



SESSION 2:

**ON FINANCING TO ACHIEVE
AFFORDABLE CONNECTIVITY,
AND MEANINGFUL ACCESS
AND USE**

**24 June 2021
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DIGITAL FUNDING GAP

\$428 BILLION

REQUIRED BETWEEN 2020-2030 TO
CLOSE THE DIGITAL GAP AND PROVIDE
CONNECTIVITY TO 90% OF THE WORLD

\$100 BILLION

HOW MUCH AFRICA ALONE NEEDS TO
PROVIDE CONNECTIVITY

500 000 KM

HOW MUCH FIBRE AFRICA NEEDS TO
ACHIEVE FULL CONNECTIVITY

EVOLUTION OF TELCOS

Monopoly

Fixed Telcos
State-Owned

1980s

The Birth of Mobile
Network Operators
Privately Owned

1990s

Telecomms Deregulation
Privatization & Competition
GATS to WTO - Opening up
Telecomms Markets
European Commission
Telecom Liberalization

Increased
investments in Telco
and Mobile
PE, Debt, Universal
services grants, DFI

The Current Internet

- Fibre Wholesale model
- Towers business model - Carrier neutral towercos

Internet Service
providers growth
funded by
Entrepreneurs

Establishment of
independent
regulators

MARKET CREATION (Clayton Christensen)

- The last mile discussions - Market-creation perspective addresses the opportunity of vast non-consumption and leverages Unmet Demand.
- The last mile - Edge investments will unlock markets and have a sustainable long-term impact with connectivity infrastructure to support development and inclusive.
- Last-mile connectivity is disruptive, allowing access to products and services that were once out of affordability reach – Affordability Gap.
- Market creation models allow for cooperation, collaboration and partnerships between public and private sector.
- The last mile of the internet of things era - Edge:
 - connects education with **EdTech**
 - increases yields with **AgriTech** for food security.
 - provision and delivery of universal health with **HealthTech**
 - mitigate climate change with green **energy microgrids** and reduce Carbon dioxide emissions with **connected auto**.

HYBRID FUNDING MODELS

TRADITIONAL

- Development Finance Institutions
- Private Equity – PE
- Venture capital – VC
- Capital Markets - Equities
- Debt & Loans
- Build-operate-transfer (BOT)
- Treasury Bonds
- License fees
- Universal service Fund
- Tax Incentives
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EMERGENT

- Digital Bonds
- Cryptocurrency
- Tokenization
- Coin offerings (**ICOs**)
- Security Token Offerings (SCOs)
- Crowd Funding
- Advertising Carbon
- Credit Connectivity
- Credit
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MEASUREMENT AND OUTCOMES

NEW FUNDING MODELS

- The changes of Edge high-performance compute, storage, and network will require different models to funding.
- Funding connected cars will be different from the traditional model of funding the classic last mile.
- **Tokenization of infrastructure** can be used to help fund last-mile connectivity.
- 10% of global GDP is projected to be tokenized and traded using blockchain technology by 2025 representing \$24 Trillion of financial & non-financial assets that can help fund last-mile connectivity infrastructure.
- **Fractional Ownership** - putting the ownership of the last mile connectivity infrastructure on the blockchain can help drive down costs for investors.
- There will be exposure of the last mile assets to blockchain funds placed on initial Coin offerings (**ICOs**) and Security Token Offerings (**SCOs**).

INNOVATION OBSERVATORY

- Moving forward we need to consider building repository platform.
- The repository will allow for Knowledge sharing among stakeholders across the globe.
- The platform would be a repository of proof of concepts and best-case studies from various projects around the globe.
- Working models would then be shared easily and replicated for widespread observable impact.
- The repository could also benefit from incorporating AI tools to allow for comparative analytics of case studies.
- We see this knowledge sharing model working in the Open-Source Community.