



Nigeria

Affordability Report Highlights 2017

Although Nigeria is Africa's largest economy, broadband affordability is still a challenge for many of its people.¹ In keeping with the government's vision of leveraging information and communication technologies to advance national socio-economic development, more work is needed to build on previous rounds of policy and regulatory reforms to make broadband internet affordable for all income groups.



47%

**ONLINE
POPULATION**

(ITU, 2015)

→ **JUST 36% OF WOMEN
ARE ONLINE²**

(Web Foundation, 2015)



12%

**MOBILE
BROADBAND
PENETRATION**

(GSMA, 2015)



8%

**COST OF 1GB OF
MOBILE PREPAID
INTERNET**

(AS % OF GNI PC)

(A4AI, 2016)

Nigeria's Performance on the 2017 Affordability Drivers Index

Nigeria ranks 13th (out of 58 countries surveyed) on the 2017 Affordability Drivers Index (ADI). This is a decrease from the 12th place ranking Nigeria earned in the 2015-16 Affordability Drivers Index, indicating the slow pace of policy and regulatory progress.³

ADI RANK	COUNTRY	ACCESS	INFRASTRUCTURE	ADI SCORE
13	Nigeria	43.7	67.66	56.58

¹ IMF World Economic Outlook, 2016

² Among urban, low-income communities in Lagos (Web Foundation "Women's Rights Online: Translating Access Into Empowerment," 2015)

³ The ADI scores countries on a scale of 0-100 across two main policy groups: (1) infrastructure and (2) access. It does not measure affordability directly. For more information please see a4ai.org/affordability-report/report/2017

A global coalition
working to
make broadband
affordable for all

www.a4ai.org

1 Policy & Regulation for Competition

Score: 7.0 (out of 10)

Across the five policy areas, Nigeria scored highest for its policies and regulations for competition, thanks to its open and progressive telecommunications regulatory regime. Licensing procedures are transparent, as GSM, CDMA, and other mobile and fixed wireless service licence auctions have been fair. However, mobile operators and internet service providers are still required to apply for different types of individual licences depending on the services offered. Both the Nigerian Communications Commission (NCC) and the National Broadcasting Commission (NBC), which issue licences, regularly engage in public consultations on all major regulatory issues.

2 Broadband Policy

Score: 6.1

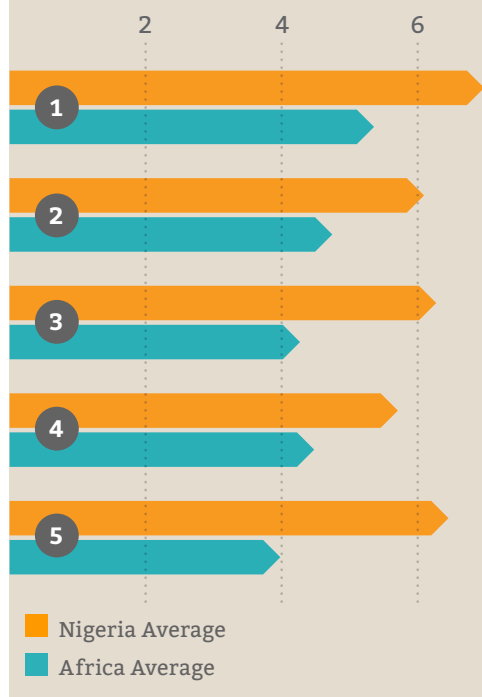
Nigeria's National Broadband Plan 2013-2018 contains detailed targets for reducing broadband costs and increasing penetration, and lays out parameters to monitor progress. For example, the plan aims to increase wireless broadband penetration in the country to 42% by 2018. However, the government's funding and investment plans to support the implementation of this policy (with the exception of the country's public fund for service provision) are not well-defined.

3 Public Access Policies + Use of Universal Service & Access Funds

Score: 6.3

Nigeria boasts an active Universal Service Provision Fund (USPF), where funds are disbursed for projects to improve infrastructure and access. The 2007 Universal Service Agency legislation⁴ encourages telecoms operators to utilise the USPF subsidy to build infrastructure in underserved areas. Millions of dollars have been reserved for projects most likely to close the digital divide in Nigeria, including new base stations, School Knowledge Centres, Community Resource Centres, and inter-university connectivity.⁵ The USPF recently subsidised the Backbone Transmission Infrastructure Project (BTRAIN) to facilitate the connection of rural and semi-urban areas to the national transmission backbone infrastructure, and a Rural Broadband Initiative to expand broadband services in these communities as well. The USPF has advocated for skills training to support local content development, as well as a national governance structure to ensure effective delivery of e-health services.⁶

Nigeria scores higher than the regional average across all policy areas.



4 Infrastructure Sharing

Score: 5.7

Guidelines issued by the NCC in 2006 aim to encourage collaboration among operators, in order to reduce operator and consumer connectivity costs. The guidelines lay out provisions for infrastructure sharing, including collocation for Rights of Way (ROW), antennae, masts, towers, building spaces, electric power, and ducts; the NCC has also developed a detailed list of collocation services. However, more guidance is required, particularly with regard to sharing fibre infrastructure, multiple licences and fees, lack of investment, and transparency in granting rights of access across federal states. Government should also consider incentives to boost infrastructure sharing among operators and ISPs, while recognising the role of independent infrastructure management companies in the sector.

5 Spectrum Policy

Score: 6.5

Nigeria's high spectrum planning scores result in part from the provision of clear, time-bound targets for spectrum availability. Spectrum allocations have been done via auctions using clear guidelines established by the NCC. However, some challenges remain. The digital switchover process — which can yield additional spectrum for broadband services in the 700MHz range — has been delayed twice, causing some uncertainty as to when the national switchover will actually happen. With the number of CDMA operators on the decline, the future of their operations remains unclear — as do their plans to reform their band. Nigeria has started to develop guidelines for future spectrum management, which include guidance on issues including refarming, reselling, and sharing.

Recommendations for Improving Internet Affordability in Nigeria

1. Spectrum plans must continue to provide time-bound targets, and should include provisions for monitoring and evaluation through the NCC, in order to track effective utilisation and to ensure spectrum is adequately and fairly allocated.
2. The NCC must work towards unified licensing for all telecommunications services to promote last-mile connectivity to rural and unserved areas.
3. Improve availability of data on existing infrastructure facilities across multiple sectors (e.g., power and energy), and develop improved guidelines to incentivise and ensure transparency in sharing agreements among operators, tower management companies, and other national infrastructure companies. Incentives should boost open access and last mile connectivity.
4. Revise and update the National Broadband Plan, as the current plan only covers the period up to 2018. The process should prioritise an inclusive, multi-stakeholder approach that considers inputs from all groups.
5. Given the increasingly complex nature of broadband policy and telecommunications regulation, it is important that the government improves its research and analysis efforts — particularly with regards to assessing the impacts of proposed regulations. One example of this is the call for more evidence-based policy making with regard to the recent data price floor promoted by the NCC.⁷
6. Pursue a fair and balanced approach to taxation on ICT services, including those on handsets and data, to encourage investment and internet use.⁸

⁴ Nigeria Universal Access and Universal Service Regulations (2007)

⁵ Universal Access and Service Funds in the Broadband Era: The Collective Investment Imperative, (A4AI 2016)

⁶ Ibid

⁷ A4AI-Nigeria Coalition (12 Dec 2016), An Open Letter to the Nigeria Communications Commission

⁸ If passed, the proposed Communications Service Tax would add 9% to existing taxes on handsets and data, potentially making the internet unaffordable for an additional 20 million Nigerians. (See A4AI (17 May 2016), "Nigeria Coalition Urges Government to Reconsider Proposed Communication Service Tax")