A4AI ALLIANCE FOR AFFORDABLE INTERNET

Africa

A global coalition working to make broadband affordable for all

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WORLD WIDE WEB FOUNDATION

Nigeria

Affordability Report Highlights 2018

Nigeria has made some progress over the last few years and now meets the 1 for 2 broadband affordability target, however it still has some way to go to ensure affordable internet access for a majority of its citizens. Though the government and regulator have introduced much needed reforms, further efforts to reduce the cost of broadband for all – especially for the significant number of citizens living under the poverty line – are needed.

28%

ONLINE POPULATION
(ITU, 2017)

26%

MOBILE BROADBAND PENETRATION
(A4AI/GSMA, 2018)

1.6%

1GB

COST OF 1GB OF MOBILE PREPAID INTERNET
(AS % OF GNI/CAPITA)
(A4AI, 2018)

Nigeria's Performance on the 2018 Affordability Drivers Index

Nigeria ranks 18th (out of 61 countries surveyed) on the 2018 Affordability Drivers Index (ADI). This is seven places lower compared to what Nigeria earned in the revised 2017 Affordability Drivers Index, indicating regulatory limitations in supporting a free and competitive mobile broadband market.

ADI RANK	COUNTRY	ACCESS	INFRASTRUCTURE	ADI SCORE (OUT OF 100)
18	Nigeria	65.13	44.72	58.17

1 Regulatory Environment

Score: 6.25 / 10

Under the Nigerian Communications Act 2003 (NCA), there are two broad licensing frameworks for telecommunications service; an individual licence, which is operator- and service-specific; and a class licence, which authorizes a whole class of service providers to provide a specific service or operate a particular network. Both the Nigerian Communications Commission (NCC) and the National Broadcasting Commission (NBC) regularly engage in public consultations on all major regulatory issues. The regulator could increase its use of evidence to inform its decision-making, including the use of regulatory impact assessments where appropriate.

2 Broadband Strategy

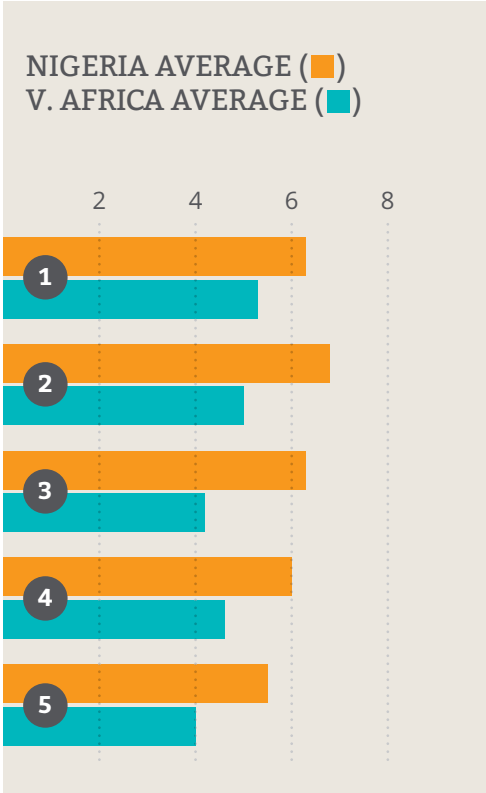
Score: 6.75 / 10

Nigeria's National Broadband Plan 2013-2018 contains detailed targets for reducing broadband costs and increasing penetration and lays out parameters to monitor progress. Nigeria's USF recently subsidised the Backbone Transmission Infrastructure Project (BTRAIN) to facilitate the connection of rural and semi-urban areas to the national transmission backbone infrastructure and a Rural Broadband Initiative to expand broadband services in these communities as well. However, the government's funding and investment plans to support the implementation of the National Broadband Plan (with the exception of the country's public fund for service provision) are not well defined.

3 Universal & Public Access

Score: 6.33 / 10

The Universal Service Provision (USP) Fund encourages the installation of network facilities and the provision of application services in unserved and underserved areas. Projects include new base stations, School Knowledge Centres, Community Resource Centres, and inter-university connectivity. Additionally, to increase broadband penetration, the government will establish Centres for Community Access using public properties like post offices, schools computer labs, and local government headquarters across the country. Lastly, there is the Community Broadband Centre (CBC) which is expected to provide a last mile broadband access to communities, homes, offices and schools using both fixed and wireless broadband.



4 Infrastructure Sharing

Score: 6 / 10

The Guidelines on Collocation and Infrastructure Sharing only authorizes the sharing of passive elements of a mobile network. Active elements such as complete network structures, switching centers, radio network controllers, and base stations are currently not covered by the guidelines and point to an area for improvement. Implementation of the NEC-approved harmonisation of Rights of Way (ROW) for fibre deployment has been beset with challenges as states continue to set aside agreed rates. NCC's licensed infrastructure companies offer opportunity for expanding fibre networks on an open access basis; however, some have failed to deliver as planned.

5 Spectrum Management

Score: 5.5 / 10

The National Broadband Plan sets a timeline in which additional spectrum will be released for mobile broadband and LTE services, although these deadlines have not yet been met. In addition, the digital switchover process has been delayed three times in 2012, 2015 and 2017 respectively, causing some uncertainty as to when the national switchover will actually happen. Spectrum allocations have been regularly done via auctions using clear guidelines established by the NCC. Other methods of frequency assignment exist depending on the level of competition, availability of spectrum and the aggregate demand at any point in time.

Recommendations

1. **Update the National Broadband Plan.** An update of the existing broadband plan which expired in 2018 presents a good opportunity to revise broadband targets and with disaggregation across society. The new plan should be comprehensive with strategies to boost investment in broadband adoption, including wireline technologies and emerging middle- and last-mile access solutions.

2. **Tackle prohibitive Rights of Way issues and Zoning rights.** Improved awareness and adherence to the 2017 NEC approved RoW charges is needed among State leadership to ensure harmonised rates are paid for infrastructure. State and Federal governments should prioritise removing multiple taxation/regulation as this hinders investment[1].

3. **Promote infrastructure sharing within the ICT sector and with other sectors,** such as energy and utilities. The regulator could do more to incentivise sharing with clear regulations to support market efforts, including harmonising standards across sectors, facilitating rights of way at more economically viable rates, and implementing a dig-once policy to encourage duct sharing. Guidelines set should cover active sharing including support for dispute resolution.

4. **Expand public access opportunities** beyond telecentres, cybercafes, and libraries using innovative sustainable investment with various partnership models for backbone, middle, and direct last-mile broadband connections.

5. **Prioritise digital literacy, content development and demand-side initiatives to stimulate broadband use.** Government funding, tax incentives, or subsidies (e.g., via USPF) can complement private sector and NGO efforts to boost local content development. Language, gender, age, and cultural considerations should be incorporated into application and platforms development programs in public and educational institutions.

1 Feedback from participants at the A4AI Nigeria Broadband Forum in October 2018, https://a4ai.org/nigeria-oct-30-31-infrastructure-forum-coalition-meeting