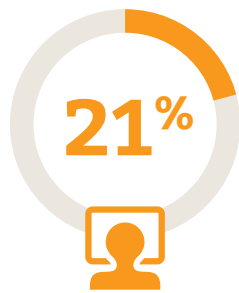




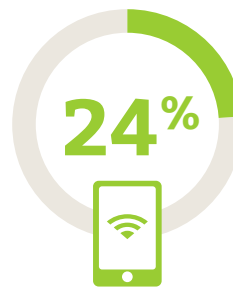
Mozambique

Affordability Report Highlights 2018

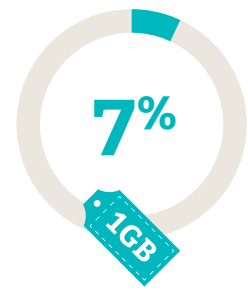
With only a fifth of its population online, Mozambique continues to be less connected than its regional neighbours. The average internet penetration rate in the Southern African Development Community was 28.4%, and for Africa, it was 24.4% (ITU, 2017). This is driven in part by relatively expensive broadband prices and lower average incomes. New policies introduced within the last two years have the potential to improve the situation significantly. It is now critical that the government, together with Mozambique's private sector and other partners, follows through on these plans.



ONLINE POPULATION
(ITU, 2017)



MOBILE BROADBAND PENETRATION
(A4AI/GSMA, 2018)



COST OF 1GB OF MOBILE PREPAID INTERNET
(AS % OF GNI/CAPITA)
(A4AI, 2016)

For the lowest 40% of income earners, the cost of a 1GB connection is 19-34% of their incomes.



A global coalition working to make broadband affordable for all

www.a4ai.org

Mozambique's Performance on the 2018 Affordability Drivers Index

Mozambique ranks 43rd (out of 61 countries surveyed) on the 2018 Affordability Drivers Index (ADI). This is one place lower compared to what Mozambique earned in the revised 2017 Affordability Drivers Index, indicating the slow pace of policy change across the country.

ADI RANK	COUNTRY	ACCESS	INFRASTRUCTURE	ADI SCORE (OUT OF 100)
43	Mozambique	46.5	38.9	45.2

1 Regulatory Environment

Score: 4.6 / 10

The latest law governing the licensing framework was adopted in 2016 (The Telecommunications Law, Law no. 4/2016). The law calls for a technology-neutral and simplified licensing regime, focused on unified licenses. The regulator, the Instituto Nacional das Comunicações de Moçambique (INCM), encourages consultation on policy and regulatory issues. Nonetheless, this process is not consistent and tends to be limited to certain actors only.

2 Broadband Strategy

Score: 6 / 10

The government adopted a new broadband strategy in 2017 (*Estratégia Nacional de Banda Larga*). The strategy outlines broadband speed at a minimum of 1Mbps, sets access targets, e.g. that the wireless broadband penetration for rural areas must be 70% in 2021 and gradually reach 100% in 2025. It also lists some of the major activities that should be carried out to improve access to broadband and to secure required investments. However, it does not include targets or time-bound interventions for reducing broadband costs.

3 Universal & Public Access

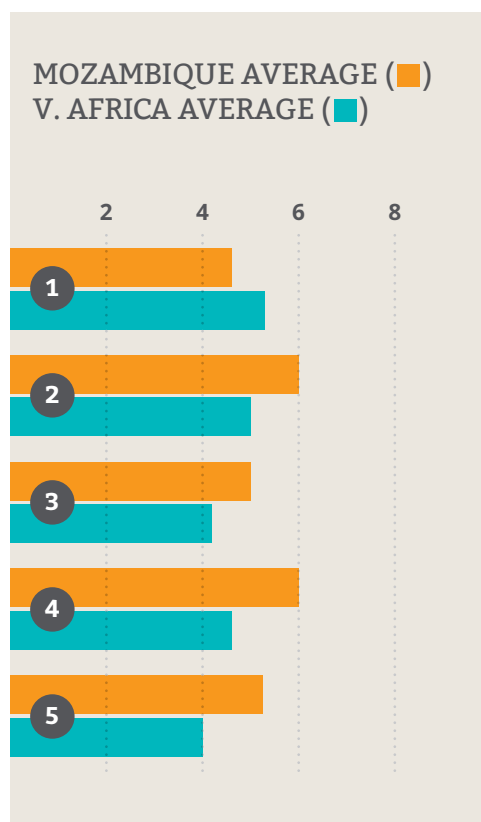
Score: 5 / 10

Since 2007, Mozambique's Universal Service Fund (USF) supports projects aimed at expanding internet access and promoting digital skills and content development in rural areas. This includes the establishment of Community Multimedia Centres (CMC) and financing of mobile network installations in 30 locations throughout the country. These projects are intended to prioritise underserved areas, yet details on their impacts are not publicly available. Device costs remain a significant barrier to access in Mozambique.

4 Infrastructure Sharing

Score: 6 / 10

The main regulatory instruments guiding infrastructure sharing are the Telecom Law (Law no. 4/2016) and new regulations introduced in November 2018 (*Decreto 65/2018*). These require that operators must be able to facilitate infrastructure sharing within their networks. The most recent rules clarify what such obligations are, guidelines for contractual arrangement between parties, covers both passive and active sharing, and applies to infrastructure developed through the USF. With adequate enforcement, this can promote greater sharing and lower costs in the sector.



5 Spectrum Management

Score: 5.25 / 10

In 2016 and 2017, the INCM was able to allocate the 700 MHz, 900 MHz, 1800 MHz, and 2.6 GHz frequency bands efficiently. This offered greater spectrum options to the already licensed entities and opportunities to new service providers. With the recent spectrum auction picked up by three operators in the market, competition is expected to spur more choice for consumers. However, operators have reported that a lack of a clear national spectrum plan has limited their ability to plan on expanding their networks. Additionally, INCM is actively exploring the use of TV white spaces, especially for the deployment of broadband services in rural areas.

Recommendations

1. Implement the 2017 broadband strategy and enforce infrastructure sharing regulations by focusing on key urgent areas to address:

- Design and implement demand-side initiatives to stimulate broadband use, starting with digital skills and content development programs.
- Establish a coordinating agency to implement a “dig once” approach to infrastructure investment.
- As previously noted there is a need for the INCM to monitor, for example, QoS metrics in the sector to ensure the strategy's minimum connectivity target of 1Mbps.
- Promote funding mechanisms that encourage faster deployment of affordable broadband services in middle and last mile connectivity.

2. Develop a holistic and inclusive Universal Service Fund strategy that incorporates reliable infrastructure, digital skills, local content with a clear focus on rural development and closing the digital gender gap

- Establish incentives and funding for new cost-effective connectivity public access models, e.g., community networks, cooperatives and wifi solutions.
- Improve disbursement rates of available funds. Based on recent data we noted that only 35% of funds were disbursed in 2016¹.

3. Establish a coordinated policy approach to provide public access opportunities and increase affordable access through additional dedicated investment, effective spectrum management and subsidized or low cost devices.

¹ <http://webfoundation.org/docs/2018/03/Using-USAFs-to-Close-the-Gender-Digital-Divide-in-Africa.pdf>