

Workshop

How to transform Universal Service Funds to close the digital divide in Latin America and the Caribbean?

7TH LATIN AMERICAN TELECOMMUNICATIONS CONGRESS

WORKSHOP CAF – DEVELOPMENT BANK OF LATIN AMERICA

THE DEVELOPMENT OF NEW INVESTMENT MECHANISMS FOR THE CLOSURE OF THE DIGITAL GAP

BRIGADIER GENERAL JUAN BAUTISTA BUSTOS CONVENTION CENTRE

JULY 4TH AT 09:00 HOURS

CONTEXT

Despite the advance in Internet coverage in Latin America and the Caribbean (LAC) in recent years, 279 million people do not use this service. This figure implies that 45% of the population does not have access to services derived from digital connectivity, such as telemedicine, tele-education, online government and electronic banking, among others. In terms of network capacity and quality, the challenges remain important. Only 4 out of 10 households have a fixed broadband connection and individual mobile internet accesses do not exceed 50%. The access gap also has an expression at the level of low-income households and rural areas where important asymmetries in the coverage and affordability of digital services persist.

The background to this situation is partly the absence of the right incentives to increase investment in telecommunications infrastructures at the levels evidenced by developed countries. The economies of the OECD, for example, allocate 57% more resources to the expansion of communications networks in per capita terms than the average of Latin American and Caribbean countries. The absence of modern policies for the digital age and of suitable investment mechanisms for the deployment of networks to low-income areas, added to the limited capacities of digital innovation and problems of public-private coordination, may be holding back the accelerated development of the digital ecosystem of LAC, and the most serious thing is widening the social gaps in populations not included in the digital world.



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It is imperative, then, to rethink the design and use of universalization funds, as well as to imagine new mechanisms that leverage investment in remote areas and where the costs of deployment and access still make the connectivity of low-income households impossible. A clear example of innovation in this regard is Internet para Todos (Internet for Everyone), IpT, the telecommunications company that is being developed in Peru with contributions from Telefonica, Facebook, BID Invest and CAF to offer mobile internet services to nearly 8 million people in Peru who live in populated centers and away from the benefits of the digital world.

The Universal Service is a dynamic concept whose general purpose is to make it possible for all the inhabitants of a country to access ICT services provided in conditions of quality and affordability, regardless of their domicile, income or capabilities. In general, terms, the Universal Service has been implemented through different programs determined by the authorities of the ICT sector in each country and that are financed with resources from the Universal Service Funds. These mechanisms have been questioned in terms of their efficiency (optimization of use) and effectiveness (purpose).

OBJECT OF THE WORKSHOP:

This workshop seeks to discuss the primary challenge of exponentially increasing investment in telecommunications infrastructures. Given the relative limitation of public funds to respond to this challenge, the necessary incentives to increase capital investment in the sector will be discussed, what role public universalization policies must play and how to close the gaps in access to an offer of digital services for households and the productive sector from public and private investment.

It also seeks to discuss the transformations that the telecommunications industry is facing, the emergence of new models of service universalization, financing needs and barriers to network expansion. Recommendations and policy options that favor the development and expansion of digital infrastructures in the region will also be presented.

In a context of redefining traditional sectoral public policies in the light of the fourth industrial revolution, we will discuss the state of affairs, lessons learned and ultimately how to transform the Universal Service Funds so that they contribute effectively to closing the digital gap technology in Latin America and the Caribbean. Different approaches and practical cases will be discussed, to be highlighted: Internet for All Initiative, Peru; Broadband coverage expansion model for closing the digital divide, Mexico; and reconfiguration of Universal Service Funds to maximize social welfare, Colombia, among others.

WORKSHOP AGENDA:

HOW TO TRANSFORM THE UNIVERSAL SERVICE FUNDS TO CLOSE THE DIGITAL DIVIDE IN LATIN AMERICA AND THE CARIBBEAN?

THE DEVELOPMENT OF NEW INVESTMENT MECHANISM FOR THE CLOSURE OF THE DIGITAL GAP

09:00 – 09:10	Welcome words	Mauricio Agudelo, Coordinator of the Digital Agenda, CAF
09:10 – 09:20	Presentation: The FSUs and the current state of digital agendas in Latin America	Carlos Castellanos, Americas Regulatory Analyst, Cullen International
9:20 – 9:55	Panel discussion I: Challenges of the FSU in Latin America <ul style="list-style-type: none"> • Iván Mantilla, Vice Minister Mintic, Colombia* • Federico Storni, General Coordinator of Executive Affairs, ENACOM • Gilbert Camacho, Chairman SUTEL, Costa Rica • Bruno Ramos, Regional Director for the Americas Regional Office, UIT* • Sebastián Kaplan, Public Policy Manager LATAM, Connectivity & Access, Facebook 	Moderator: Carolina Limbatta, Senior Analyst, Cullen International
09:55 – 10:20	Panel discussion II: How to transform FSUs? New mechanisms that effectively contribute to closing the digital gap. <ul style="list-style-type: none"> • Mónica Aspe, VP External Affairs, AT&T, México • José Juan Haro, Director Latam Public Policy and Wholesale Business, Telefónica • Adriana Labardini, Board Member Rhizomatica, Mexico • Gabriela Lago, Director Regulatory Affairs, Oneweb • Ajit Pai, FCC Chairman* 	Moderator: Eduardo Chomali, Telecom and ICT specialist - CAF
10:20 – 10:30	Closure and conclusions	

*To be confirmed

Some of the issues that will be discussed are:

- What is the status of the Universal Service Funds in Latin America?
- What are the opportunities and challenges for the Universal Service Funds to be an effective lever to close the digital divide in Latin America and the Caribbean?
- How can they be transformed? New models and practical cases.