Closing the Digital Gap using Universal Service Funds – Key Lessons from Ghana

Abraham Kofi Asante
Administrator, GIFEC
December 11, 2018
Outline

➢ Overview – Ghana’s Universal Service Fund
➢ Our Projects
➢ Innovation in Rural Coverage and Affordability
➢ Our Strengths and Challenges
➢ Opportunities-Lessons Learnt

The Electronic Communications Act, 2008 (Act 775) provides the legal framework (mandate) for the activities of the Fund.

The mission of the Fund is “To facilitate the provision of Universal Access to all persons through the use of affordable Information Communication Technologies for socio economic development.”
Our Projects
Rural Telephony Project
Reaching unserved schools

One Hundred and Eighty (180) ICT labs equipped and connected through our Satellite Hub
Community Information Centre – Access Hubs
Smart Community- Architecture
Our Broadband Technology

Outdoor

Indoor
Digital for Inclusion (D4I)
Banking the Unbanked

Our solution to address the gender digital divide

40% of D4I agents are women

D4I platform is internet enabled
ICT Capacity Building, Awareness and Content Creation

The Women involved are:
- Dressmakers
- Beadmakers
- Hairdressers
Innovation in Rural Coverage and Affordability
Challenges in Extending Connectivity

- Scattered Settlements and Low Revenue
  - Pop > 2000: 82% coverage, 1.2M uncovered
  - Pop 1000~2000: 86% coverage, 1.2M uncovered
  - Pop 500~1000: 90% coverage, 2.1M uncovered

- High CAPEX and OPEX

- Lack of Infrastructure (Road, Power, and etc.)
Innovative Partnership Model: More Stakeholders Benefits Sharing

**Tripartite Partnership Model**

**GIFEC**
- Site Acquisition and permitting
- Joint Site survey based on nominal selection
- Custom’s waiver for equipment clearance
- ECG facilitation for selected sites
- Acquisition of frequency (UMTS 900)

**Investor/Tech Partner**
- Innovative solution offering
- Site build implementation and telecom works
- Site operations and maintenance

**Telco**
- Site selection and Planning
- Site integration and marketing activities
- Sales and Distribution
- Only 3G or better
Innovative Solution:
TCO Savings and Increased Rural Coverage

70% TCO Savings

<table>
<thead>
<tr>
<th></th>
<th>Traditional Solution</th>
<th>VS</th>
<th>Innovative Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPE X</td>
<td>150,000 USD</td>
<td></td>
<td>59,000 USD</td>
</tr>
<tr>
<td>OPE X</td>
<td>12,200 USD</td>
<td></td>
<td>8,400 USD</td>
</tr>
</tbody>
</table>

Microwave → Relay
Tower → Pole
Rural Connectivity and Broadband Services: Our Achievements

✓ The objective of the Rural Telephony Project is to support telecommunication operators to extend their mobile broadband services into locations of less commercial viability.

✓ 400+ Rural telephony sites have been constructed in deprived communities that were without communication facilities in the country.

✓ A total number of about 1,200,000 new subscribers (voice and data) in the beneficiary communities can now communicate and transact business with people in and around the world using broadband services.
Our Strengths

- Established by Ghana’s Electronic Communications Act, 2008 (Act 775)
- Tax Exempted
- A 5-Year strategic plan
- Reliable source of funding by industry players
- Regional offices to bring service closer to the people
- Adequate in-house capacity to serve as technicians and facilitators
- Prudent fund managers

Our Challenges

- Insufficient funds – 1% of net revenue from Telcos
- Sustainability of Projects – Community ICT Centers to run as self sustaining entities
- Drive for affordability – special tariffs for unserved and underserved communities
- Categorization – Unserved areas vs. Rural areas
Opportunities – Lessons Learnt

✓  Adopt more Public, Private, Partnerships (PPPs) in deploying ICT infrastructure

✓  Develop, adopt and monitor sustainability measures and indicators for each project to ensure longevity

✓  Develop relevant content, create awareness and build capacities

✓  USF interventions should be co-created with the involvement of beneficiaries and demand driven

✓  Improve collaboration with key stakeholders - Telcos, Private Sector, Regulatory Agency and the Ministry

✓  Address Policy and Regulatory bottlenecks to improve rural connectivity and affordability.
THANK YOU