



INFRASTRUCTURE BROADBAND

V I E W P O I N T P A P E R

*Benefits and Costs of the Infrastructure Targets
for the Post-2015 Development Agenda*

Alliance for Affordable Internet

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Post-2015 Consensus

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The Auriel-Fanfalone paper on ICT Infrastructure Goals is a welcome addition to the extensive body of literature on the benefits of ICT for development, and more specifically, on the cost effectiveness of broadband deployment for economic development. The paper provides strong support for the inclusion of clear broadband penetration targets in the post-2015 Sustainable Development Goals (SDGs) by reiterating the power of increased broadband penetration to drive economic development — particularly in developing countries. The paper does offer some guidance as to which policy and regulatory frameworks should be in place to achieve higher broadband penetration rates, however it fails to share evidence of how recent broadband investments in developing countries illustrate these findings. Moreover, and perhaps most importantly, it does not offer evidence of the impact these investments in broadband have beyond economic growth. The social benefits that increased Internet access can bring to society and development in general — from improved health and education outcomes to increased opportunities for empowerment among marginalised populations — are great, and are closely linked with economic benefits.

While the Auriel-Fanfalone paper clearly recognises the importance of increasing broadband penetration around the world to achieve global development goals, it looks primarily at examples from developed countries and, in doing so, misses an important link — that between increased Internet penetration targets and increased access to affordable Internet. The implementation of policies that focus on driving down the cost to connect — especially across the developing world, where high poverty levels prevent many from accessing the life-changing potential of the internet — are critical to bringing more people online. Cost remains the single largest barrier to access, particularly for the over two billion people living under USD \$2/day across developing countries, and Internet access is often only possible via public and shared options (e.g., through public libraries, schools, community centres, and public institutions). Understanding this reality shapes infrastructure deployment decisions, as it allows policy makers to be aware of the impact of infrastructure costs as determinants of the development opportunities they create. It also highlights the importance of working to reduce the cost to connect. Achieving the UN Broadband Commission target of entry-level broadband services priced at or below 5% of monthly GNI per capita will enable the billions who are currently not online to connect to the information and public services available via broadband.

Though the experiences from developed countries can be useful in designing solutions for increasing broadband access in developing countries, the socio-economic realities in these countries are often quite different from those found in developed countries, and are, therefore, not always relevant. Sharing evidence and research from developing countries is critical to support other emerging economies looking to improve public service delivery and economic opportunity through ICT sector investment, and also to demonstrate to policymakers and the wider development community that ICT and affordable broadband are critical to global socio-economic development.

As the Alliance for Affordable Internet (A4AI), a global multi-stakeholder coalition working to drive down the cost of broadband access through policy and regulatory action, we hoped

this paper would go beyond the cost-benefit economic growth analysis to provide evidence of what those benefits mean to the reality of development in developing countries — a reality where efficient public service delivery and opportunities are increasingly dependent on reliable broadband platforms and services. From Colombia in Latin America, to Kenya in Africa, and Malaysia in Asia, it is clear that a government’s vision of broadband for development has allowed for increased affordable access, innovative service delivery, and enormous opportunity for businesses, public services and democratic participation. Such visions are implemented via a number of policy and regulatory measures that guide development of the sector while creating the conditions that lead to increased investment and affordable access to services.

The Alliance’s 2013 Affordability Report and A4AI’s recently published country case studies providing several examples of developing countries that are making significant strides in making broadband access more providing affordable, and which are having a real impact on people at all levels of society across the globe. Progressive reforms, in line with A4AI’s Best Practices for Policy and Regulation, have led to tremendous development opportunities:

- In Pakistan, the Universal Service Fund invested in successful public-private partnerships to support 500,000 new broadband subscribers in more than 300 previously underserved towns and cities, created 300 Community Broadband Centres, and connected 1,100 high schools, colleges, and libraries (A4AI Affordability Report, 2013).
- In Nigeria, Africa’s most populous country, the Ministry of Communications Technology has been a leader in pursuing a policy of open access and infrastructure sharing. The Federal Government of Nigeria hopes to change cost structures in order to increase the impact of infrastructure investments, and drive innovation in business models that will increase access and demand for broadband (A4AI Nigeria Case Study, 2014).
- Malaysia’s comprehensive 2010 National Broadband Initiative focused on stimulating broadband demand by increasing awareness of broadband benefits, improving available e-governance and other services online, and enhancing broadband affordability by subsidising device costs. As a result of the Initiative, over 3.7 million Malaysians subscribe to mobile broadband and more than 63% of households have an Internet connection (A4AI Affordability Report, 2013).
- In Colombia and Kenya, the elimination of taxes on equipment and mobile handsets had a significant impact on Internet and mobile access. In Colombia, Internet penetration increased 466 percent between 2005 and 2008 (IDC Colombia, 2009), and in Kenya, mobile adoption and increased adoption from 50% to 70% in one year in Kenya (GSMA 2014).

The above experiences, together with the analysis provided in the Auriel-Fanfalone paper, form the basis for the dialogue on the role of ICT and broadband to realize the Sustainable

Development Goals (SDGs), a dialogue that needs to start with the understanding that broadband is the 21st century platform for growth and development. To fully realize this vision, the SDGs must include concrete targets beyond those currently stated in the version of Goal 9c. A4AI recommends the following:

- Getting the cost of basic broadband below 2% of average income in every country by 2020
- Achieving universal Internet access — at least 90% active subscribers or users — in every country by 2030

This paper was written by Alliance for Affordable Internet, a coalition of private sector, public sector, and civil society organisations who have come together to advance the shared aim of affordable access to both mobile and fixed-line Internet in developing countries.. The project brings together 60 teams of economists with NGOs, international agencies and businesses to identify the targets with the greatest benefit-to-cost ratio for the UN's post-2015 development goals.

For more information visit post2015consensus.com

C O P E N H A G E N C O N S E N S U S C E N T E R

Copenhagen Consensus Center is a think tank that investigates and publishes the best policies and investment opportunities based on how much social good (measured in dollars, but also incorporating e.g. welfare, health and environmental protection) for every dollar spent. The Copenhagen Consensus was conceived to address a fundamental, but overlooked topic in international development: In a world with limited budgets and attention spans, we need to find effective ways to do the most good for the most people. The Copenhagen Consensus works with 100+ of the world's top economists including 7 Nobel Laureates to prioritize solutions to the world's biggest problems, on the basis of data and cost-benefit analysis.

