

30 March 2023

Attn: Cosmas Luckyson Zavazava, Director, Telecommunications Development Bureau (BDT) International Telecommunication Union (ITU)

Ref: Circular BDT/DKH/RME/003 Global Symposium for Regulators 2023 (GSR-23), Consultation on Best Practices Guidelines: "Regulatory and economic incentives for an inclusive sustainable digital future."

Dear Director Zavazava:

The Association for Progressive Communications (APC)¹ thanks the BDT for this opportunity to participate in the consultation on "**Best Practices Guidelines: Regulatory and economic incentives for an inclusive sustainable digital future**," APC also congratulates the BDT for continuing to convene the GSR, which has brought stakeholders together for the past twenty years to discuss key policy and regulatory issues. As an international network of civil society organisations founded in 1990, APC is dedicated to helping to build a world in which all people have easy, equal and affordable access to the creative potential of ICTs to improve their lives and create more democratic and egalitarian societies.

In line with this goal, APC has been a member of ITU-D and ITU-R since 2014, and respectfully submits our response to the request in Annex 3 of the GSR-2023 Invitation Letter to propose novel, bold, and ground- breaking approaches to: 1) Defining regulatory and economic incentives to stimulate the deployment of digital infrastructure, especially in rural and isolated areas; and 2) Identifying the right incentives required to ensure the introduction of emerging ICT Technologies and business models.

In response, APC would like to highlight that across the world, community networks, municipal networks and other social enterprises are successfully connecting those who have historically been unserved. While these community connectivity providers (CCPs) are steadily building solutions to persistent digital divides, they often struggle to access capital to expand or for seeding new networks. To help address the lack of knowledge on the financing of CCPs, in September 2022, APC, together with its partners ISOC and Connect Humanity², published an in-depth research report on community network business models, taking a deep look at how they can be financed. Designed to guide funding decisions for sustainable connectivity solutions that support digital equity, the report's recommendations highlight the need to unlock grant funding and soft finance for CCPs to ensure their financial sustainability while taking into account their significant social impact in connecting unserved communities. Financial institutions such as the Inter-American Development Bank³, the Asian Development Bank (ADB)⁴, and groups such as the European Commission's Global Gateway are now showing interest in these

¹ https://www.apc.org/

² https://www.apc.org/en/pubs/financing-mechanisms-locally-owned-internet-infrastructure

³ <u>https://publications.iadb.org/en/development-national-broadband-plans-latin-america-and-caribbean</u>

⁴ <u>https://www.adb.org/publications/last-mile-connectivity-affordability-frontier</u>

types of small providers⁵, and ITU-D support would help set the agenda for further unlocking of funding for CCPs.

The need to create an enabling and flexible regulatory environment that allows CCPs to operate cost-effectively and to encourage investment through fiscal incentives, subsidies, and technical assistance was also identified in the report. The elements of this enabling environment were outlined in APC's submission to GSR-2021⁶, and included the need to create appropriate licensing frameworks for small social purpose operators. Argentina has already adopted such a framework which created Universal Service Fund (USF) mechanisms to both incentivize the adoption of a community network license and the use of the fund to help establish connectivity providers in underserved communities⁷.

Similarly in Kenya, where a community network operators license was created, the USF strategy 2022-2026 is looking into financing mechanisms to support them and other complementary connectivity providers⁸. In both countries, civil society has played an important role in building the capacity of these providers to meet regulatory requirements and to encourage collaboration between disparate projects.

Other regulatory financial incentives that have shown potential for CCPs include the Gigabit Voucher scheme created by the UK's OFCOM, which has helped CCPs extend their networks, and we are looking forward to the launch of the Broadband Fund in South Africa, a similar smart subsidy for small operators and community networks.

APC would like to also recognize the importance of ITU-D's efforts to operationalize the mandate from WTDC-22 Resolution 37 (Rev. Kigali, 2022) that resolves to instruct the Director of the BDT "to continue supporting Member States, where requested, in developing policy and regulatory frameworks that could expand and support the engagement of telecommunication/ ICT complementary access networks and solutions in bridging the digital divide".

In the case of Kenya, a workshop requested by the Communications Authority of Kenya (CAK) was co-organized by APC and ITU to share best practices to implement their USF strategy. Similar workshops to discuss enabling environments for complementary connectivity providers have been co-organized since WTDC-22 by APC and ITU in Nigeria and Cameroon, and APC would be honored to co-organize many more.

We thank the BDT for the opportunity to contribute in shaping GSR-2023 and please do not hesitate to contact us for any further information on this submission. Thank you.

Sincerely yours,

Carlos Rey-Moreno

Co-lead Local Networks: Policy and Strategy, Association for Progressive Communications

⁵ https://fpi.ec.europa.eu/news-1/new-report-released-open-internet-opportunities-eu-africa-partnership-2022-10-24 en

⁶ https://www.apc.org/en/pubs/expanding-telecommunications-operators-ecosystem-policy-and-regulatory-guidelines-enable-local

⁷ https://enacom.gob.ar/multimedia/noticias/archivos/202106/archivo_20210625022117_4017.pdf

⁸ https://www.ca.go.ke/document/draft-usf-strategic-plan-2022-2026/