

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

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

Source: LirneAsia 2015

A4AI Myanmar National Coalition



Focusing on 4 priority areas:

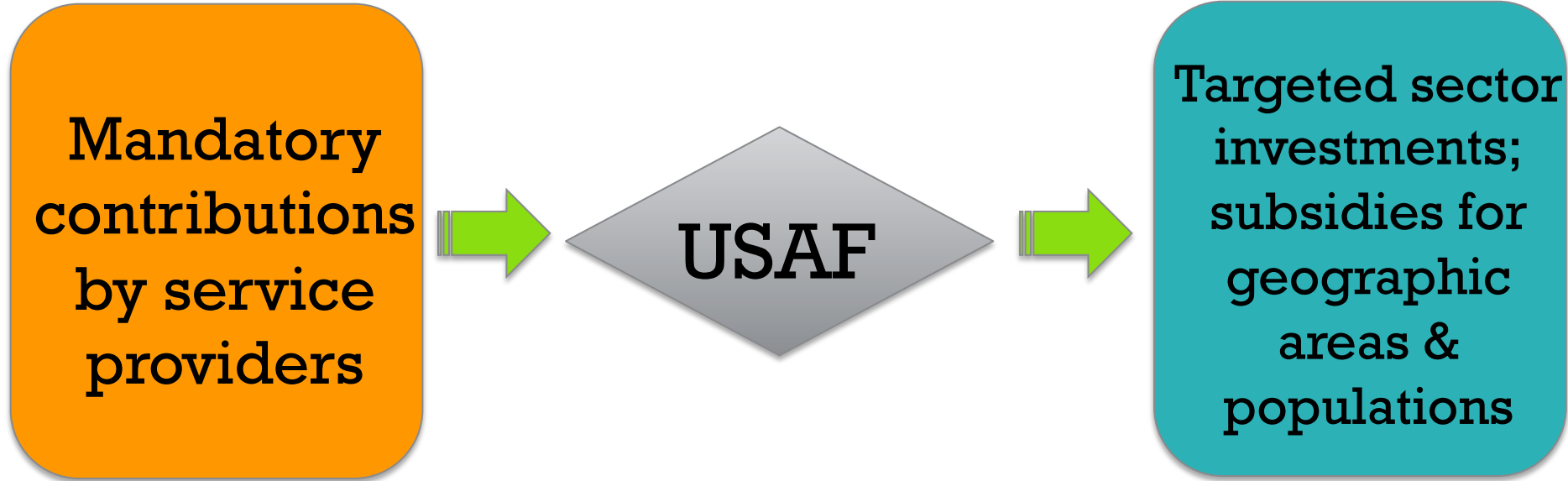
1. Infrastructure sharing
2. Taxation
3. Data & research
4. **Universal Service and Access Fund**

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?





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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