Leveraging Universal Service Funds to Drive Inclusive Connectivity in Africa.

Caroline Mbugua HSC. Senior Director Public Policy and Communications. 08th April 2024

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The state of mobile internet connectivity in Africa

Percentage of population

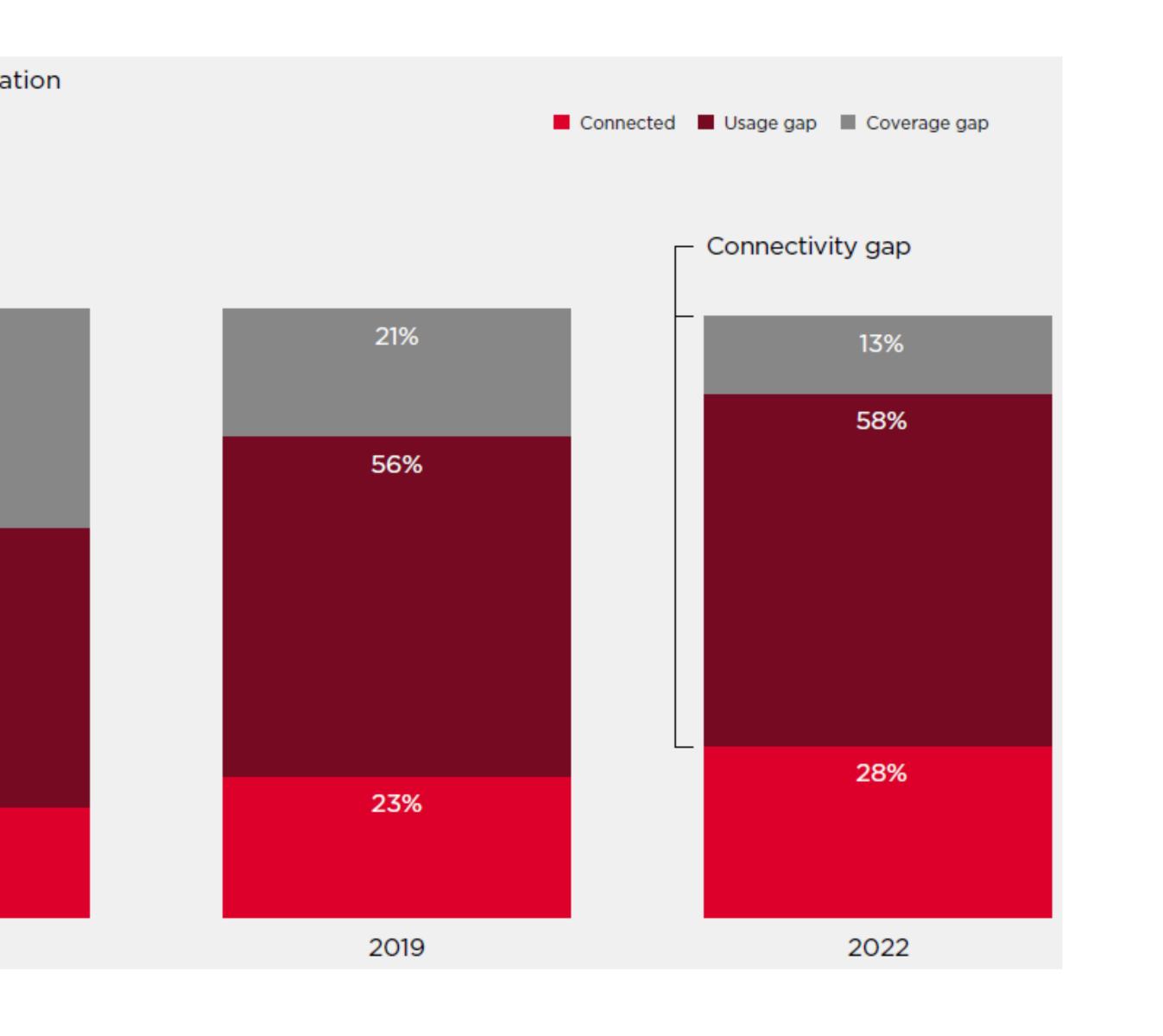
Source: GSMA Intelligence

36%

46%

18%

2016





Elements of coverage expansion

01 Market-led coverage

The level of coverage expected in prevailing market conditions, with no policy reform.

02 **Coverage with** policy changes

The additional coverage that could be achieved by implementing policy reforms.

03 Coverage with public intervention

The additional coverage that could be achieved with a subsidy (subsidising capex and possibly opex).

04 **Population unattainable** using mobile

The proportion of the population unlikely to gain mobile coverage even with a public subsidy, as costs are too high; other technologies might be more suitable.



Direct government subsidy

Public-Private Partnership

Universal service fund (USF)





Expanding 4G Coverage in Benin

100%

95%

90%

85%

80%

87%

3%

5%

They are expected to reach 90% under current market conditions

Operators have achieved 87% 4G coverage

Source: GSMA and World Bank (2022), Using Geospatial Analysis to Overhaul Connectivity Policies: How to Expand Mobile Internet Coverage and Adoption in Sub-Saharan Africa



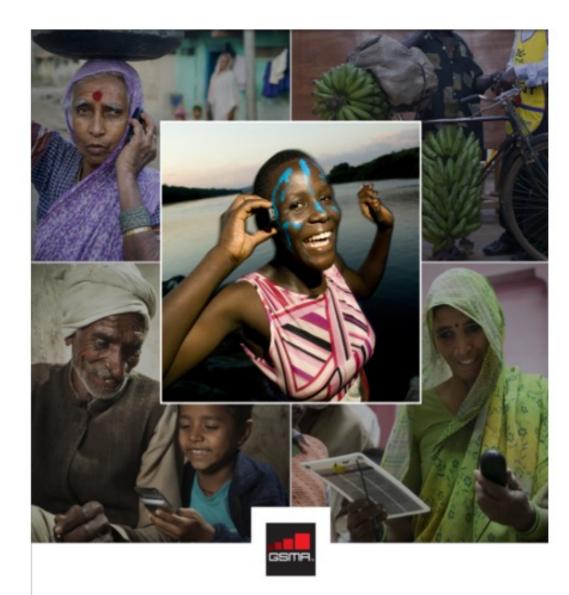
population coverage.

1% Infrastructure subsidy of \$30 million could increase 4G to 99% (compared to almost \$40 million without policy reforms). Policy reforms could If 4G penetration could be increase 4G coverage by increased to around 30-40% 5 percentage points (to 95%) then operators would be able to achieve almost 99% 4G





Extensive studies on universal service funds



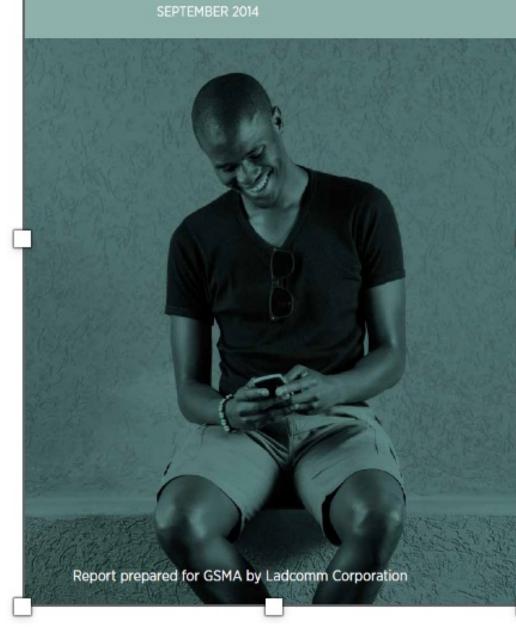
UNIVERSAL SERVICE FUND STUDY CONDUCTED ON BEHALF OF THE GSM ASSOCIATION

APRIL 2013

REPORT PREPARED FOR GSMA BY LADCOMM CORPORATION



Sub-Saharan Africa – Universal Service Fund study

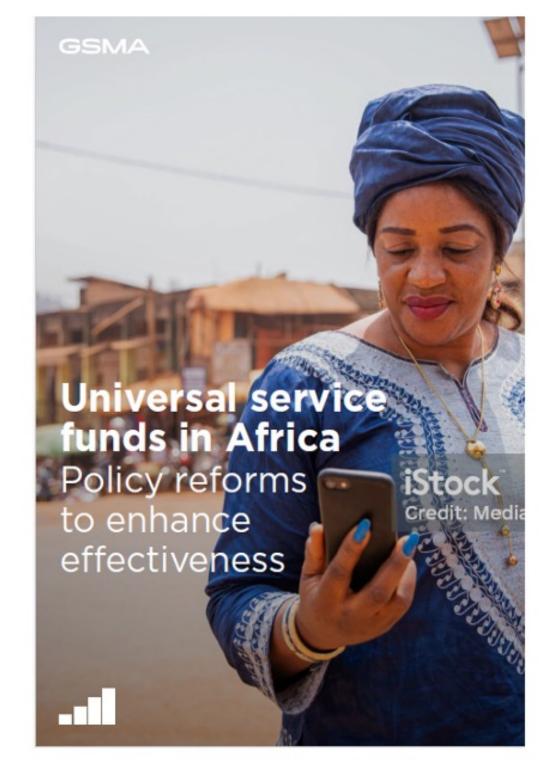




Connectivity Gaps in Latin America

A Roadmap for Argentina, Brazil, Colombia, Costa Rica and Ecuador March 2023





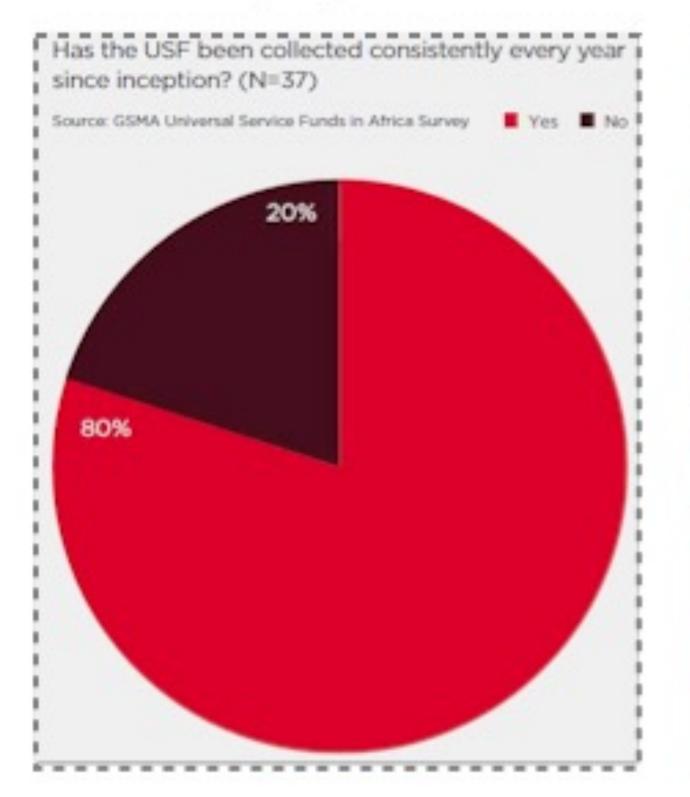






Funding and implementation

USFs have been collected consistently since inception in the majority of countries





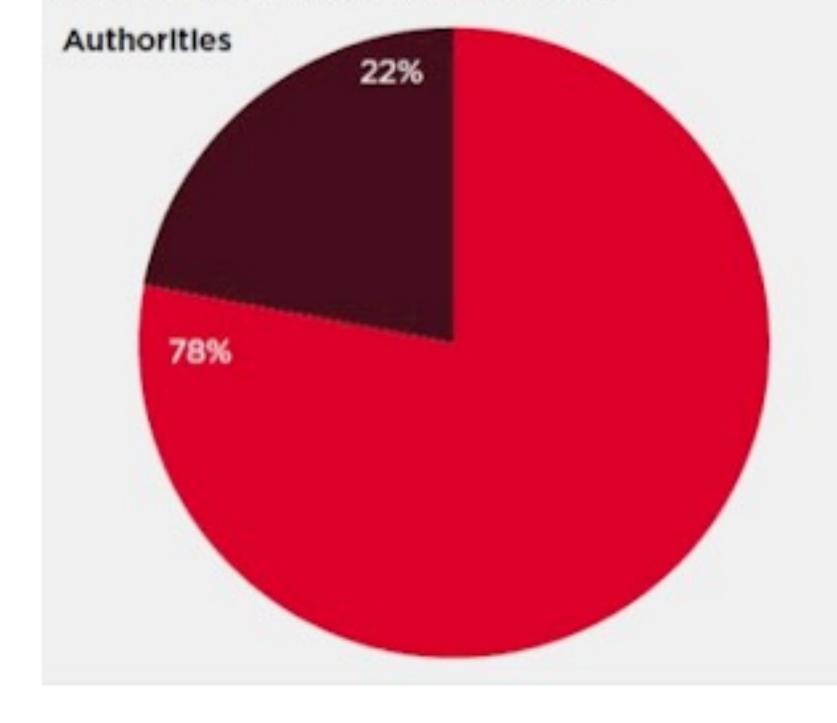
Most funds are disbursed by directives from authorities

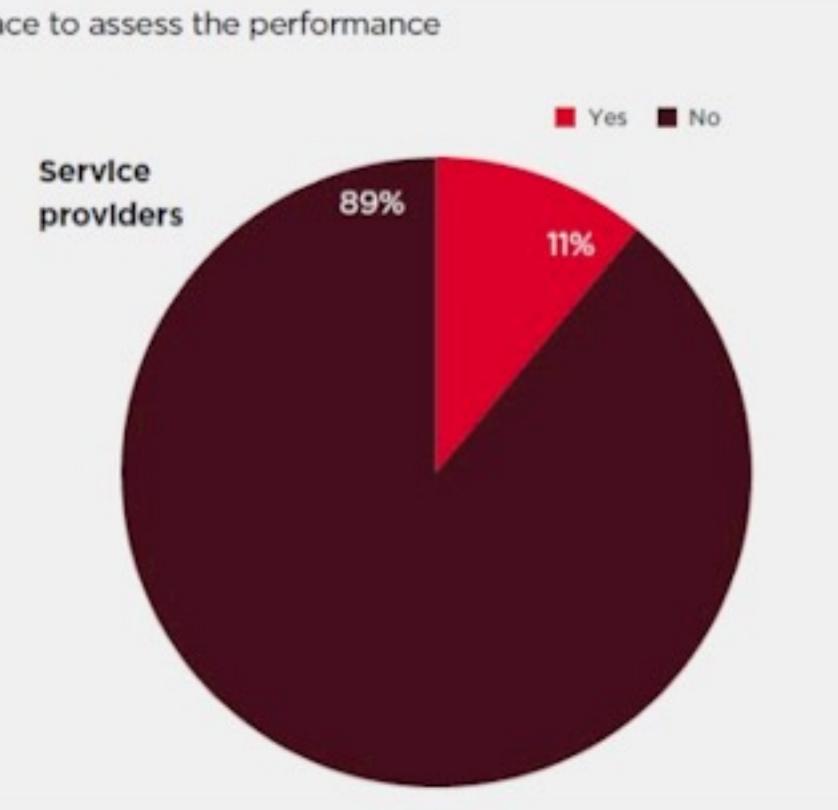


Significant variation in views of authorities and service providers on USF monitoring and evaluation

Is there a monitoring and evaluation mechanism in place to assess the performance of disbursed funds?

Source: GSMA Universal Service Funds in Africa Survey







Key performance challenges

Dormancy

More than half of funds collected have not been used in some markets

Flexibility

Lack of flexibility to account for changes in the telecoms landscape

Independence

Interference from other government agencies affects performance

Reliable data

Lack of reliable data affects planning and execution of projects

Institutional capacity

Lack of personnel with the right project skills

Transparency

Lack of public reporting denies contributors visibility of fund usage

Consultation

Lack of stakeholder consultation on the management of funds

Supporting infrastructure

Poor infrastructure affects implementation

Clear objectives

Some USF frameworks sound vague and contradictory

Reallocation of Funds

Use of funds for activities unrelated to connectivity

Operating

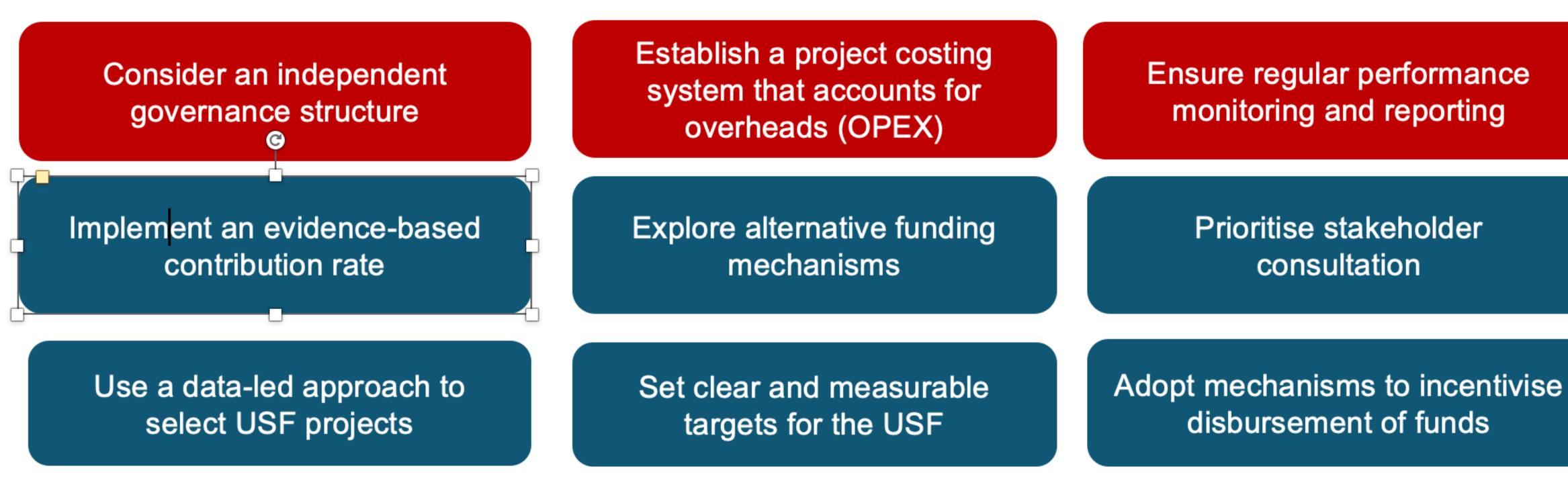
expenses

Expensive ongoing site maintenance costs

Monitoring and evaluation

Lack of impact assessment informed decisions





Build capacity and develop skills within the USF

Neasures to improve the effectiveness of USFs

Engage with local communities on the benefits of connectivity







Thank you

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