

*Universal Access &  
Service Funds  
Good & Bad Practices*

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27-28 July 2015, MICT Park  
Yangon, Myanmar

# My own Introduction

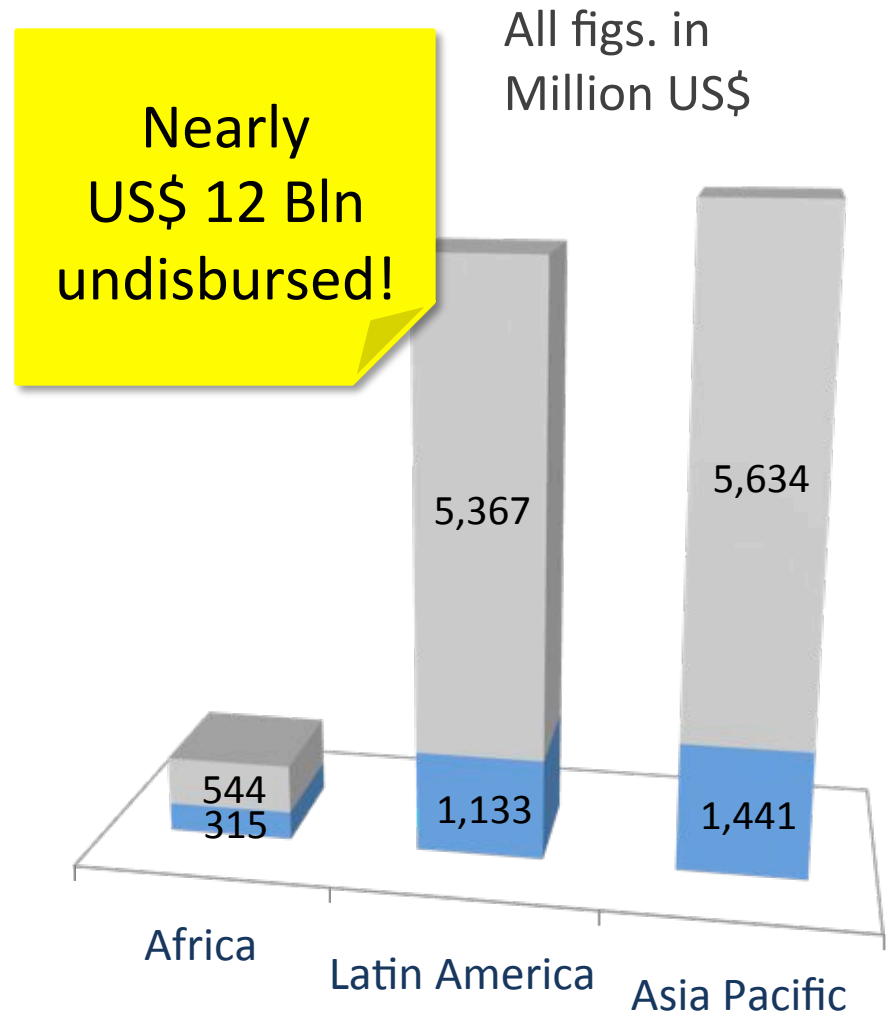
Parvez Iftikhar

- Founding CEO USF Pakistan built it from scratch
- Ran USF Pak. successfully for nearly 5 years
- Now a consultant working in different countries  
Asia/Africa for WB, ITU, ADB, CTO, & USAID!

***This presentation based on  
experiences and lessons learned!***

## GSM Study 2013

- Most USFs considered “failure”, as:
- 1/3rd USFs have not disbursed any funds
- Almost no USF has disbursed everything collected
- Let’s see WHY



**But first a disclaimer!**

One very important “cause of failure” that  
we will not discuss:

***At times Universal Service is a low Priority for***

***Political Leadership***

Not necessarily bad intentioned!

## Major Issues and Challenges relate to:

Policy

Legislation

Governance Model

Trust

Competition

Operators' Issues

Broadband

# Policy

*Not clearly laid out*

*Objectives unclear (eg: coverage & service delv. targets)*

*Not prepared in consultation with Stakeholders*

*Not presented in easy-accessible sites/media*

*No measurement parameters (Milestones/  
Achievements)*

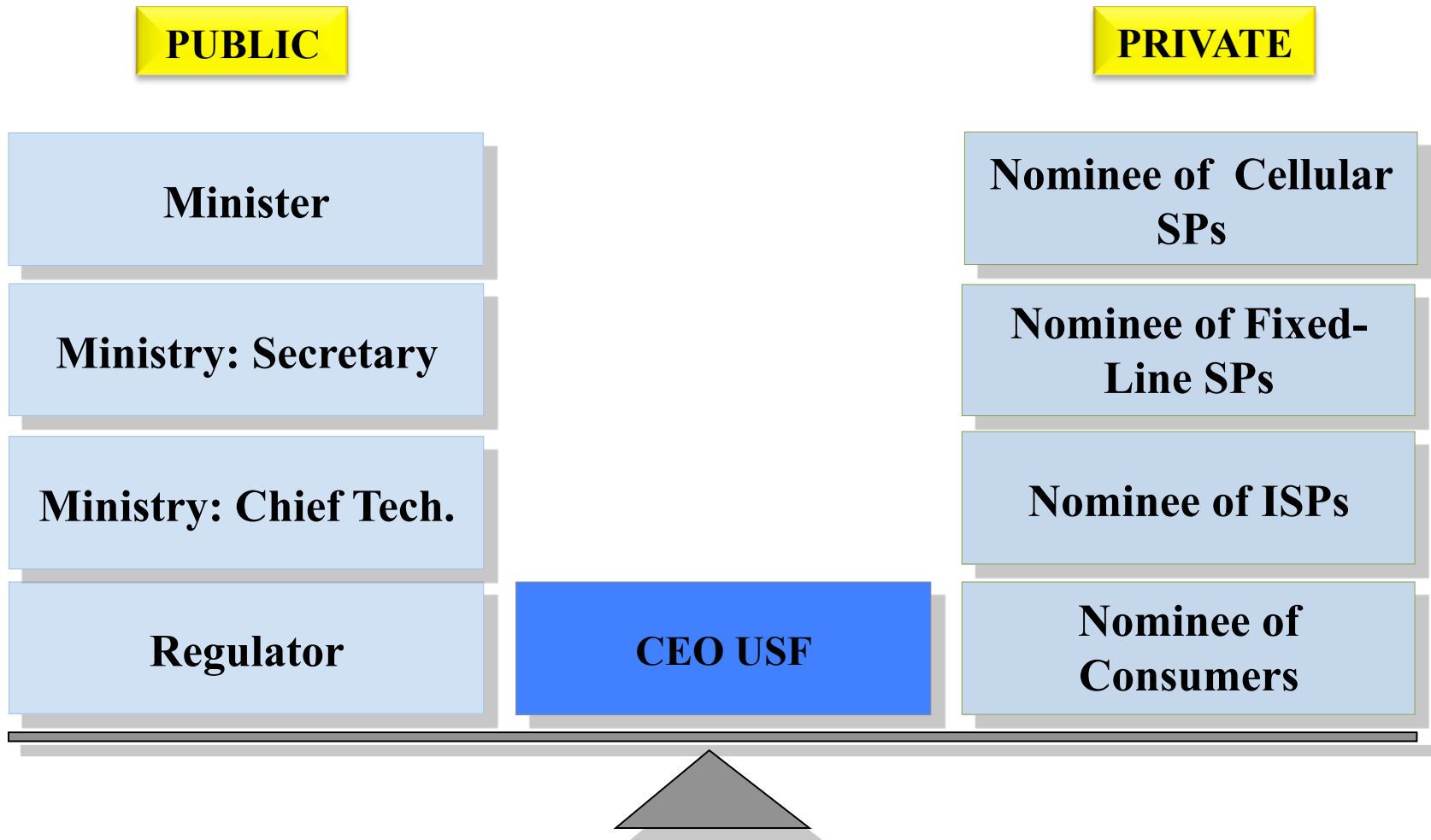
*Results not Independently verifiable*

*No built-in Periodic Review*

## Legislation

- ✓ Flexible with respect to changes - esp. Tech.
- ✓ USF Levy on Operators should:
  - ✓ Easily adjustable with a Maximum Limit
  - ✓ Fixed in consultation with stakeholders
- ✓ Use of Funds not too restrictive
- ✓ Proper Processes may need to be “created”!

# Participatory Governance – an example





# ALL stakeholders on Board!

Minister	<i>Political Leadership</i>
Ministry: Secretary	<i>Chief Bureaucrat</i>
Ministry: Chief Tech.	<i>Chief Technocrat</i>
Regulator	<i>Telecom Regulator</i>
Nominee Cellular Telcos	<i>Cellular Mobile Operators</i>
Nominee Fixed-line Telcos	<i>Fixed Line Operators</i>
Nominee ISPs	<i>Internet Service Providers</i>
Nominee Consumers	<i>Consumer Associations</i>

## To create Trust - Follow Processes

*The Process followed for bidding and awarding USF subsidies must be some well recognised one (eg: World Bank Procurement Guidelines)*

### *Challenge*

*Unfortunately awarding subsidies are not exactly “procurements”! But it is lack of any proper processes that procurement processes are used. This dilemma is faced by almost all the USF’s in the world!*

## To create Trust – Post everything on Website

All Bidding Docs & Bidding Results

Fund Statistics

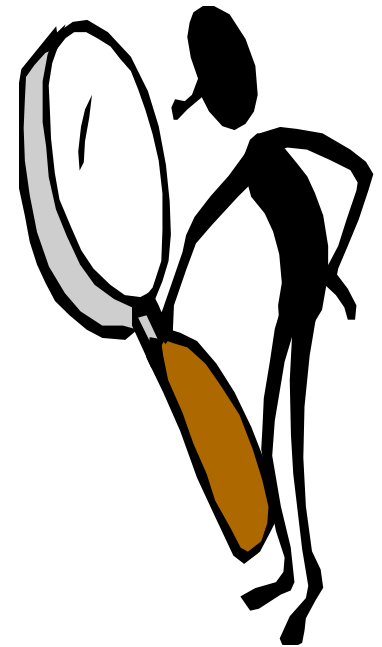
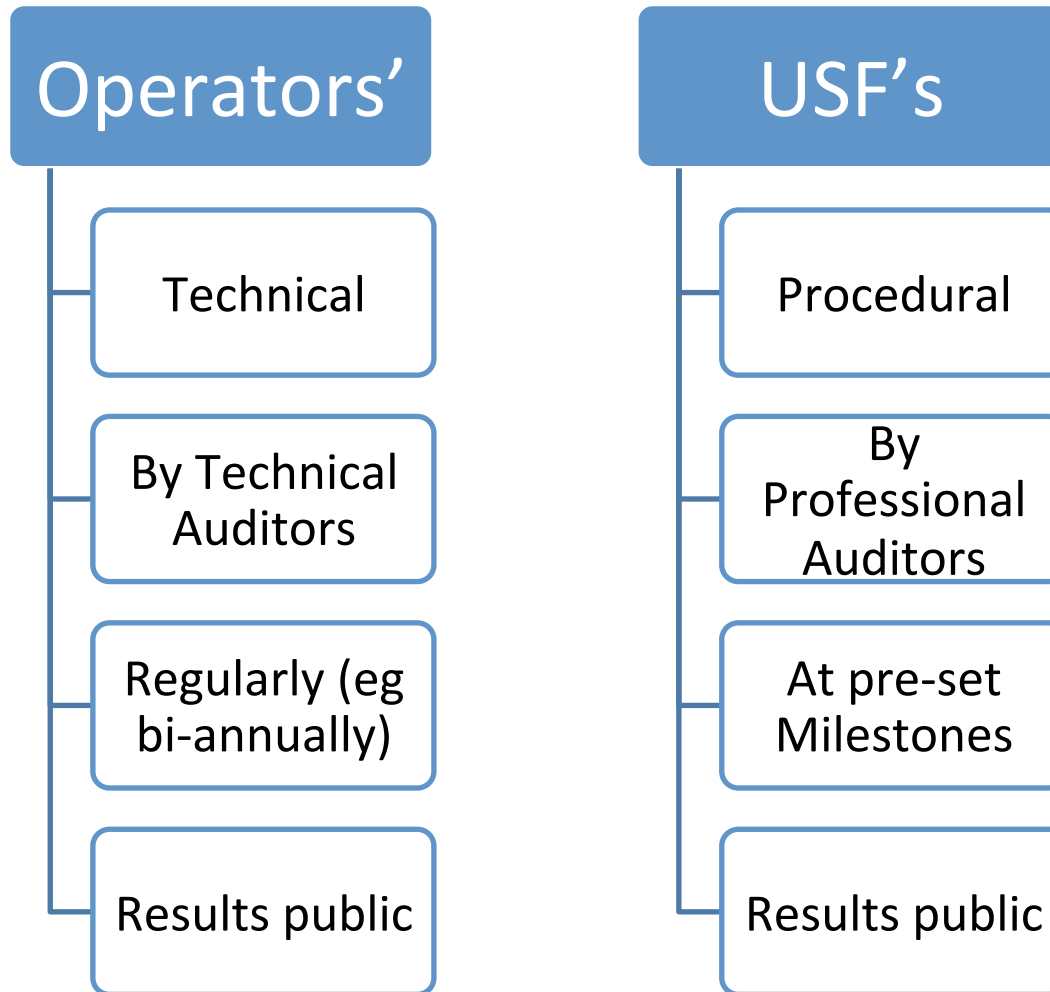
- collected
- disbursed
- balance

Approved Projects & Progress

Performance of Completed Projects

Obstacles & Challenges

# To create Trust – Independent Audits!



# Let there be Competition!

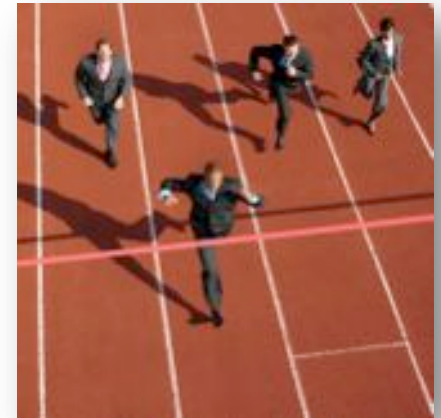
- Keeps operators on their toes - benefits consumers!
- Prevents creation of local monopolies with USF Money
- To generate competition: Mandatory Infrastructure Sharing

Rural Telecom  
Access

- Passive Elements – site, tower, ...

Optic Fiber  
Cables

- Dark-Pair sharing





# Operators are usually reluctant!



## Ensure Operators' Involvement - 1/2

### Close liason'

- Do not assume the Operators know all about USF - talk to them!

### Tech. Neutral

- Give only "Service" specs in Bids
- All interested get equal chances

### Incentives

- Efficient Deployment
- Reward Innovation
- Sustainability

### No "mandating"

- USF is a "volunteer" exercise



## Ensure Operators' Involvement – 2/2

Right-of-Way'

- Use whatever Influence USF can manage within the government/s

Sustainability

- Make Renewable Energy mandatory

Backhaul

- Optic Fiber Cables!

Be mindful!

- Work is normally in very difficult areas/conditions

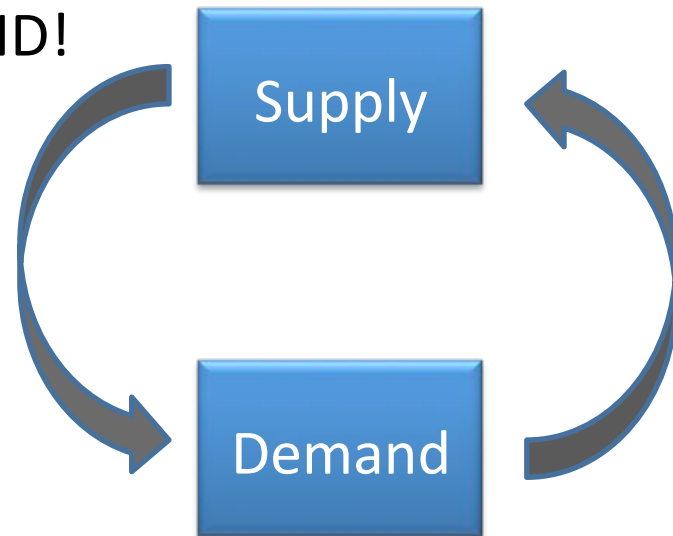


# Important: Use USF for Broadband!

Now Voice is also data,

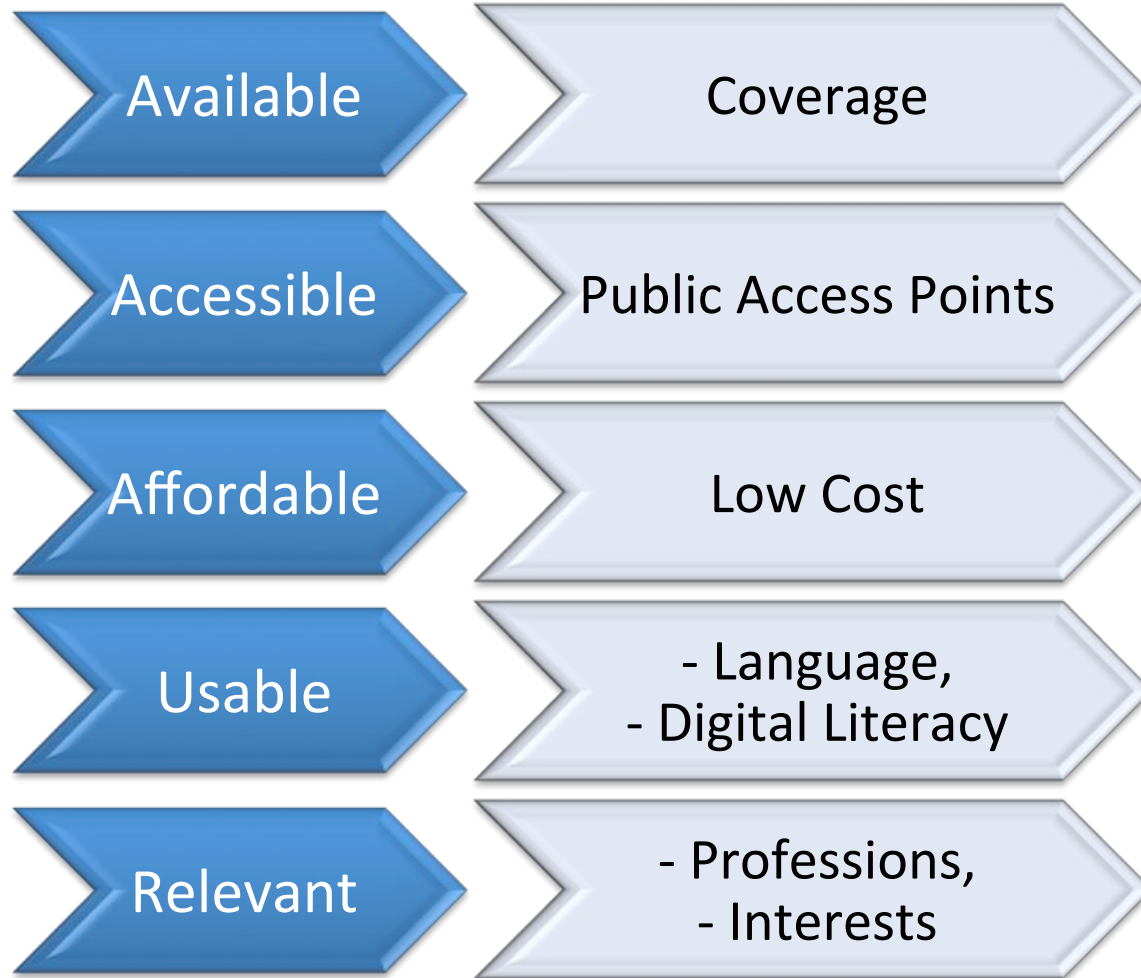
it is the age of

BROADBAND!



No Broadband uptake  
unless both sides are  
addressed

# USF must help to make Broadband:



## Summarising

Clear & Fair Policy

Robust Legal Framework

Independent  
Organisational Structure

Participatory  
Management

Trustworthy with  
Transparent Processes

Technology Neutral

Facilitate Operators

Ensure Competition

Go for Broadband –  
don't forget Demand side!

*This is not the end of the causes of failure  
(each country has more of it's own)*

**THANK YOU**

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