



Executive Summary

This report is the eighth edition of the Affordability Report. Released annually by the Alliance for Affordable Internet (A4AI), the report summarises the state of internet affordability around the world and of the policies and regulations that affect it.

Information and communication technologies (ICTs) have had a transformational impact on our world. This effect has been no more present than over the past two years as much of the economy, government, education, and health have moved online in response to the global pandemic. However, despite this impact, vast inequalities exist. Women, especially rural women, remain excluded from the 'digital revolution'.

The latest update of the Affordability Drivers Index (ADI) indicates that, overall, conditions continue to improve towards greater affordability. However, progress remains slow – too slow. Governments have not taken the required actions to accelerate internet access worldwide in a way that would help attain the Sustainable Development Goals, grow the economy, and help people realise their potential.

Universal Service & Access Funds (USAFs) could act as catalysts for action to drive down the price of internet access, expand coverage to the millions that remain unconnected, and build the inclusive foundation for a robust digital economy. USAFs have historically fit to a contained brief of intervening only where there are market failures. But they hold a unique position within the telecommunications sector that makes them well positioned to advance progress towards universal internet access.

Our report builds from new innovations in industrial policy that focus on reorganising political and economic institutions to work in harmony towards a common goal. This theory spans issues of organisational competence and structure, financing and funding models, market regulation, and modes of participation and partnership across public, private, and community sectors.

There are several potential interventions and reforms for USAFs to better deliver on a mission for universal internet access. Built from the theory's seven pillars for action, they span from operational details to governance strategies.

Pillar	Focus Area	Example Gov't/USAF Policy
VALUE	<i>Creating and pursuing values other than profit through market mechanisms</i>	Community-led and peer-to-peer digital skillbuilding
MARKETS	<i>Shaping markets rather than just rescuing market failures</i>	Device subsidisation
ORGANISATIONS	<i>Developing public sector capacity and enabling cross-functional government strategy</i>	Multi-stakeholder universal access policies and national broadband plans
FINANCE	<i>Providing essential capital support and using fiscal policy coherently</i>	Device taxation, fronting capital for major investments with multi-year returns
DISTRIBUTION	<i>Building infrastructure that guarantee affordable access, regardless of ability to pay</i>	Public access points, municipal networks, and open backbone infrastructure
PARTNERSHIP	<i>Engaging a wide diversity of actors across the sector in support of the mission</i>	USAF-backed projects for new innovations and complementary methods
PARTICIPATION	<i>Governing with transparency to enable inclusive participation</i>	USAF board compositions, with private sector and civil society inputs

Governments must modernise the USAF mandate to build inclusive, strong digital economies. USAFs offer the pre-existing infrastructure to pursue a mission for universal internet access. However, governments must enable these institutions to evolve with the growing impact of the ICT sector with timely policies, adequate resources, and a mandate to build a coalition of actors across the sector.

 <p>1</p>	 <p>2</p>	 <p>3</p>
<p>Adopt a universal access strategy with a modern, ambitious USAF mandate that includes institutional coordination in policy design and implementation stages</p>	<p>Commit adequate resources — financial, political, and human — to the USAF to deliver on its mandate</p>	<p>Open USAFs with transparency and wide stakeholder participation, and build a coalition of actors for universal internet access</p>

There is still time to act and meet the international goals set for universal, affordable access to the internet by 2030. But these goals will not be met without radical thinking and new approaches that move legacy institutions from their ways of working at inception to new strategies for a new era of digital technologies.