



Telecommunication Development Bureau (BDT)  
International Telecommunications Union

## The Director

Dr Cosmas Luckyson Zavazava

Date; 15 March 2023

### **Contributions to the 2023 Global Symposium for Regulators (GSR-23) under the theme: Regulation for a sustainable digital future.**

The Internet Society<sup>1</sup> is pleased to submit this contribution to the consultation for the 2023 Global Symposium for Regulators (GSR-23) Best Practice Guidelines: **“Regulatory and economic incentives for an inclusive sustainable digital future”**. This contribution focuses on “Economic and fiscal incentives to accelerate digital transformation”.

The Internet Society commends the ITU and GSR for its ongoing efforts to improve the availability and accessibility of Information and Communications Technology (ICT) services in unserved and underserved areas around the world. This consultation process also provides an important, progressive approach towards gathering views from different stakeholders to reach the desired goals of an inclusive digital future.

We believe that inclusive Internet access can only be unlocked through funding and policy interventions. While a significant amount of investment is required to close the digital divide and ensure universal connectivity, policy and regulatory reforms play a large role in enabling access to affordable connectivity. In this regard, we share our views and experiences in the following areas:

#### **Defining regulatory and economic incentives to stimulate the deployment of sustainable digital infrastructure, especially in rural and isolated areas, and identifying the right incentives required to ensure the introduction of emerging ICT technologies and business models.**

Complementary access solutions, including community networks, municipal networks and social enterprises, that are locally-owned and operated networks, fill gaps and provide access where traditional telecommunication networks do not. These have the potential to deliver connectivity to low-income and rural areas but are often constrained by a lack of capital and

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<sup>1</sup> The Internet Society ([www.internetsociety.org](http://www.internetsociety.org)) supports and promotes the development of the Internet as a global technical infrastructure, a resource to enrich people’s lives, and a force for good. Our work aligns with our goals for the Internet to be open, globally connected, secure, and trustworthy.



access to conventional forms of investment. Moreover, most of these networks operate to bridge the digital divide in regions that have been deemed “unprofitable” by mainstream connectivity business models. Importantly, they help create and retain value within local communities. For all these reasons and more, governments and investors should consider increasing capital allocations toward these types of operators.

Creating an enabling regulatory environment that allows community networks to operate cost-effectively and encourage investment through fiscal incentives, subsidies, and technical assistance is critical.

Government subsidies that help to lower the operating costs of the network could be a game changer. Some countries are restructuring their Universal Service and Access Fund (USAFs) to support local operators, such as Kenya’s initial plans with the Universal Service Fund<sup>2</sup> for Community Network funding exploration (Communications Authority of Kenya, 2021), and Zimbabwe’s<sup>3</sup> proposed financing facility for Community Networks. In Argentina’s new Roberto Arias Connectivity Programme which supports all start-up costs and initial operating costs or community networks is yet another example. Other financial contributions that could be considered include, voucher schemes, grants, low-interest loans and loan guarantees for community networks.

Important fiscal incentives for this sector include fee exemptions (customs waivers on import duties for open-source hardware/software) and tax breaks for investors. Funders and investors also need to unlock grant and sub-commercial capital to community networks that are financially sustainable in order to generate significant social impact connecting unserved communities.

We look forward to further engagements with your honourable office. Please do not hesitate to contact us for any further information on this submission. Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "MM", written over a light blue circular stamp.

Michuki Mwangi  
**Distinguished Technologist, Internet Growth**  
**Internet Society**

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<sup>2</sup> <https://www.ca.go.ke/wp-content/uploads/2022/04/Draft-USF-Strategic-Plan-2022-2026-.pdf>

<sup>3</sup> <https://www.263chat.com/potraz-channels-universal-services-fund-to-underdeveloped-communities/>