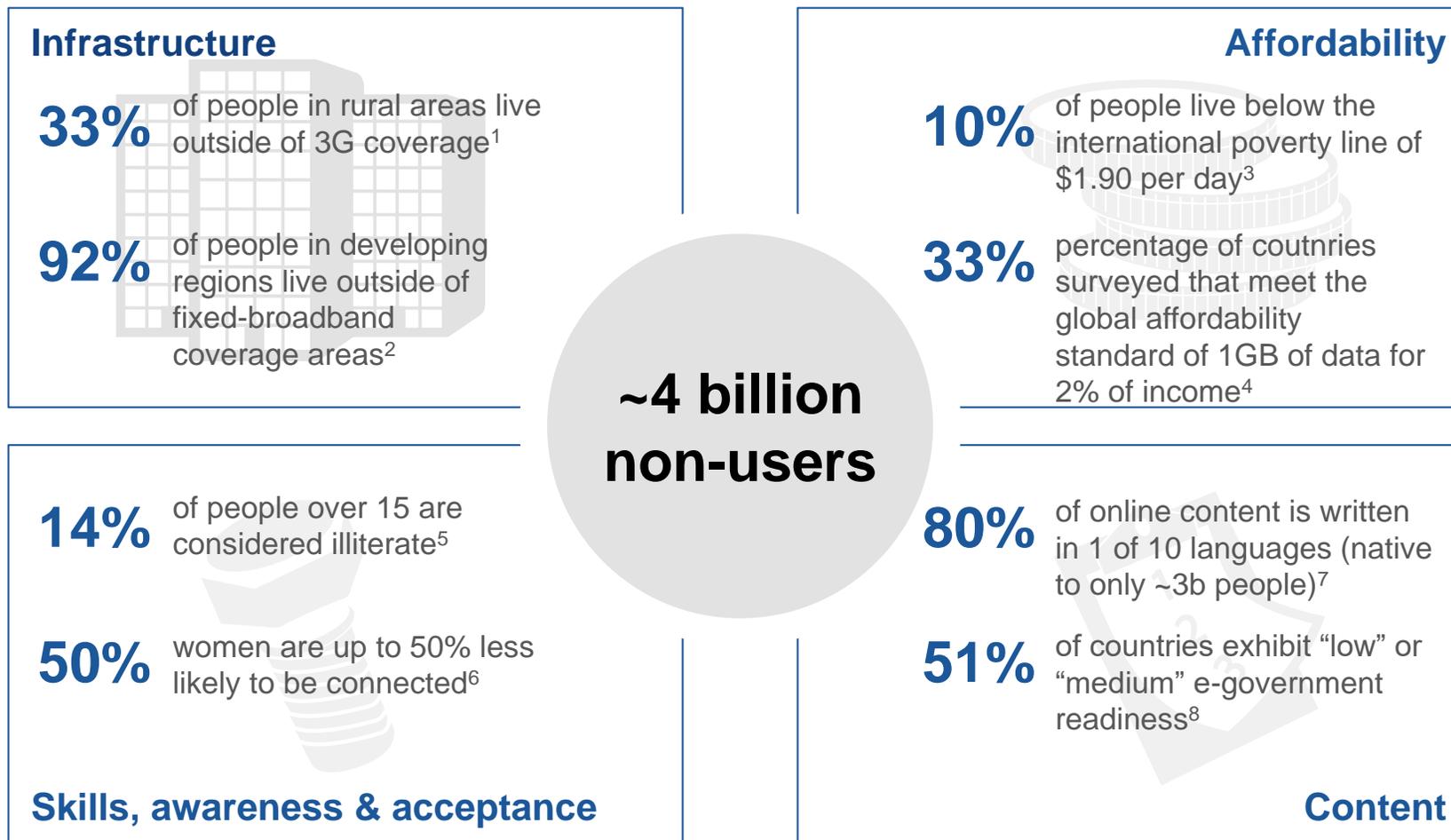


# Internet for All Financing ICT Connectivity

London  
3 May 2018



# Four principal barriers hinder universal internet access

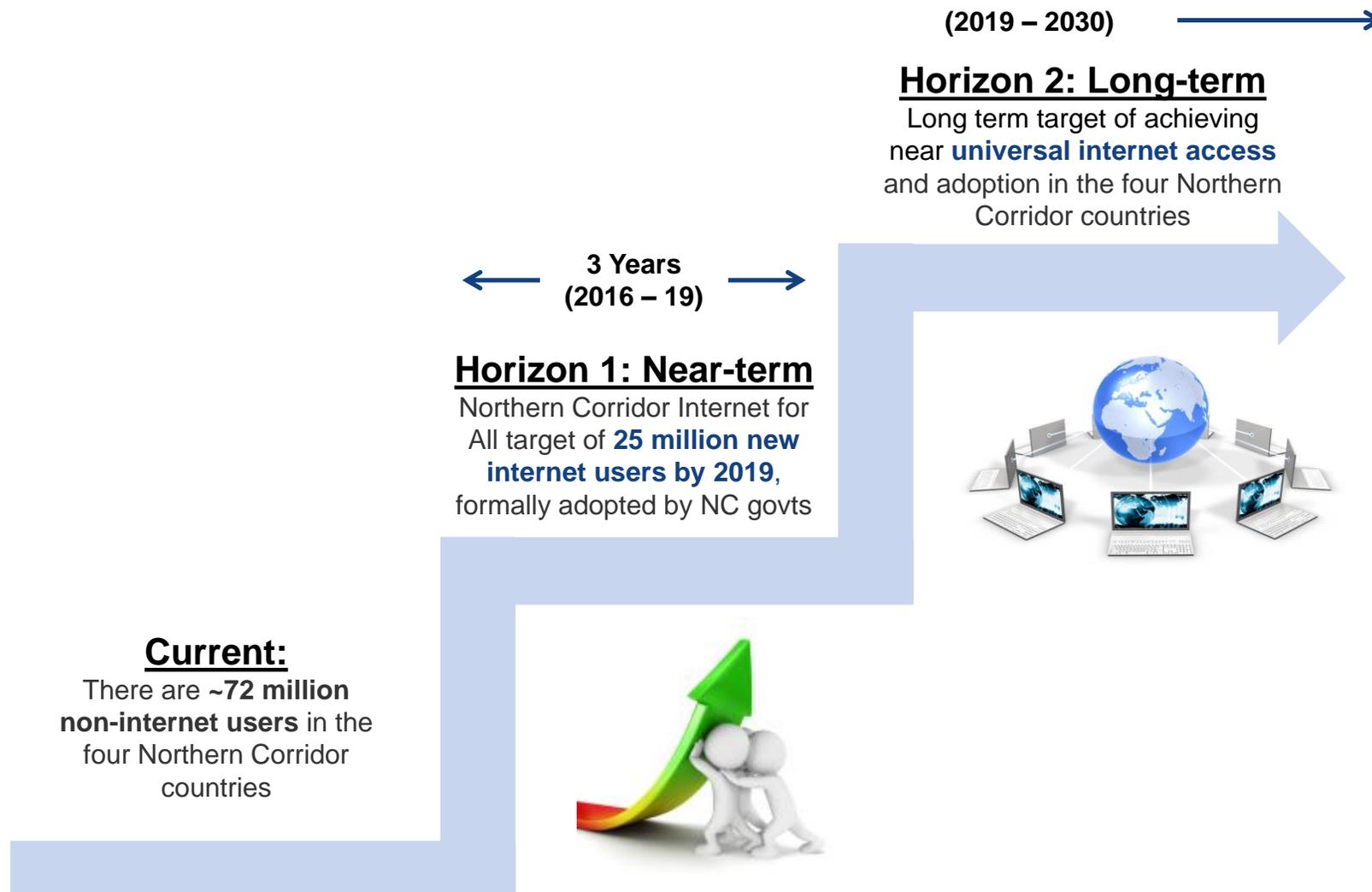


Most recently available figures used: 1. ITU, 2016 estimate; 2. International Institute for Sustainable Development (IISD), 2016. 3. World Bank, 2015 projection; 4. A4AI Affordability Report 2017; 5. UNESCO, 2016; 6. Controlling for education level and household income, World Wide Web Foundation, 2015 ; 7. World Bank, 2014; 8. United Nations E-Government Survey, 2016

# Northern Corridor Internet for All



**Two horizons considered :**  
**Near-term target of 25 million new users**  
**Long-term target of near 100% internet access**



## Selected interventions for the Northern Corridor analysis

---

**Four specific interventions, one addressing each barrier, were chosen based on an understanding of the region.**

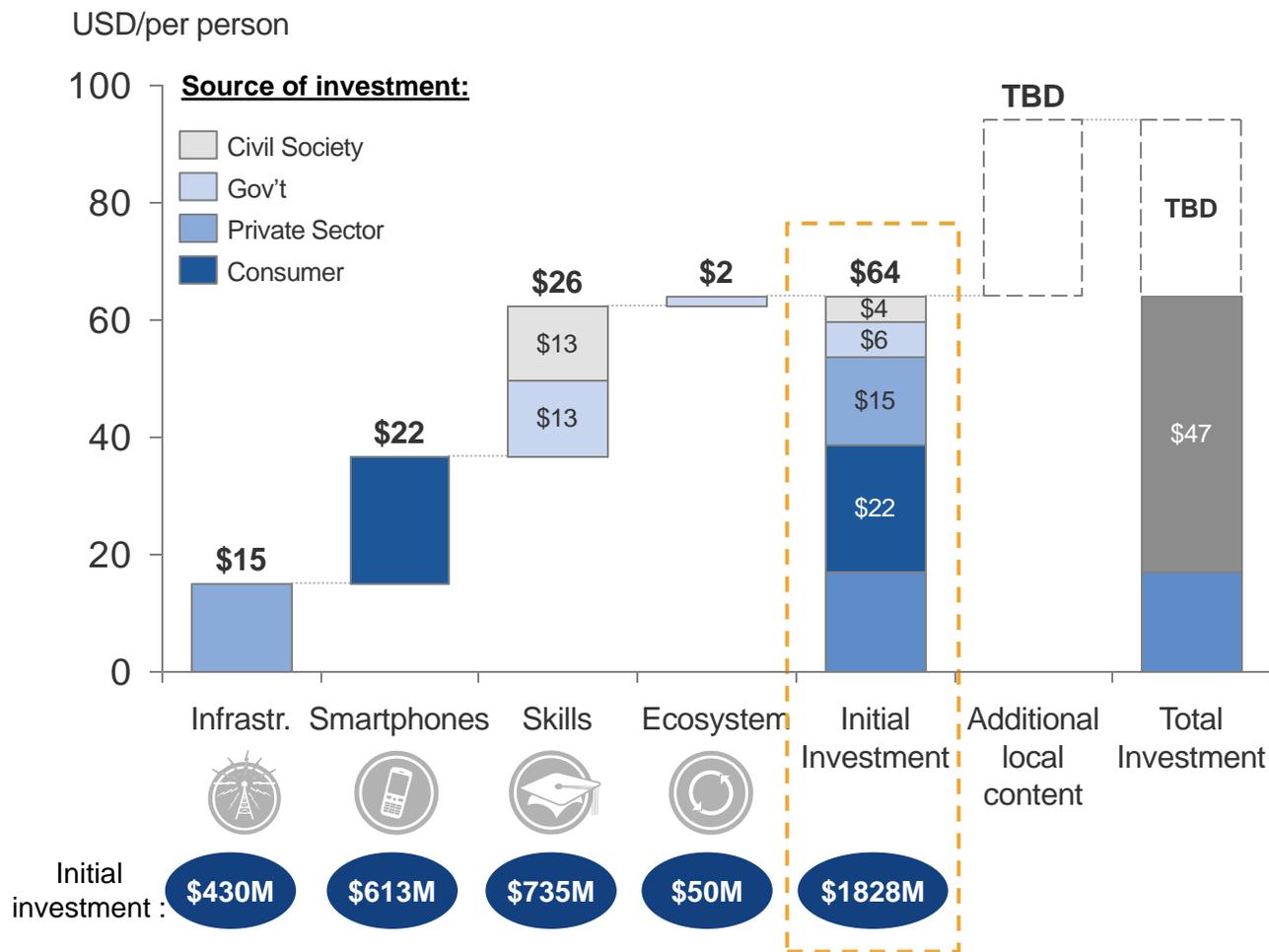
**Infrastructure:** The intervention chosen was to **expand 3G and 4G coverage**. This was in part because it was noted that 42% of people in the Northern Corridor countries are not covered by a mobile broadband signal.

**Affordability:** The intervention chosen was to **increase access to smartphones**. It was noted that in the region smartphone adoption is low, ranging from only 10% to 29% in the four countries, owing in part to the high cost of devices.

**Skills and awareness:** Not only do people in these countries lack ICT skills, basic literacy and numeracy are also widespread problems; for example, less than half of eligible youth are enrolled in secondary education. The intervention chosen was to **train two people per family in digital skills and provide 10% of the population with advanced digital skills**.

**Local Content:** Numerous studies have shown the importance of locally relevant content in encouraging local internet adoption and use. Local content is hard to find—in the Northern Corridor countries, only 0.1 internet domains are registered per 1,000 people compared with the global average of 26 per 1,000 people. The intervention chosen was to develop a tech park to support the development of local content.

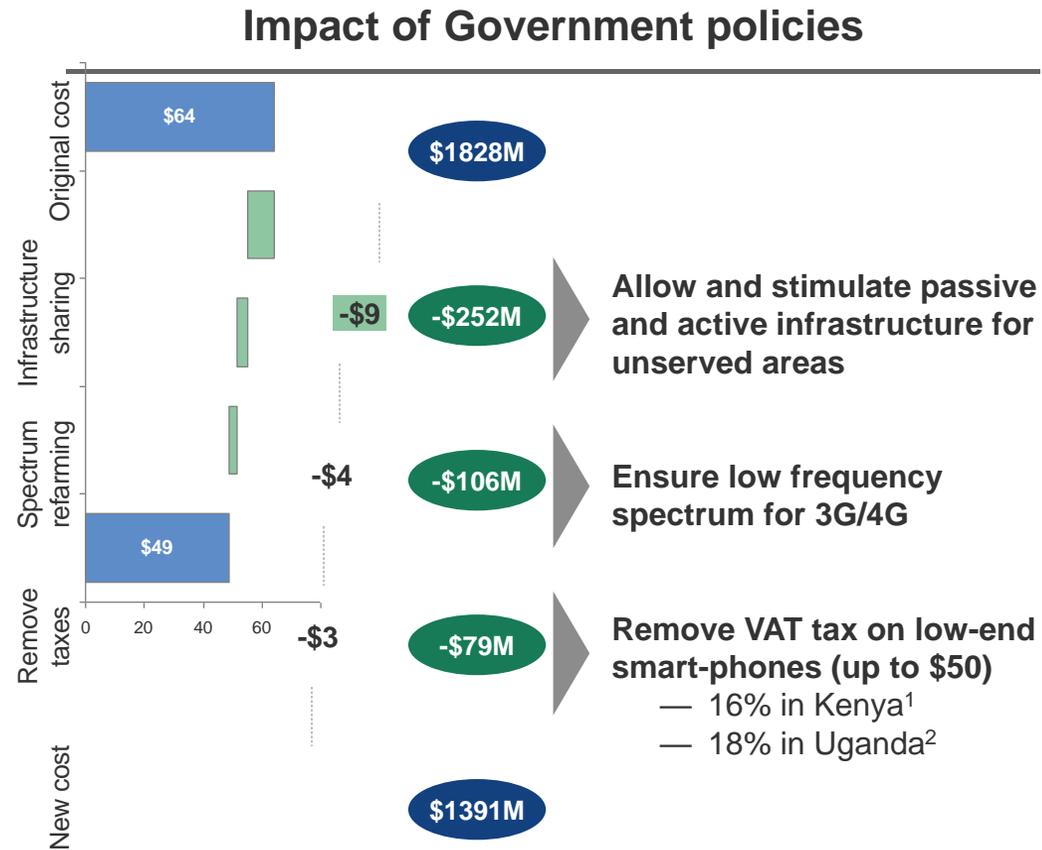
# An initial \$64/person (\$1.83 billion) required to add 25 million<sup>1</sup> new internet users in the Northern Corridor



- Reaching NC target will require basic investment of \$1.83 billion or \$64/person
- Yearly funding for digital skills represents 2-5% of total annual NC Education budgets
- Further investments esp. in local content (e.g. Digital Fin. services, eHealth, etc) will be required to get full socio-economic benefit of Internet

Note : Assumes limited infrastructure sharing between operators, 2 smartphones per household at \$47<sup>2</sup>, 1 person per household with basic digital literacy training, 1% of youth labour force given adv. ICT training (in line with figures for selected OECD countries) for South Sudan, Uganda, Rwanda and 4% for Kenya (given already high ICT employment rate) and a lower cost of capital at 15%<sup>1</sup>. Based on collective country targets totaling 28.5M new users in Northern Corridor; 2. \$47 before VAT  
 Source: World Economic Forum; BCG analysis

# Targeted government policy levers can reduce this cost by 23% to \$49/person with savings of about \$440M...



### Outcomes

- Specific govt policy can reduce required investment by >\$400M or 23%
- Business case for private sector is financially sustainable in all countries;
- Smartphone cost reduced 17% to a more manageable cost for consumers

USD

1. Media articles 2. GSMA Mobile taxation Report 2015  
Source: World Economic Forum; BCG analysis

# Evolving World Economic Forum platform proposes one solution to link projects with providers of capital



## Pipeline of projects

Projects uploaded to platform by project owners or investors

### Projects segmented on characteristics...

- Project size / type
- Geography
- Risk classification

...And potentially bundled with other projects to allow for larger investments & reduced risk exposure



## Network of financiers

Financiers categorized on characteristics, e.g.

- Type of financing
- Min/max investment
- Risk tolerance
- Preference for project features (e.g. geography, impact)
- Ability to co-invest

Participation is "at will"

- No obligation to share deal flow or invest in projects



## Forum for discussion

Platform facilitates sharing of information and discussion of deals

- Benchmarks and basic project documentation are shared
- Investors discuss viewpoints on projects and project owners
- Co-investment opportunities explored



## Platform to bridge the gap

Projects and financiers matched based on their characteristics

- Matches can be made for individual projects or for tranches of a portfolio comprising multiple risk-diversified projects
- Matches can be made with individual investors or teams of investors

An initial program would be piloted in a single country or set of countries before broader expansion

**Thank you**

---

**Alex Wong**  
**World Economic Forum**  
**[awo@weforum.org](mailto:awo@weforum.org)**  
**+41 79 210 2618**