

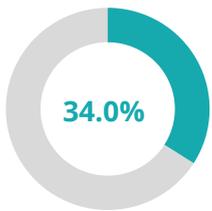


NEPAL DIGITAL CONNECTIVITY BRIEF

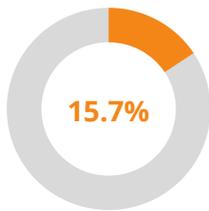


Country overview

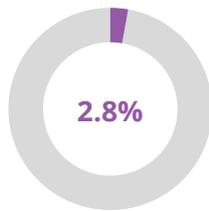
With 34% of its population using the internet, Nepal still faces massive challenges to connect everyone in the country. Mobile internet penetration stands at 15.7%, and fixed broadband penetration at 2.8%. The gender gap in internet use is considerable at 59%.



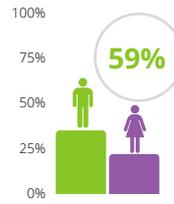
ONLINE POPULATION
Source: ITU, 2019



MOBILE BROADBAND PENETRATION
Source: A4AI from GSMA, 2020

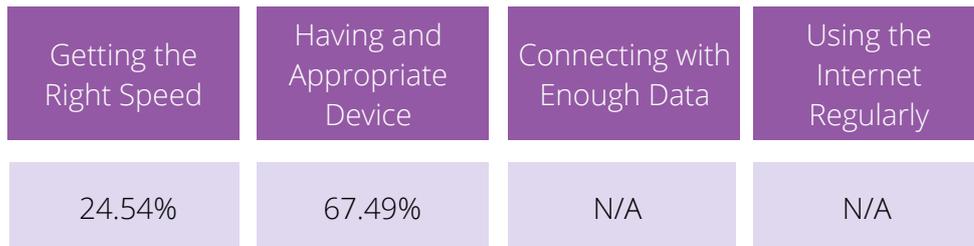


FIXED BROADBAND PENETRATION
Source: A4AI from ITU, 2018



INTERNET USE GENDER GAP
Source: A4AI from EIU, 2020

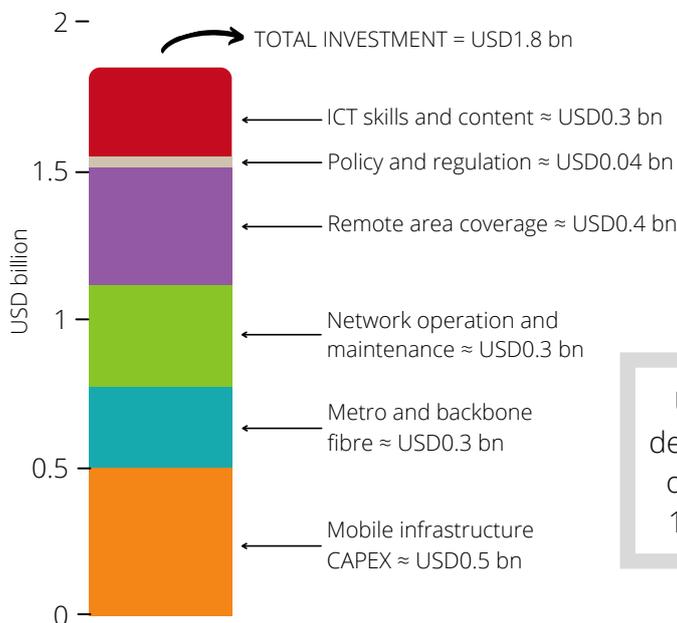
Dimensions of Meaningful Connectivity



Source: GSMA, 2020

Meaningful connectivity to the internet implies having access to an appropriate device, enough data and speeds, and using the internet every day. Most people in Nepal do not have access to speeds compatible with a 4G connection, but 67% have access to smartphones. This means that many Nepalize own smartphones, but a significant percentage of these may not be connected to a data plan.

Investments needed by 2030



Source: A4AI from ITU, GSMA, A4AI, operator and regulator, 2019

Universal access is defined based on 90% of the population of 10 years and above

ICT Affordability

AS A % OF GNI P.C.

MOBILE

1GB = 2.55%

2GB = 2.55%

5GB = 4.91%

Source: A4AI, 2020

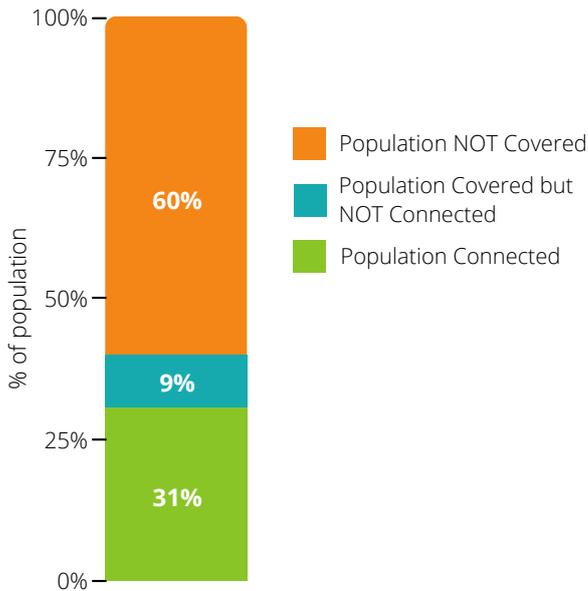
FIXED

5GB = 2.00%

Source: A4AI & ITU, 2020

Nepal has made good progress to improve affordability of data services in the last years, however, it has not met the affordability target established by the United Nations Broadband Commission, as 1GB still costs 2.55% of monthly average income in the country. 5GB of fixed broadband is at 2%, while 5G of mobile broadband represents 4.91% of the monthly average income. The country ranks 33rd (out of 72 countries surveyed) on A4AI's Affordability Drivers Index (ADI).

Investments needed by 2030



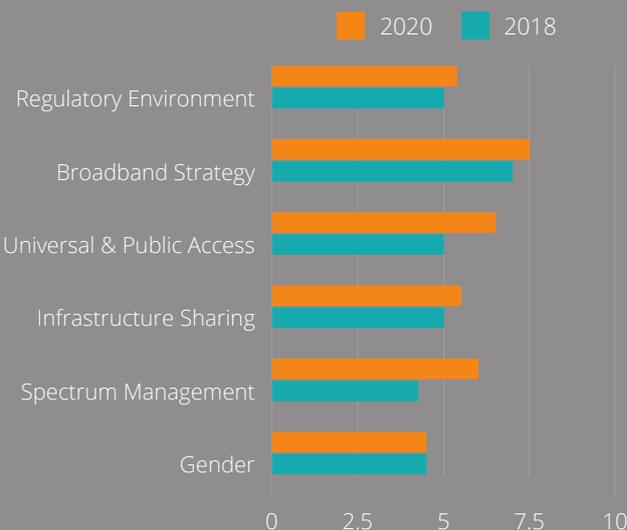
Source: A4AI from GSMA, Xalam and UN population data, 2019

Only around 40% of the population in Nepal is in areas with internet coverage (see figure), and 31% of the population is connected to 4G connections. Based on A4AI's analysis of investment requirements to achieve the 2030 target of universal access, Nepal will need to mobilize close to \$2 billion to connect its population. We note that mobile infrastructure and remote area coverage are the areas with the highest investment needs, followed by fiber deployment, network operation and maintenance, costs for building necessary ICT skills and relevant content, as well as policy and regulatory related upgrades.

THE ADI AFFORDABILITY DRIVERS INDEX

The ADI is a tool developed by A4AI to assess how well a country's policy, regulatory, and overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. ADI scores countries across two main policy groups: Infrastructure and Access

Policy Scores



2020 Affordability Drivers Index (ADI)

ADI Score = 58.17

Access Score = 55.97

Infrastructure Score = 54.58

Source: A4AI, 2020

Policy Highlights



Universality and public access

Nepal has leveraged their Universal Service and Access Funds to extend connectivity into new areas. Community networks are also supporting the connectivity of parts of the population.



Broadband Strategy

The National Broadband Development Program and the Digital Nepal framework have shown promising policy practices.



Spectrum management

Policy contained specific timelines for spectrum related improvements, e.g. releasing spectrum via auctions, and refarming spectrum.



Regulatory environment

Some institutional issues suggest that the role of the regulator as a neutral and impartial authority is compromised



Infrastructure sharing

While progress has been made, some stakeholders criticize the lack of progress in regards to rights of way guidelines and other infrastructure sharing provisions.



Gender

No concrete policy steps have been implemented in regards to addressing gender gaps in access and connectivity.