An Introduction to Universal Service and Access Funds in Myanmar

A4AI-MYANMAR COALITION MEETING AND WORKSHOP
27-28 July 2015, 8:30-16:00
Conference Hall, MICT Park
Yangon, Myanmar
Today’s Agenda

• A4AI and our mission
• An introduction to Universal Access & Service Funds (USAFs)
• USAF examples & best practices from around the globe
• Lessons applicable to Myanmar
Who is A4AI?

We are the world’s broadest technology sector alliance working to drive down the price of broadband to the UN target of less than 5% of average monthly income by transforming policy and regulatory frameworks.
State of affordable Internet in Myanmar

Affordability is an issue

- Entry-level mobile broadband costs less than 5% of GNI/capita
- **However**, this price is not affordable for the 26% of the population living on less than US$1/day
- Globally, women and rural populations less likely to afford broadband Internet – also of concern in Myanmar.

Need to complete national broadband policy that addresses infrastructure needs

A Universal Access & Service Fund (USAF) based on global best practice can help address some of these issues.
### Reasons for not owning a mobile phone in Myanmar

- **Affordability & perceived low utility**

<table>
<thead>
<tr>
<th>Why don't you have a mobile phone connection?</th>
<th>URBAN</th>
<th>RURAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>I cannot afford a handset</td>
<td>32%</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>I have no use for it/don’t need one</td>
<td>39%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>No mobile coverage where I live</td>
<td>2%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>My phone is broken</td>
<td>6%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>I cannot afford a SIM card</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>No electricity where I live to charge my phone</td>
<td>0%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>My phone got stolen</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: LirneAsia 2015
A4AI Myanmar National Coalition

Focusing on 4 priority areas:

1. Infrastructure sharing
2. Taxation
3. Data & research
4. Universal Service and Access Fund
What is a Universal Service and Access Fund (USAF)?

A mechanism to reallocate funds to spur ICT development & use in underserved areas and among unconnected populations.
How does a USAF work?

Mandatory contributions by service providers

USAF

Targeted sector investments; subsidies for geographic areas & populations
How is the USAF money used?

Examples of investments & subsidies:

- Infrastructure expansion
- Rural community broadband connectivity
- Affordable ICT device programmes
- Other demand stimulation initiatives
  - eGovernment
  - Digital literacy
  - Digital entrepreneurship
USAF Successes

• Early successes
  – United States and Canada
  – European Union
  – Asia: Pakistan, Malaysia

• Fund-related challenges
  – Mechanisms for establishment, operations, collections, disbursement, effectiveness and oversight
USAF Challenges

• Mechanisms for establishment
• Fund operation & management
• Contribution collections & disbursement
• Fund effectiveness and oversight
USAF capacity requirements & challenges

• Appropriate & trained personnel
• Strategic planning & internal operating procedures
• Adequate technical resources & support
• Cooperation with the ICT industry & government
• Autonomy & authority in administrative budgeting & allocation of Fund resources
USAFs are vital to achieving universal broadband

• Need to be created in context of national broadband strategies; updated for broadband era

• Promote cooperation & shared responsibility between all ICT sector actors

• Channel funding to critical areas, closing digital gaps & enhancing demand
Thank you!

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