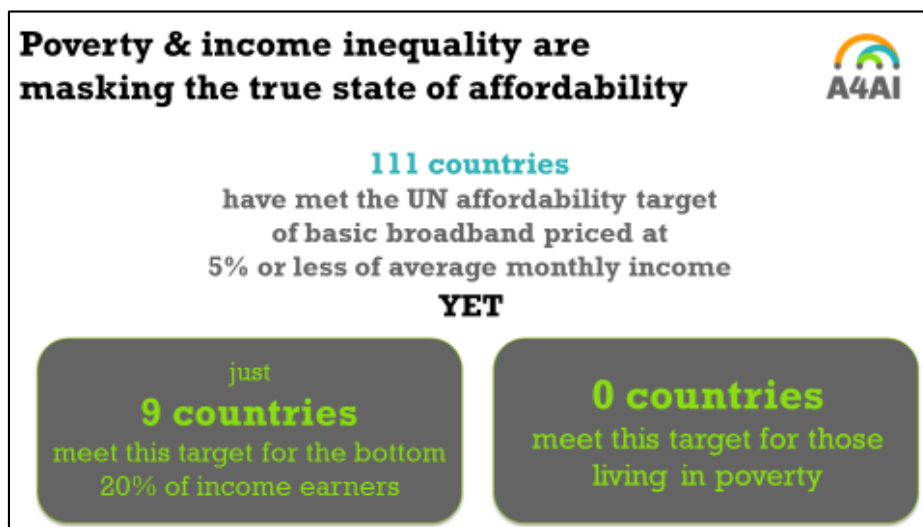
Poverty and inequality

Despite falling prices, **not one of the 51 countries included in our analysis has met the 5% affordability target for those living in poverty.** This is not an issue affecting small numbers of people — 1.9 billion people in the countries covered by the ADI live in poverty (i.e., under $3.10 per day).

Income inequality also plays a role, and may make progress appear faster than it is. Although 25 of 51 countries have met the UN's 5% affordability target for those earning the average national income, just nine of these countries meet the affordability target for the bottom 20% of income earners. The means that millions continue to be priced out of the digital revolution in countries which have met the 5% target. However, when costs drop to 2% or less of monthly incomes, access tends to be affordable for all income groups.

While the report does not consider device costs in detail, it does note that the cost of getting an internet-enabled phone can play a large role in determining who can afford to be online. **When we add the price of a hypothetical low-cost US$48 smartphone to the price of a 500MB broadband plan, the total population in almost all countries that can actually afford both a broadband plan *and* a low-cost**
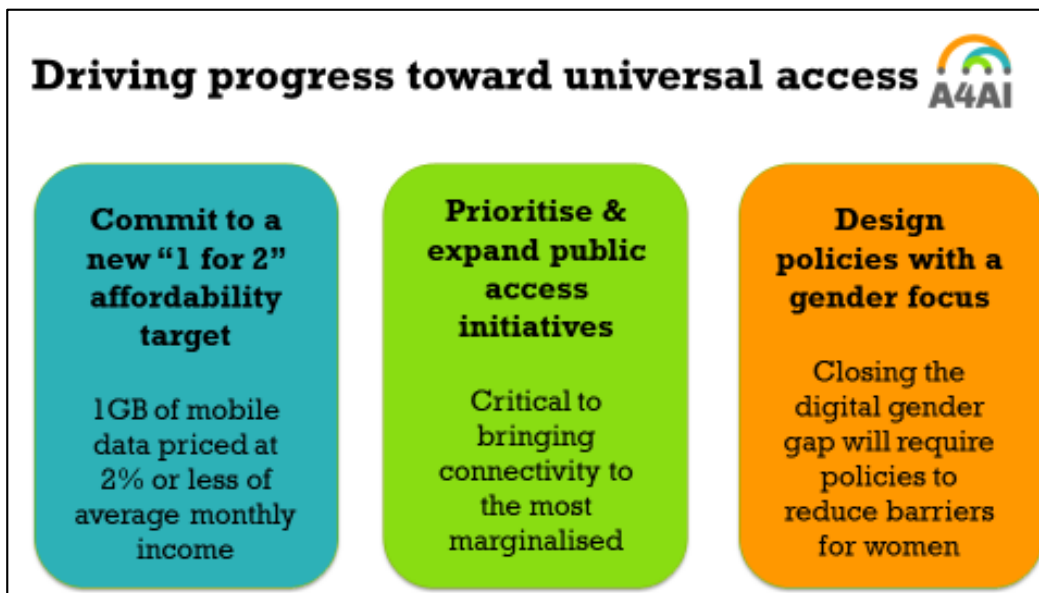
smartphone drops by 20%. We also note that 500MB per month offers only very limited opportunities to use the Internet meaningfully.

The gender gap in access

As stark as the affordability picture appears for those living in poverty and at the bottom of the income pyramid, the cost to connect is even higher for women in these groups. The gender wage gap diminishes the ability of women — and female-headed households in particular — to afford Internet access. Recent <u>research by the Web Foundation</u> shows that poor urban women are 50% less likely to be connected to the Internet than men in the same age group with similar levels of education and household income.

SDG targets 9c (affordable universal access) and 5b (enhancing the use ICT to promote the empowerment of women) might be found under different overarching goals, but they are inextricably linked. Universal access cannot be achieved without concrete and focused efforts to bring women online, just as full gender equality cannot be achieved without enabling women's access to an affordable, open, and safe Internet. Access to education, and skill building and training opportunities is key to support women's effective participation in a digital society, and must be considered and integrated as part of a comprehensive strategy.

Driving progress toward universal access

Commit to a new "1 for 2" affordability target

1GB of mobile data priced at 2% or less of average monthly income

Prioritise & expand public access initiatives

Critical to bringing connectivity to the most marginalised

Design policies with a gender focus

Closing the digital gender gap will require policies to reduce barriers for women

Recommendations

- **Develop and work toward a more ambitious affordability target.** We propose a new "1 for 2" target: 1GB of data priced at 2% or less of average monthly income.
- **Reduce the cost of mobile phones and ICT devices.** Governments must work to reform tax and patent regimes so that ICT device costs can come down. They will also need to incentivise the private sector to develop high quality, low-cost smartphones.

- **Increase investment in and availability of public, subsidised access.** There are always groups that will be excluded by the market and for whom access costs will still remain out of reach. Public access via libraries, community centres, and municipal WiFi schemes — funded by well-run Universal Service and Access Funds — is critical to deliver access to these populations.
- **Create specific, time-bound targets to close the gender digital divide.** Across much of the developing world, the gender gap in Internet use is staggering — for example, there is just one woman online for every three men online in Kampala, Uganda. Governments must set concrete targets to achieve gender equity in digital adoption, skills and empowerment, and back these with specific programs and budget allocations. Gender-disaggregated data must be collected to monitor progress. This should be done through more gender responsive national broadband planning.
- **Integrated approach to policymaking.** Getting everyone online requires balanced policies that address demand as well as supply; regulation as well as competition; fixed-line as well as mobile broadband; public access as well as individual subscriptions. Government ministers and others must spearhead efforts to convene all actors and develop a clear, coherent plan for sequencing reforms and stimulating the investments needed to enable reduced costs and wider access. Donors and aid agencies must come to the party with financial and practical support.