

Insights from implementing a universal service fund in Brazil

December 2025



1 Introduction

The implementation of the Universal Telecommunications Services Fund / *Fundo de Universalização dos Serviços de Telecomunicações* (FUST), the main instrument utilized in the Federative Republic of Brazil for promoting universal access to telecommunication connectivity, has followed a singular trajectory. Although established more than two decades ago, due to legal and fiscal obstacles that have since been overcome, the effective implementation of FUST began in 2022. Since then, in just two years of active operation, FUST has already channelled significant investments into connecting schools and expanding fibre-optic networks in rural and remote areas of the country. If this pace of investment is sustained, the fund could play a decisive role in achieving universal Internet access in Brazil, which, although it has grown substantially over the past decade, still faces significant challenges in respect to coverage and

access. The annual ICT Households survey from Cetic.br highlights the current scenario where 95 per cent of households in social class A have fixed broadband access, compared with just 40 per cent in classes D and E.¹

This brief case study² outlines the establishment of FUST, its long period of inactivity, and the efforts undertaken to enable its use, culminating in the implementation of concrete connectivity projects. The goal is to share good practices and lessons learned throughout the process, and to offer insights especially for countries seeking to establish or improve their own universal service funds, with a view to ensuring universal and meaningful connectivity.

¹ The complete indicator is available at <https://cetic.br/pt/tics/domicilios/2024/domicilios/A5/>. Last accessed: 4 December 2025.

² This case study has been prepared by Diogo Moyses Rodrigues in his capacity as an ITU expert, in support of ITU work in partnership with the United Kingdom Foreign, Commonwealth and Development Office (FCDO).

Universal service financing mechanisms

The [Universal Service Financing Efficiency Toolkit](#), developed by ITU, provides analytical tools, examples, and templates that are grounded in practical experience and designed to help policy-makers, regulators and universal service fund administrators to navigate common questions and challenges they face when using public funds to design, implement and finance programmes and projects that facilitate access to digital technologies and communication infrastructure.

2 Historical and legal context

The universal service fund (USF) in Brazil was established in 2000 by [Law No. 9,998/2000](#), following its initial provision in the [1997 General Telecommunications Law](#), which laid the groundwork for telecommunication sector reform. The main goal of the fund is to finance the expansion and universalization of telecommunication services, particularly in economically less attractive areas of Brazil such as rural, remote, and underserved urban regions. As with similar initiatives in other countries, the core idea was to ensure that all citizens, regardless of location or socioeconomic status, would have access to essential connectivity services.

As provided for in the legislation governing the fund, FUST revenues are drawn primarily from a 1 per cent levy on the gross operating revenue of all telecommunication service providers in the

country, along with a portion of the resources from the Telecommunication Inspection Fund (FISTEL).³ From its inception in 2000, FUST had accumulated approximately BRL 27.7 billion (USD 5 billion)⁴ by 2024, with an annual average of about BRL 1 billion (approximately USD 180 million).⁵

Despite its establishment in 2000 and the continued collection of the resources during the intervening period, FUST remained inactive for over two decades. During this period, obstacles such as restrictive interpretations of its purpose and limitations related to the public spending cap, hindered the practical distribution of the funds collected. As a result, the collected resources were not applied to projects related to extending connectivity until 2022.



The figure below outlines the main factors that prevented the effective use of FUST resources for over 20 years:

³ FISTEL is a federal fund that finances the oversight of telecommunications services in Brazil. It is administered by ANATEL and paid by companies and users of telecom services. The revenue mainly comes from the TFI (installation fee) and TFF (annual operating fee).

⁴ Official conversion rate as of November 15, 2025.

⁵ The collection history of the FUST is available at: <https://sistemas.anatel.gov.br/anexar-api/publico/anexos/download/3f6f712e34c37d36e525d03030a5c543>

Figure 1: Factors that prevented the effective use of FUST resources

 FACTOR	 DESCRIPTION
Focus on fixed-line telephony	The original legislation centered on fixed-line telephony. However, public policy priorities shifted toward internet access, quickly rendering the legislation outdated.
Lack of clarity on implementation	The original law defined FUST resources as covering costs tied to universal service obligations not recoverable through efficient provision – a vague definition that hindered implementation.
Legal restrictions	The original law prohibited the use of FUST funds in projects with potential financial returns, which discouraged public-private partnerships.
Budgetary constraints and lack of political priority	Federal government collected FUST resources for over 20 years, but the funds were redirected to other budgetary priorities, rather than being allocated to the connectivity projects.

Source: ITU

In 2020, with the enactment of Law No. 14,109/2020, FUST underwent a significant reform driven by strong engagement from both the private and third (not-for-profit) sectors in collaboration with the National Congress. The new legislation broadened the objectives of the fund, consolidated its focus on broadband policies, and authorized the use of resources for initiatives such as providing connectivity and Internet access to public schools, rural communities, and other digital inclusion projects. The new legislation also

enabled public-private partnerships (PPPs) and established a clearer governance structure through a Steering Committee and the formal designation of implementing institutions.

Following these changes, and an institutional decision to actively employ the fund in support of connectivity access policies, FUST was finally activated in 2023, marking the beginning of the effective disbursement of FUST resources to strategic connectivity projects across Brazil.

Figure 2: FUST reform and changes and features of the new legislation

SUBJECT	UPDATE/CHANGE
Updated Focus	The new legislation shifted the fund’s focus to digital inclusion – rather than expanding fixed-line telephone services – making it compatible with current sectoral priorities and public policies.
Legal Clarity and Flexibility	A clear and flexible legal framework replaced previous ambiguities, enabling application across technologies (fixed and mobile) and contexts (rural and urban). It also authorized public-private partnerships for implementation.
Multisectoral Governance	FUST’s management was reorganized through the creation of a Multisectoral Steering Council, composed of representatives from the government, private sector, and third sector, making the process safer, more agile, and more transparent.
Definition of Modalities	New modalities for the use of funds were established: Reimbursable, Non-reimbursable and Guarantees.
Education	A minimum of 18% of the resources must continue to be allocated to education-related policies.
Rural Use	The fund is now allowed to support technological innovation in telecommunications services in rural areas.
Executing Institutions	Financial agents responsible for operationalizing the fund’s resources were designated, specially the BNDES (Brazilian Development Bank).

Source: ITU

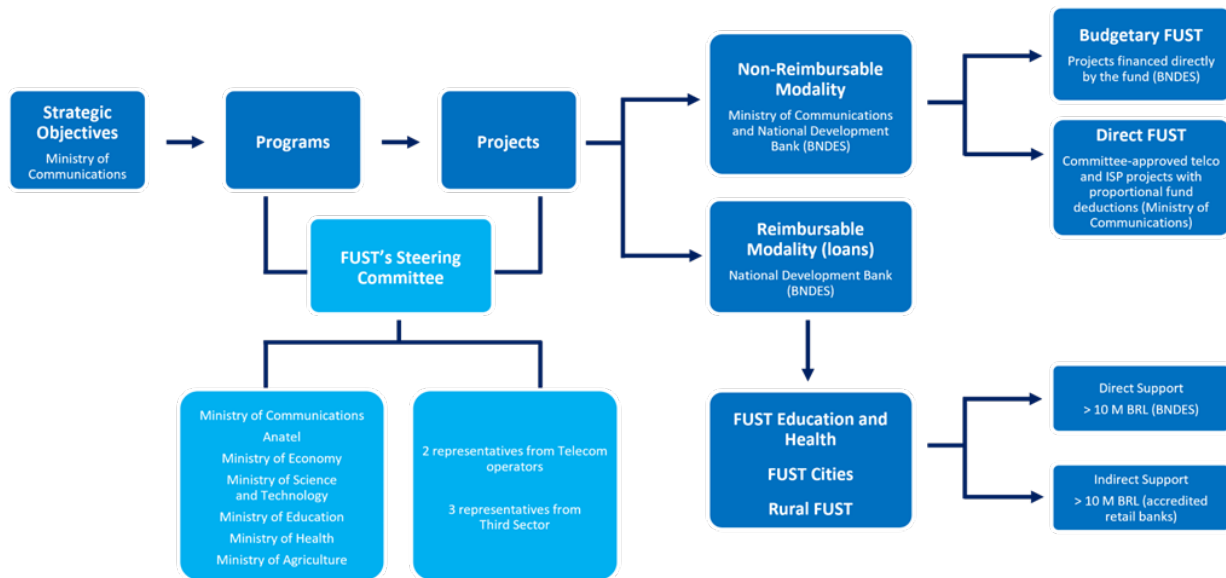
3 Structuring the use of the fund

The measures adopted beginning in 2021, during the fund's initial structuring phase, were essential to ensure alignment with government priorities and the institutional security required to commence the effective execution of resources. These measures included the definition of strategic objectives, programmes, projects, financing lines

and disbursement mechanisms and modalities, as well as ensuring institutional coordination through the establishment and operation of the Fund Management Committee.

Figure 3 summarizes the FUST governing structure, as well as the institutions responsible for each stage of the process.

Figure 3: FUST governing structure



Source: ITU

3.1 Definition of strategic objectives

Following legislative change in 2020, and the adoption of the new legislation in 2022 through a [Presidential Decree](#), followed by a [Ministerial Ordinance from the Ministry of Communications](#), nine strategic objectives were established for FUST. A further revision to the [Ministerial Ordinance was carried out in 2024](#) in order to include the expansion

of data centres as part of the portfolio of projects to be supported by FUST.

The nine strategic objectives are summarized in the Figure 4. Since 2023 and the beginning of effective implementation, practical investment efforts have focused primarily on expanding telecommunication networks in rural and remote areas, as well as on enhancing school connectivity and it can be seen that these priorities are clearly supported in the results achieved to date (see Section 4).

Figure 4: Current strategic objectives of FUST



Source: Ministry of Communications

3.2 FUST Steering Committee and institutional coordination

Following the legislative amendment in 2022, one of the first essential steps for operationalizing FUST, was the establishment of the FUST Steering Committee with the participation of a number of government entities and stakeholders. The FUST Steering Committee is composed of 13 members and comprises the National Telecommunications Agency (Anatel), representatives from the government, including the Ministry of Communications and other ministries related to the digital agenda, such as Economy, Science and Technology, Education, Health, and Agriculture, as well as two representatives from telecommunication operators (with one required to represent small operators), and three from civil society.

The FUST Steering Committee is responsible for all investment decisions, including defining areas of focus, project profiles, types of disbursements, expected return rates for loan modalities, and the accreditation of financial institutions authorized to manage fund resources. While the legislation determines that the FUST Steering Committee must meet at least three times a year, the Committee had already met 12 times in ordinary session and another 25 times in extraordinary session between June 2022 and November 2025. For simpler decisions, member approvals can be obtained virtually.⁶

The presence of other ministries on the FUST Steering Committee is crucial, as it ensures that the fund supports connectivity projects in specific segments, such as education, health, and rural enterprises, in a coordinated manner, avoiding overlaps and unnecessary waste of public resources.

⁶ [Meetings and deliberative circuits, Ministry of Communications](#)

Alignment with the National School Connectivity Strategy (ENEC)

One of the priority uses of FUST in Brazil is to support school connectivity, with legislation requiring that at least 18 per cent of the fund resources be allocated to education. To avoid overlaps and inefficient waste of resources, coordination among the institutions responsible for connecting schools takes place within the framework of the [National School Connectivity Strategy](#) (ENEC), which is coordinated by the Ministry of Education. As a result, schools are only eligible for FUST funding if they are not already covered by another connectivity initiative, such as that led by the [School Connectivity Management Entity](#) (EACE) which uses proceeds from the 5G auction and is coordinated by the Ministry of Communications.

One of the challenges identified during this period related to the FUST is the potential requirement for a presidential decree to define the methodology for calculating the 18% allocation to education within each FUST's modality, which may make this procedure institutionally more complex.

3.3 Disbursement modalities

The various disbursement modalities are set out in the updated FUST legislation. These include reimbursable; non-reimbursable; and guarantee modalities.

- The **reimbursable** modality involves low-interest loans to companies in the sector for the execution of projects. This modality is managed by the National Bank for Economic and Social Development (BNDES) and other financial institutions accredited by it.
- The **non-reimbursable** modality involves direct investments in projects with no expectation of return to the fund. Currently, the legislation sets a maximum limit of 50 per cent of fund resources for this modality, which includes two sub-modalities. The first sub-modality, called **Budgetary FUST**, refers to direct investments (grants) using FUST resources through a call for proposals process approved by the FUST Steering Committee and is also managed by the BNDES. The second sub-modality, currently referred to as **Direct FUST** and managed directly by the Ministry of Communications, allows operators to make direct investments in projects approved by the FUST Steering Committee using their own resources, with the possibility of deducting up to 50 per cent of the amount due to the fund (as part of the annual 1 per cent on the gross operating revenue of telecommunication service providers). According to the legislation, this legal provision

ends in 2026, and a legal amendment is necessary to extend this deadline of the Direct FUST and allow the continuation of this mechanism.

- The **guarantee** modality is intended to cover default risks in financed projects.

3.4 Programmes and projects

The first step in defining the initiatives to be funded was to establish the [programmes](#) eligible for financing across all modalities. [Specific projects were subsequently outlined](#) under each programme including connectivity initiatives for which Internet service providers (ISPs) and other service providers can apply to receive funding and implement the projects. Programmes and projects can be updated by the FUST Steering Committee during ordinary or extraordinary sessions, allowing updates and improvement in the use of the fund.

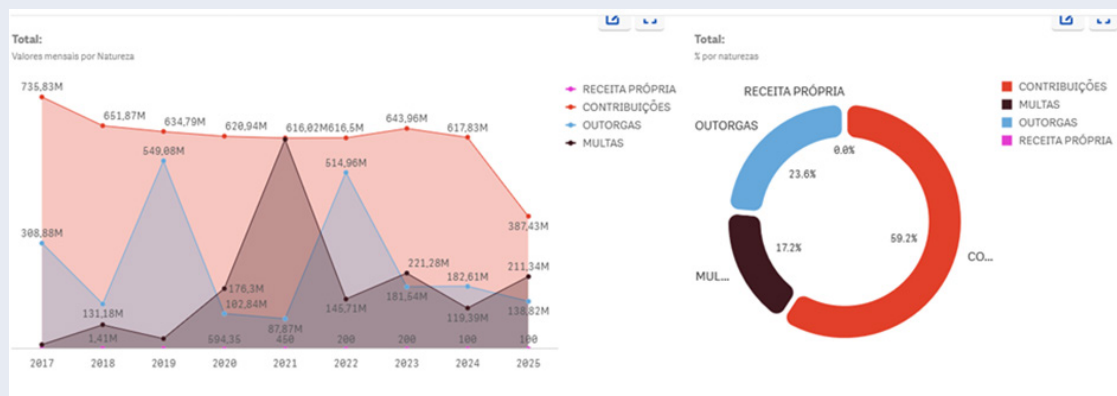
The project guidelines addressed to ISPs, already approved by the FUST Steering Committee, include the project scope, potential beneficiary entities, possible individual beneficiaries, the budget allocated for the project, reference costs, indicators and targets, and potential modalities which can be demanded by the operators. The eighth version of the [Project Portfolio](#) was approved by the FUST Steering Committee in December 2025. The FUST Steering Committee has the prerogative to update the project notebook at any time, keeping projects in line with public policy priorities.

Data driven decision-making

Data support for decision-making around FUST has proven essential in the fund's early years of operation. According to FUST managers and decision-makers, significant efforts were made to improve the quality of data concerning telecommunication infrastructure and the connectivity status of schools across the country. This data driven decision-making has ensured that approved projects are implemented in areas lacking effective connectivity, thereby avoiding overlaps and waste of resources, and also increasing transparency, accountability and trust.

The ICT regulator, the National Telecommunications Agency (Anatel) plays a key role in compiling data on transport (backhaul) and access (last-mile) network infrastructure, as well as on the presence of base stations and other components required for mobile connectivity. In addition, in partnership with the Ministry of Education, Anatel gathers data on the various school connectivity programmes, allowing precise identification of which of the more than 140 000 schools in the country still require support from federal public policies. The ICT regulator also offers a [public dashboard](#) (see Figure 5) that tracks FUST resource collection in real time, along with the projects approved by the FUST Steering Committee, providing a [complete list of municipalities, localities, schools, and federal highways](#) whose connectivity projects may be financed with funds from the programme.

Figure 5: Dashboard of FUST resource collection in real time



Source: ANATEL

The **Ministry of Communications**, which coordinates the FUST Steering Committee, maintains a dedicated section on its official website that provides comprehensive information on various aspects of the fund. This includes governing legislation and regulations, [details about the Committee's composition and decisions, ongoing and approved programmes and projects](#), as well as the allocation and use of resources.

The **Ministry of Education**, in partnership with **NIC.br**, manages the [Connectivity Map for Education](#), which compiles data on the quality of Internet access in schools and makes it possible to verify whether schools connected through fund resources meet the quality standards set by the National Connected Schools Strategy (ENEC).

Additionally, the **National Bank for Economic and Social Development (BNDES)** hosts a dedicated [page aimed at service providers](#) interested in applying for funding through FUST, as well as information on the [results achieved by FUST](#) across its different financing lines.

4 Execution and impact

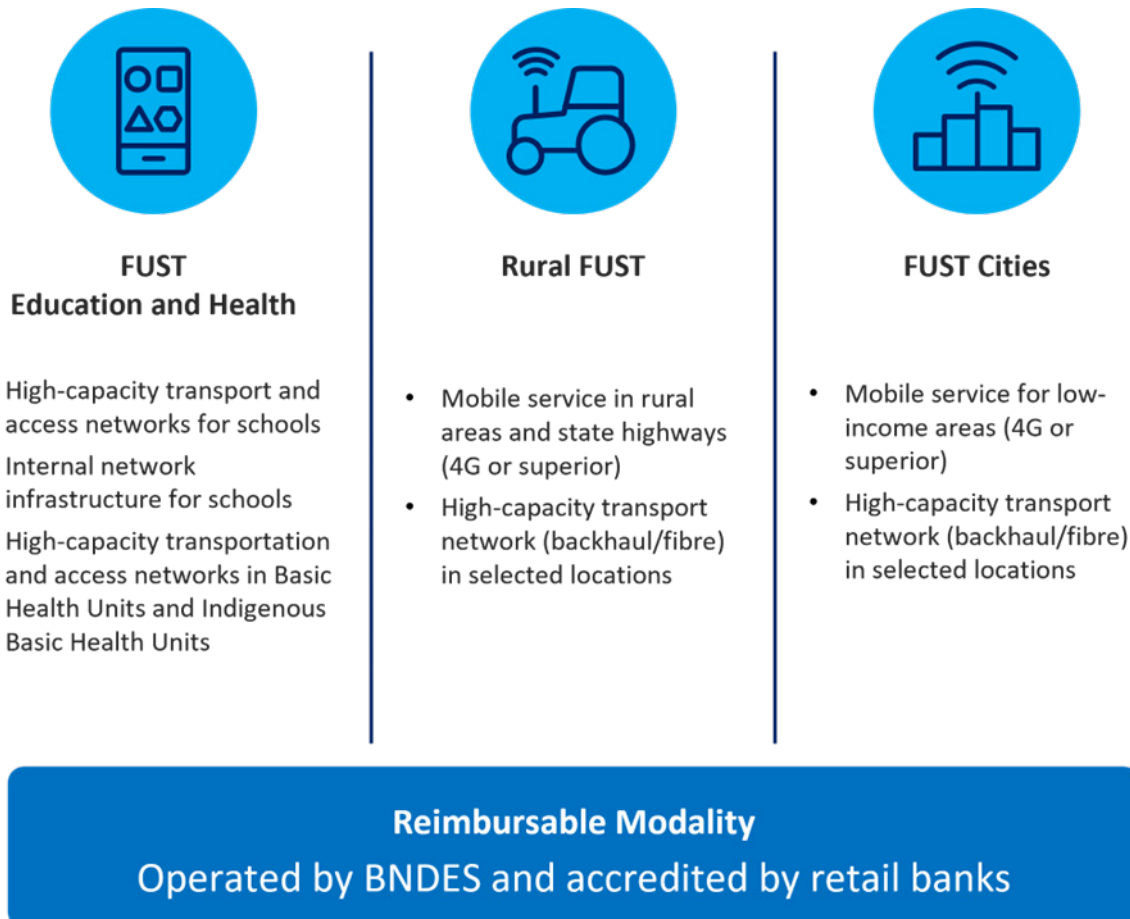
4.1 Reimbursable modality

The reimbursable funding line, which provides loans at low interest rates and easier payment methods, is operated by the [National Bank for Economic and Social Development](#) (BNDES), which receives federal government resources, establishes rules, interest

rates, and fees for lending, evaluates proposals, and monitors the implementation of projects. In the first two years of operation, the majority of FUST resources allocated, 95 per cent, were concentrated through this reimbursable modality.

The institution has defined [three major financing lines](#), named FUST Education and Health, FUST Cities, and Rural FUST, as described in Figure 6.

Figure 6: BNDES financing lines



Source: Ministry of Communications

An interest rate of 2.5 per cent per year was established for general network expansion projects, and a reduced rate of just 1 per cent was set for projects including initiatives related to health and education, connectivity in favelas, and connectivity in rural areas designated by the Federal Government. Although other charges still apply, such as the financial cost rate (known in Brazil as the TR – Referential Tax) and the Credit Risk Rate, which varies depending on the risk profile of the client and the financing terms, the total interest paid by operators is **substantially lower than market rates.**⁷

As of October 2025, approximately BRL 2.6 billion (USD 470 million⁸) had been financed through loans from BNDES and partner institutions, supporting connectivity in 1 158 municipalities. These projects have deployed over 12 000 kilometres of fibre-optic cables and installed 616 4G and 5G base stations (ERBs). In addition, 680 favelas and 458 schools have also been connected through the reimbursable modality, either directly by BNDES or through accredited financial institutions.

⁷ Available at <https://www.bndes.gov.br/wps/portal/site/home/financiamento/produto/fust-bndes>

⁸ Official conversion rate as of 15 November 2025.

The crucial role of the National Bank for Economic and Social Development (BNDES)

The National Bank for Economic and Social Development (BNDES) plays a central role in managing the financial operations of the Universal Service Fund, executing both in the reimbursable modality, which currently accounts for the majority of the resources, and in the non-reimbursable modality (Budgetary FUST), while also acting as the link between Internet service providers (ISPs) and the financial resources of the fund.

BNDES provides two types of support: direct and indirect. **Direct support** applies to operations exceeding BRL 10 million (USD 1.8 million¹), while **Indirect support** applies to operations below BRL 10 million. These are financed with BNDES resources but implemented through other banking institutions accredited by BNDES, including major retail banks, which provide broader service coverage across the country, thereby enabling potential engagement with the more than 10 000 small Internet service providers operating nationwide. [BNDES maintains a dedicated webpage for the FUST](#), where information is made available regarding eligibility, interest rates, terms, guarantees, and proposal submission guidelines.

¹ Official conversion rate as of 15 November 2025.

Managers and regulators report⁹ that, starting in 2024, the demand from small and medium-sized operators for resources has grown substantially, approaching the annual limit of available funds, which can be considered positive. However, this invites a discussion about potential prioritization among proposed projects, as well as the possibility of additional budget allocations, in addition to maintaining the flow of funds collected for the fund.

4.2 Non-reimbursable modality

As mentioned, the **non-reimbursable funding modality**, composed of two sub-modalities: **Budgetary FUST (grants)** and **Direct FUST (tax waiver)**, is implemented and executed by the BNDES (Budgetary FUST) and by the Ministry of Communications (Direct FUST). It is guided by the programmes and projects approved by the FUST Steering Committee, along with an official list of schools identified for service delivery. This modality, in the first three years of the fund's operation, has been used exclusively for connecting schools, in line with the established goal of connecting all schools to the Internet by the end of 2026.

In 2024, the first public call for proposals was launched under the **Budgetary FUST** sub-modality, aimed at directly connecting schools to broadband Internet. As a result, the funding of two projects have been approved to date, targeting the connection of **1 503 schools**, with a total investment of approximately **BRL 60.4 million** in public funds. In

September 2025, the FUST Steering Committee approved the guidelines for a second call for proposals to connect an additional 1 200 schools in the North and Northeast regions.

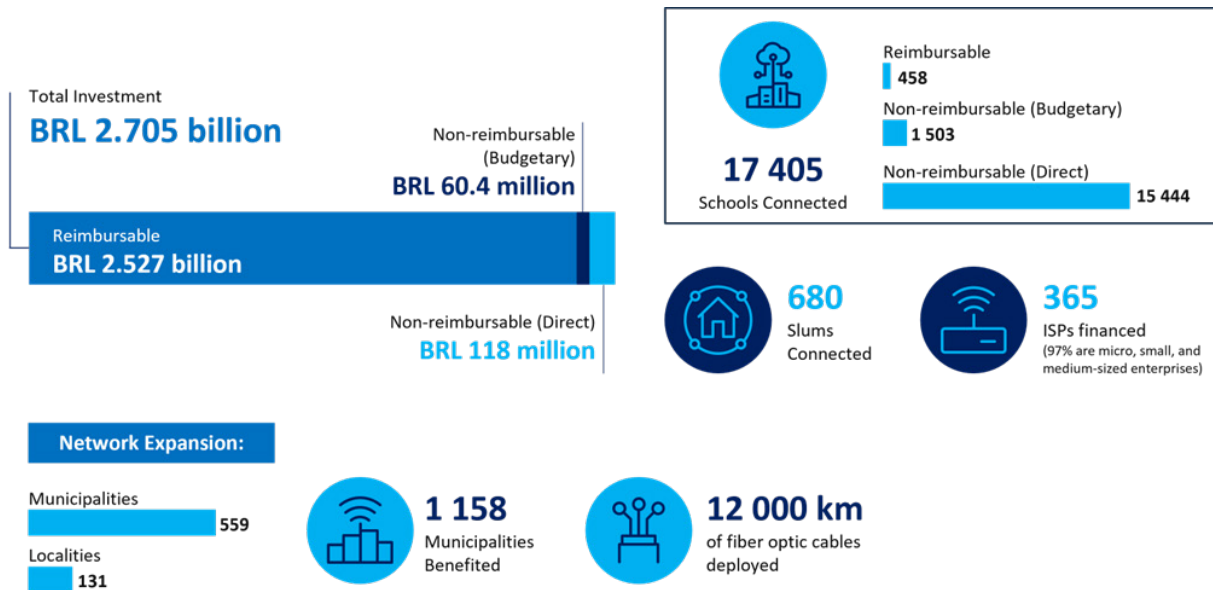
Within the same non-reimbursable framework, significant progress has been achieved with the **Direct FUST** sub-modality, which is implemented directly by the Ministry of Communications, and allows telecommunication operators to invest directly in school connectivity projects in exchange for a corresponding reduction in their mandatory FUST contributions. To date (September 2025), 16 projects have been authorized under this mechanism, covering the provision of connectivity services and internal network infrastructure to **15 444 additional schools**, representing an investment of over BRL 118 million. Unlike other financing fronts, the **Direct FUST** was accessed by large operators, which transfer more resources to the fund and are better able to operate this type of tax waiver. As mentioned, the legal provision for the Budgetary FUST ends in 2026, and a legal amendment is needed to extend this deadline so that this mechanism can be used from 2027 onwards.

Taken together, the Budgetary FUST and the Direct FUST mechanisms under the non-reimbursable modality are enabling the connection of **16 947 schools**, significantly advancing the fund's objectives.¹⁰

⁹ Interviews conducted with regulators and fund managers between September and October 2025.

¹⁰ The Ministry of Communications maintains a dedicated page with the list of projects already approved, available at: <https://www.gov.br/mcom/pt-br/assuntos/fust/receitas-e-despesas-1/demonstrativo>

Figure 7: FUST investments from August 2023 to October 2025



Source: BNDES and Ministry of Communications

One initially unforeseen FUST fund innovation was the creation of a credit line for emergency actions. The measure was implemented in response to the severe floods that hit Porto Alegre, the capital of Rio Grande do Sul, in 2024, which had a significant impact on a number of companies in the sector. To address this, an emergency credit line was established to support the impacted Internet service providers, financing 31 providers operating in 84 per cent of the municipalities in the state. Originally created to respond to this specific event, the emergency credit line has since become a permanent feature of the fund, intended to support future climate-related emergencies.

5 Lessons learned and challenges

The Universal Service Fund (FUST) in Brazil has followed an atypical implementation trajectory. While contributions have been collected since 2001, the fund only began effectively disbursing funds in 2022 after a number of obstacles that had previously prevented the use of the fund were overcome, and strategic steps had been taken to establish a system capable of initiating its operation. Within two years, this system has already generated notable outcomes.

Following this initial phase, key lessons learned and remaining challenges can now be identified. Together with the account of the implementation trajectory of the universal service fund in Brazil (FUST), these insights may assist regulators and policy-makers in other countries in designing and implementing their own universal service funds, as well as in improving existing fund mechanisms

to ensure their optimal use in expanding universal access to telecommunication infrastructure and ICTs.

5.1 Lessons learned

- **Alignment on national priorities is key:** In the specific case of the Brazilian USF (FUST), which remained dormant for over 20 years, it became clear that the changes necessary for its effective implementation depended on legislative reforms, the actual availability of resources, and the engagement of various institutions. Furthermore, the alignment of different sectors, including various government ministries, parliament, the private sector, and the third sector, around shared priorities was decisive in unlocking the fund.
- **A multi-sectoral governance body can enhance policy coordination and foster accountability:** The FUST Steering Committee, led by the Ministry of Communications and including Anatel and the Ministries of Education, Health, Economy, and Agriculture, enables shared decision-making and alignment with broader Internet connectivity policies. This includes initiatives under the National School Connectivity Strategy (ENEC), and those implemented by other institutions. The participation of the private sector and civil society representatives further strengthens dialogue and promotes transparency.
- **Direct investments (grants) are the most efficient way to overcome more complex gaps:** Non-reimbursable investments, especially through the FUST Budgetary sub-modality, are highly effective in reaching areas with little or no economic appeal, even when

favourable loan options exist. These resources, not intended to generate financial returns, enable network expansion, healthcare centres and schools connectivity in locations that market forces would typically avoid.

- **Favourable loan conditions help attract ISP interest:** In the case of reimbursable funds, below-market interest rates and favourable loan terms were key to encouraging Internet service providers to propose projects. These conditions made investments viable in areas with economic potential but high upfront costs that would normally be prohibitive.
- **Regulatory flexibility allows for the updating of objectives and projects:** Unlike the previous rigid framework, the new FUST regulation allows for the regular revision of strategic goals, programmes, and projects. Its flexibility supports various funding modalities and makes it possible to tailor solutions to different provider profiles, investment types, and connectivity challenges.

5.2 Challenges

- **Maintaining an active and sustainable resource flow over the medium and long term:** One of the key challenges in the Brazilian context is ensuring a continuous and stable flow of financial resources. Whilst FUST collection has averaged BRL 1 billion in recent years, it is important to maintain sufficient funds to ensure that investments can proceed until the strategic objectives are fully achieved. This is particularly important given that it took over 20 years to effectively unlock the use of the fund, so any future interruption in funding flows could halt ongoing projects and jeopardize digital inclusion efforts. Legislative changes could reinforce the mandatory nature of resource allocation, which is not currently the case. Additionally, given the significant demand on FUST resources to support different types of initiatives, it is advisable to assess the relevance of expanding contributions to the fund from other agents in the digital ecosystem, beyond telecommunications operators alone.
- **Coordinating priorities to avoid fragmentation and low effectiveness:** The new legislation and subsequent regulations have given the fund enough flexibility to support a wide range of projects, including telecommunication networks expansion, education, healthcare, data centres, and more. Coordinating these diverse demands in a limited budget scenario is essential to prevent the dispersion of resources and to ensure the fund is used effectively. Assessing the regional and local distribution of investments is also crucial in terms of the effectiveness and impact of those investments.
- **Finding the best proportional balance for different modalities:** Currently, there is a 50 per cent limit for non-reimbursable funding, that is, for direct investment in locations of lower economic interest. However, even with the legal limitations, less than 10 per cent have been used for these more targeted investments. One of the ongoing discussions is on increasing spending on this modality to quickly reach locations not yet served by fibre-optic networks.
- Assess the relevance of mobilizing efforts to amend the legislation in order to extend the legal deadline for the FUST budgetary sub modality, currently set to expire in 2026, thereby ensuring the continued possibility of using this mechanism to support connectivity projects, including the connectivity of public facilities, particularly Basic Health Units.
- **Maintaining and increasing ISP engagement:** Brazil has a unique landscape, with more than 11 000 small Internet service providers (ISPs)¹¹ operating alongside large telecommunication companies. One of the main challenges for FUST is to create favourable conditions for these smaller ISPs, which often face greater difficulties, such as in providing financial guarantees for loans. The participation of smaller ISPs is crucial, especially in rural and remote areas where they are often the primary or only connectivity providers.
- **Keeping data up to date:** One of the strengths during the initial phase of using the USF in Brazil was the quality and timeliness of data on telecommunication network infrastructure, as well as data on connected/disconnected schools. This data, which is currently managed and organized by Anatel from various databases, provided the FUST Steering Committee and the loan operator (BNDES) with enhanced data driven decision-making means to select projects and initiatives in underserved areas and schools. This has allowed for more efficient investment of resources, avoiding overlaps and duplication of efforts, and builds accountability and trust in the use of public funding.

¹¹ ICT Providers 2024, NIC.br, available at <https://cetic.br/pt/pesquisa/provedores/indicadores/>

6 Conclusion

The effective execution of the Telecommunications Services Universalization Fund (FUST), more than two decades after its establishment, represents a notable milestone in the implementation of sector-specific public policies aimed at expanding connectivity in Brazil. This development was made possible through a combination of enabling legislative reforms and strengthened commitments to the allocation of financial resources. In its first two years of effective implementation, the Fund has demonstrated tangible results, particularly in supporting the deployment of fibre-optic infrastructure and improving connectivity for schools in rural and remote areas.

From a development perspective, a number of key challenges merit continued attention in order to enhance the efficiency, impact and economic sustainability of the Fund. These challenges include:

- the need for improved coordination and prioritization to prevent fragmentation of interventions and sub-optimal outcomes;

- the identification of an appropriate balance among different implementation modalities and financing instruments;
- the maintenance and further strengthening of engagement with Internet service providers (ISPs), particularly those operating at the local and regional levels.

In conclusion, while the recent progress achieved through the effective execution of FUST signals a positive shift in the approach taken in Brazil to digital inclusion, its long-term success will depend on sustained institutional commitment and strategic refinement. Addressing coordination gaps, calibrating implementation mechanisms, and deepening collaboration with local and regional ISPs will be essential to maximize the developmental impact of FUST. By aligning financial resources with clear priorities and evidence-based policy design, FUST has the potential not only to expand connectivity, but also to contribute meaningfully to reducing regional inequalities and fostering inclusive socio-economic development across the country.

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