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GLOBAL BROADBAND AND INNOVATIONS PROGRAM

FINAL REPORT FOR THE AFRICA UNIVERSAL SERVICE AND
ACCESS FUND SUPPORT PROJECT

OCTOBER 18, 2013

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EXECUTIVE SUMMARY

This is the Final Report for the USAID project, Sub-Saharan Africa Universal Service and Access Fund Support Activity (or SSA USAF Support Activity), implemented by Integra LLC between October 2010 and September 2013. The main objective of this project was to:

“improve the practices and increase the actual use of current and future telecom universal service and access funds in sub-Saharan Africa to accelerate the extension of affordable and sustainable access to telecom services to those not yet served”.

Project activities focused on providing a wealth of knowledge, training, insights, and hands-on technical assistance to USAFs in SSA, with a range of goals for the near-term and longer-term impacts of such assistance. As the project moved forward, the scope of the project team’s assistance to partner countries, and general capacity building measures, took on a variety of forms. The project outcomes and accomplishments, therefore, follow a number of different paths, and there have been many valuable lessons learned along the way. The following is a summary of the main activities and accomplishments of the project, which are elaborated in the main report, along with lessons learned and recommendations for future activity.

KENYA NATIONAL BROADBAND STRATEGY AND USF PLANNING

- GBI’s technical assistance was instrumental in the planning, design and adoption of Kenya’s new National Broadband Strategy (NBS). GBI’s team helped establish the policy framework, procedures, key issues, and objectives of the NBS, and participated materially in the development of the Strategy at all stages. The Government of Kenya announced and launched the NBS on July 23, 2013 at a public forum hosted by the Vice President, where USAID’s support was prominently acknowledged.
- Under the NBS, the Government of Kenya has now formally committed to budgeting some 5% of its annual budget, or US\$1.1-billion, toward implementation of broadband ICT programs through 2017. The strategy also anticipates leveraging another \$1.7-billion in private investment, through innovative financing mechanisms and public-private partnerships. Initial projects to provide computers to schools and expand fiber backbone access to all newly established County governments are already underway as of late 2013.
- GBI has also provided extensive assistance to the Communications Commission of Kenya (CCK) on the formal establishment and launching of the country’s first Universal Service Fund. The USF was authorized several years ago, but was not yet operational, and the Broadband Strategy calls for the USF to be a key source of funding for many of its goals. Following the NBS process, GBI and CCK have been collaborating closely on preparing the core management and operational frameworks for the Fund, and planning for initial pilot projects that will expand broadband access within rural Counties, targeted for the end of 2013. These projects will utilize at least \$12-million in seed funding that is already allocated and available to the Fund.

NIGERIA USPF STRATEGIC PLANNING AND CAPACITY BUILDING

- GBI provided hands-on support to the Nigeria Universal Service Provision Fund (USPF) in the development of its new Strategic Management Plan (SMP) for 2013 to 2017. GBI's experts participated in an intensive 2-day senior management planning session, which included the Minister of Communications and CEO of the Nigeria Communications Commission, which helped guide the definition and adoption of the Fund's new strategy and focus. The programs incorporated in the SMP were directly based upon GBI's recommended framework, and involved a critical change in direction for the Fund, toward financing integrated broadband access projects, as well as greater accountability and efficiency in USPF operations.
- As a direct result of this new strategic process, USPF has allocated US\$82.8-million for FY 2013 toward new programs and projects, particularly in extending fiber backbone and cell network coverage, while improving the Fund management's data collection and market analysis resources. This represents a 50% increase in the Fund's budget over FY 2012, substantially reducing the surplus that had built up in recent years. By September 2013, the Fund had already awarded \$22-million in new contracts for construction of 3500 km of backbone fiber.
- GBI also provided additional Technical Assistance to USPF management and staff during the course of the engagement. This included review and recommendations concerning the agency's most recent Gap Analysis and database, and how to improve USPF data management. In addition, GBI's experts conducted a separate 2-day workshop for key USPF staff on the topics of Monitoring and Evaluation and Data Collection and Analysis.

GHANA DIGITAL DIVIDE STUDY AND USF CAPACITY BUILDING

- GBI's team contributed extensively to the design, implementation, and analysis of a national Broadband Digital Divide study, at the request of the Ministry of Communications and Ghana's Universal Service Fund administration, the Ghana Investment Fund for Electronic Communications (GIFEC). GBI prepared the framework and survey design questionnaire for a broad survey of current and potential broadband users, to determine the nature, scope, and constraints influencing broadband ICT demand among Ghana citizens. The primary goal was to support development of more effective programs by GIFEC to address gaps in ICT demand throughout the country.
- GBI provided analysis of the survey findings, recommendations for improvements, and proposed follow-up work to incorporate the study results in future GIFEC programs.
- GBI also leveraged ongoing consulting work by CTO, under a parallel GIFEC project separately funded by the Ghana government. GBI team members were simultaneously engaged to support GIFEC and the Ministry under this project to redefining GIFEC's Strategic Plan, and as such aligned the work to complement GBI. This work drew directly from (and contributed to) the best practices lessons and materials of the GBI

USAF program. GIFEC representatives also attended all of the GBI workshops on USAFs, and participated in the webinars as well.

TANZANIA USF PLANNING AND CAPACITY BUILDING

- Early in the project, GBI engaged with the CEO of the newly formed Tanzania Universal Communications Access and Services Fund (UCAF), and agreed to provide Technical Assistance in the establishment, launching, and capacity building of the Fund. GBI's experts provided support for preparation of the initial Fund Strategic Plan, including a template Market Assessment and other input materials. The assistance was suspended after the government was unable to approve UCAF staff hiring within the time frame of GBI's engagement, but the team remained in close contact with the agency.
- Despite the suspension of direct TA, Tanzania's UCAF was a major beneficiary of the capacity building activities conducted under this USAID project. Tanzania was the host country for two of the three project workshops (Dar Es Salaam, August 2011, and Zanzibar, May 2013), and the UCAF CEO and eventual staff personnel actively participated in the knowledge sharing and training of these events. New UCAF staff also participated in the GBI webinars as some of their first training activities, while GBI materials on strategy and market analysis were also provided to them as initial planning and training resources.
- Since suspension of the activity, UCAF has brought five staff members onboard, and GBI is now re-assuming negotiations over a possible Technical Assistance program to be funded under a different mechanism.

CAPACITY BUILDING: WORKSHOPS, MODULES, WEBINARS

- The GBI team co-sponsored and actively contributed to three USAF Capacity Building Workshops within Sub-Sahara Africa during the course of this project. Workshops were held in Nairobi and Zanzibar with co-sponsorship by Intel Corporation and Dar es Salaam with co-sponsorship by the Commonwealth Telecommunications Organization. These 3-day workshops were attended by representatives from more than a dozen countries, particularly USAF administration officials. Workshop resources included informational presentations by GBI experts as well as leaders of successful USAFs from other countries and regions; panel discussions on key strategic and operational topics; training exercises and lessons; extensive interactive discussion and Q&A; and a large variety of source material for participants to study and utilize as needed. In all cases, workshop participants were enthusiastic and pleased with the information and expertise available, and eager for follow-up activities and support.
- In parallel with the workshop training activities, GBI's experts also developed a series of four formal USAF Capacity Building Modules, to be made available to interested USAF administrations in any country, for internal training purposes. These modules provide

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detailed background, theory, examples, and instruction on four vital USAF management topics:

- 1) Strategic Planning
- 2) USAF Program Concepts
- 3) Monitoring and Evaluation
- 4) Data Collection and Analysis

The project team has made these modules available to USAF administrations both among those participating in GBI workshops and webinars (see below), as well as to others who have inquired, at no cost.

- The GBI team also conducted a series of live, on-line “Webinars”, to provide real-time, interactive delivery of the content of the USAF capacity building modules to interested USAF management and staff. Webinars were conducted for each of the first three modules, with participation by about 12-15 persons each, from 5-7 countries. The Webinars involved shared PowerPoint presentations, lectures by GBI’s experts, and Q&A by the participants. They each lasted one hour.

1. PROJECT OVERVIEW

This document presents the final report for the USAID project, Sub-Saharan Africa Universal Service and Access Fund Support Activity (or SSA USAF Support Activity), implemented by Integra LLC between October 2010 and September 2013. The project was developed as an initial technical assistance undertaking for the newly established USAID Global Broadband and Innovations (GBI) program, with a mandate to support more effective development of Broadband Information and Communication Technologies (ICTs) in Sub-Sahara Africa.

1.1 PROJECT FUNDING

The activity was funded primarily from two different contracting vehicles, with kick-off support from a third. The two primary vehicles were (1) a direct Task Order to Integra under the GBI Indefinite Quantity Contract, and (2) a subcontract from NetHope Inc. The kick-off funding came from the core program support Task Order of the GBI IQC.

Because of the various funding sources associated with the activity, it was subject at times to three separate approved Scopes of Work and three separate Work Plans. Further, the second of the two primary funding vehicles did not become fully available to the implementer until 11 months after the first funds were spent on the activity. These first 11 months are referred to as the “launch period.”

The intricacies involved in funding and governing this activity gave rise to several complications, which in turn led to the activity being re-conceptualized over the course of the launch period. As a consequence, the evolving objectives and requirements of the overall activity became relatively complicated. A full accounting of the events that transpired over the course of the project launch period, and of these changing requirements, is provided in the Annex to this report. This section presents the activity’s final rationale, objectives, activities, required deliverables, and target results.

1.2 PROJECT RATIONALE

Universal Service and Access Funds (USAFs) are government entities that play an important role in providing access to information and communications technologies (ICTs) in underserved areas of the developing world, which are frequently poor and rural. These areas, often too sparsely populated and too poor to offer a commercial network operator adequate return on required infrastructure investment, comprise a significant portion of the African continent. Although mobile phones are becoming nearly ubiquitous in much of SSA, coverage can be sparse in more remote and less populated areas (and mobile broadband access is often almost nonexistent). These services can be vital for development - study after study has shown that access to ICTs, including more advanced broadband services, has a significant impact on economic growth. Many countries, both within and outside of SSA, have addressed these ICT “access gaps” through Universal Service and Access Funds. In Pakistan, for example, in its first two years of existence the USAF created 200,000 working broadband connections in 238 towns

that had previously been completely unserved. African countries have begun to take notice and are following suit. Over 25 nations have now created USAFs and are looking to replicate the success enjoyed by several Asian and Latin American countries to expand ICT access.

In sub-Saharan Africa, however, most existing Universal Service and Access Funds have not functioned effectively in comparison with world best practices, or with the goals they have set for themselves. They are often understaffed, lack the capacity to evaluate and fund projects, and do not have strong strategic direction. Many African USAFs have collected large sums of money that they have not been able to disburse. A 2010 study found that in sub-Saharan Africa almost \$400 million was sitting unused in USAF accounts. In fact, Funds on average had only been able to spend 13% of what they took in. And the effectiveness and impacts of the funds that had been spent were in many cases questionable at best. Also, several prominent countries in the region, led by Kenya, had yet to launch a USAF.

Meanwhile, there is strong evidence that focused technical assistance, to build capacity and share best practices, can help USAF administrating agencies to establish effective operating procedures and unleash funds in a more timely and efficient manner. The experience of USAID and other international donors and experts in this area suggested that a program of intensive support to African USAFs could ultimately yield dramatic medium-term benefits, by unlocking funds already collected, effectively launching new Funds, and building a body of shared knowledge and experience to improve USAF operations throughout the continent.

At the same time, the goals of ICT access and universal services are themselves evolving in all parts of the world, even the remotest corners of Africa. Nearly all governments and stakeholders now acknowledge that, beyond mere voice-level telephone service, advanced broadband connectivity, Internet access, and e-applications present a profound opportunity to transform the levels of knowledge, social integration, job creation, and good governance at all levels of society. Even successful USAFs have been redefining their objectives to embrace “universal broadband” as a core priority.

Based upon these considerations, the SSA USAF project was established to enable USAID to provide strategic and targeted technical, capacity building support to African USAFs, bringing experience, expertise, tools, and innovative ideas to these Funds that have been only occasionally available until now. The project represents both a very good leverage opportunity for USAID funds and a chance to make a real impact on the daily economic lives of the continent's poorest citizens. The SSA USAF Project was funded by USAID's Africa Bureau (AFR/SD/EGEA) and implemented through E3's Global Broadband and Innovations (GBI) program, with co-funding through a Sub-Contract administered by NetHope.

1.3 PROJECT OBJECTIVES AND ACTIVITIES

The SSA USAF Support Activity's core objective was identified in the original Task Order as follows:

“improve the practices and increase the actual use of current and future telecom universal service and access funds in sub-Saharan Africa to accelerate the extension of affordable and sustainable access to telecom services to those not yet served”

The Task Order went on to define four general areas of activity that should be undertaken to accomplish this overall objective:

- 1) Improve the practices and increase the actual use of current and future telecommunications universal service and access funds in Sub-Saharan Africa,
- 2) Accelerate the extension of affordable access to telecommunications services (including broadband internet services where permissible) to those not yet served,
- 3) Improve Universal Service Fund Awareness, capacity, and practices across Sub-Saharan Africa, taking into account current telecommunications market dynamics,
- 4) Capture an expanded based of current practices, and promulgate best practices taking place within Africa, but also adding to these newer, more advanced models for consideration.

To implement these objectives, Integra was required to undertake two main activities: to provide direct technical assistance to certain selected African USAF institutions, and to promulgate general USAF knowledge and best practices widely among African public agencies and officials.

The implementation of these activities unfolded generally as follows:

- At the outset of the project, Integra experts participated in a regional workshop sponsored by Intel Corp. in Nairobi, Kenya in December 2010. This workshop helped introduce GBI and the pending program to interested African officials, and provided useful information and experiences to a diverse audience.
- As a project launch event, Integra participated in the Commonwealth Telecommunications Organisation “Connecting Rural Communities” Forum in Dar es Salaam, Tanzania in August 2011. There, the Integra team provided training in USAF best practices, surveyed participating USAFs about their operations and their training needs, and worked to develop relationships that would lead to technical assistance engagements.
- Based on relationships and contacts developed from those early regional events, and follow-up research and communications with multiple candidates, Integra ultimately developed country-specific project agreements with USAF administrations in four countries: Kenya, Nigeria, Ghana, and Tanzania. These engagements were carried out to varying degrees of intensity and outcomes from late 2011 through mid-2013. Details of these engagements are provided in Sections 2 to 5 of this report.
- Further, Integra developed four USF training modules for general promulgation, and held three training webinars based on these modules. (See Section 6.)
- Finally, the project team participated in a closing conference, the Intel Africa USF and Broadband Leaders Forum (held in Zanzibar in May of 2013), where updates and findings arising from the project activities and ongoing best practice assessments were shared.

1.4 PROJECT TARGETS

Project targets were initially proposed in the Work Plans developed by the Integra team for the overall assignment. These were identified primarily at the outcome rather than the output level, and were classified as “direct” and “indirect” targets. There were two direct targets for countries where the project would have one-on-one engagements: USF expenditures in dollars per year and growth in the number of rural ICT users. Data on USF expenditures were to be obtained from the USFs themselves, and the source of data for “rural ICT users” remained undefined. It was written in the Work Plan that Integra would work with the evaluator and beneficiary countries to determine a way to define rural ICT users. However, over the course of implementing the activity no solution was reached that was both satisfactorily accurate and within budget. As such, this report makes no further reference to this indicator.

Once the project was substantially underway, and the project team had been actively engaged in regional and country-specific work, a review of these preliminary targets was conducted, to align expectations with the interim findings and experiences on the ground. As explained in the sections below, the focus of project activities within each country engagement ultimately moved away from this preliminary focus on near-term USAF spending amounts and penetration figures, toward broader forms of planning support and capacity building for counterpart USAF agencies. While the expected outcomes continued to highlight increased and more effective USAF expenditures and overall sector growth, these came to be incorporated within larger strategic ICT development objectives, with longer-term horizons.

1.5 COUNTRY SELECTION CRITERIA

In order to identify and select among countries to be candidates for intensive technical assistance under the project, the project team developed and refined a series of qualifying criteria, with the aim of ensuring that the recipients of GBI support would be those best able to benefit therefrom. The criteria employed fell into three categories, with a number of specific elements under each. These can be summarized as follows:

1. Essential prerequisites: Basic conditions that must be met as a prerequisite for GBI support.
 - a. Priority countries for AFR and USAID (15 specific countries)
 - b. Established or planned USAF, sufficiently developed to merit assistance (according to the 4-level ranking system explained below)
 - c. USAF administration active interest in receiving assistance
 - d. Country government and local USAID mission engagement and cooperation
 - e. Financial or other resource contribution by the Fund
2. High priority factors: The most important (practical) considerations to apply in determining eligibility and priority. These were defined as:
 - a. USAF administration has necessary capacity to receive assistance
 - b. Assistance likely to yield significant impacts on USAF performance
 - c. The Fund’s challenges are exemplary for other Funds
 - d. Recent or ongoing capacity building initiatives by the Fund

3. Additional considerations: Factors that will weigh in favor of selecting a country or Fund(s), if the priority factors are generally equivalent among candidates. Examples included:
 - a. Diversity of issues and support requirements
 - b. Opportunities for multi-country and/or institutional cooperation

With respect to the status of USAFs in a given country (#1b above), the team employed the following ranking system:

- Category 1: No established USAF legislation, policy, or institution;
- Category 2: Recently established USAF, little progress to date in launching operations;
- Category 3: Established USAF that has been under-performing, e.g., collecting funds without disbursing, slow implementation of objectives, etc. These may be sub-classified according to two groups:
 - 3a: Funds where impediments to success are mainly political or legal in nature (e.g., lawsuits, political disputes over use of funds);
 - 3b: Funds whose low performance is mainly due to internal factors: lack of capacity, need for planning, insufficient technical resources, etc.;
- Category 4: Well established USAF that has been operating with relative success, but may still benefit from new perspectives, strategic realignment, etc.

The project team conducted considerable research and engaged in discussions and contacts with Fund administrations and governments in more than a dozen countries to assess and validate these criteria. The final selections were: Kenya, Nigeria, Ghana, and Ghana. The background, objectives, and activities for each resulting in-country project are described in the following sections.

2. KENYA: NATIONAL BROADBAND STRATEGY AND USF PLANNING

Beneficiary Organization: Communications Commission of Kenya (CCK)

Collaborating Organizations: Ministry of Information and Communication, National ICT Board, National Communications Secretariat

Time Frame: March 2012 to September 2013

Background: Kenya has one of the most successfully developed ICT and telecommunications sectors in Africa, and has also established a strong and effective Regulator in CCK. In addition, Kenya took a lead role in establishing an East African regional fiber optic network, an innovative public-private partnership that has become a model for other countries. As part of the ongoing

transformation of the Kenyan political structure, and adoption of the new Constitution, ICTs have been recognized as a critical component of the country's development agenda.

Despite these successes, however, there remain significant gaps in access to ICTs in Kenya, especially advanced broadband services. A 2010 gap analysis found that 11% of the population does not have access to mobile telephone signals, while 72% do not have access to Internet services. There have also been significant problems with extending the domestic national fiber backbone into underserved areas, and making broadband capacity available outside of major cities. The legislature mandated establishment of a Universal Service Fund under CCK in 2009, but various political conflicts over roles and responsibilities delayed launching the Fund for over two years. As of late 2010, the Government began to focus on the need for a more comprehensive national broadband policy and strategy, with a variety of different agencies and stakeholders vying for roles in the management of such a process.

Project Objectives: CCK was the first African organization to approach GBI, with discussions on potential assistance beginning in late 2010; however, various bureaucratic impediments delayed signing of a formal MOU between the Government and USAID for GBI support until March 2012. The agreed objectives of this engagement were:

1. Analysis and recommendations on ICT Gap Analysis previously conducted for CCK
2. Support for the development of a National Broadband Strategy, including assistance with a public Forum on this strategy
3. Assistance with implementation of the Universal Service Fund

As the project evolved, these objectives were maintained but also came to incorporate more specific assistance with many of the key policy and institutional steps involved with both broadband strategy and USF development.

Key Activities, Accomplishments: GBI has provided active and ongoing assistance to CCK since the formal launch of this engagement. Early in the process, the Government of Kenya identified the National Broadband Strategy (NBS) as its highest priority, and CCK was given the mandate to manage this process. GBI developed and proposed an in-depth Broadband Strategy Framework to guide the creation of the Strategy, including establishment of a national Steering Committee and Working Groups to address the myriad issues. This process was embraced not only by CCK management, but by all major ICT stakeholders, including the National ICT Council, which had been a competing agency seeking to control the NBS process.

Planning and strategy development became a top priority, and the Steering Committee met weekly for several months, with active participation by GBI's local representative. This work culminated in a week-long retreat among several dozen stakeholder representatives in Naivasha (October 2012), which produced a collective agreement on the content of the strategy. Following extensive further consultations and revisions, the Government of Kenya formally adopted the NBS document as a Cabinet-level policy, at a public ceremony chaired by the newly elected Vice President, which included the U.S. Ambassador, where USAID/GBI's invaluable assistance was prominently acknowledged.

Regarding the establishment of the Universal Service Fund, GBI assistance helped form the policy and analytical foundation for the Fund during 2012, but the official Fund launch was postponed while its role and priorities were being determined as part of the NBS process. This initial work included a comprehensive review of CCK's 2010 Access Gap Study, identifying key issues with the analysis, which will allow for a more robust and accurate allocation of USF

funding to ICT gaps. Beginning in early 2013, GBI and CCK turned closer attention to the steps required to activate the Fund. GBI has assisted with industry consultations and has developed working documents on the Fund's operational framework, governance structure, and pilot project plans. It is anticipated that these proposals will be adopted by the CCK Board and the Fund will be fully operational before the end of 2013.

Outcomes: The National Broadband Strategy as adopted incorporates concrete and ambitious spending and development targets for a wide scope of broadband ICT initiatives. On the whole the Government has agreed to allocate some 5% of the national budget, or US\$1.1-billion per year, to fund the Strategy between 2013 and 2017. In addition, the plan anticipated leveraging an additional \$1.7-billion in private sector investments. Following the election of the new President in April 2013, this program has already begun to bear fruit, in the form of several procurements, for computers in schools and broadband network extension to County government headquarters.

Concerning the USF, the initial targets forecast by GBI for the Fund included some \$15.5-million in spending, resulting in 800,000 new users, over three years. Given the evolution of the process, the timing of these initial targets must be pushed back by about a year (i.e., to 2013-2015), but the expected outcomes are of the same magnitude. The USF's initial seed funding available for pilot projects is approximately \$12-million, which is expected to be committed by the end of 2013. Meanwhile, the Fund will begin collecting additional contributions, to produce an annual budget of some \$7- to \$10-million per year, which will also be spent according to the strategic framework and priority programs developed with GBI assistance.

3. NIGERIA: USPF STRATEGIC PLANNING AND CAPACITY BUILDING

Beneficiary Organization: Universal Service Provision Fund (USPF)

Collaborating Organizations: Nigeria Communications Commission (NCC), Ministry of ICT, Digital Bridge Institute, KPMG Nigeria

Time Frame: February 2012 to January 2013

Background: Nigerian ICT policy, regulation, and development initiatives have generally been considered among the more aggressive and effective in Sub-Saharan Africa. The NCC is one of the continent's most widely admired regulatory agencies, and its licensing and competition policies helped produce 60% mobile phone penetration and 28% Internet penetration by 2011. Recently, however, the competitive market has slowed, and growth in Internet and broadband in particular have been hampered by high costs and inadequate infrastructure, especially to rural provinces. A new Minister of ICT and new leadership at NCC have taken over, with mandates to accelerate ICT access and adoption nationwide.

The Nigerian Universal Service Provision Fund was established in 2007, with the goal of channeling sector financing toward rural ICT access. Before 2012, the Fund had limited

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success. As of 2011, USPF had reportedly collected a cumulative \$265, while having spent only \$160 million, leaving a surplus of at least \$100-million. Moreover, USPF had not established an internal monitoring and evaluation regime, so has been unable to assess the effectiveness of its spending. However, a recent evaluation report by outside consultants found that, on average, less than 50% of the projects funded by USPF achieved their expected goals. The Fund's new manager, appointed in 2011, was tasked with creating a new strategy and processes for more effective use of Fund resources. He turned to GBI for assistance.

Project Objectives: In preliminary discussions in December 2012, it was agreed that GBI's experts would assist USPF staff in three areas:

1. Provide advice and assistance with USPF's strategic planning process
2. Review and analyze national ICT gap analysis and database
3. Advise on establishment of Monitoring and Evaluation procedures

The first area was already being addressed through a separate consultancy by KPMG Nigeria, but USPF leadership felt that additional support and outside perspective would be valuable to this process. The other topics represent critical inputs to improving USPF's performance and effectiveness in achieving its strategic goals.

Key Activities, Accomplishments: GBI experts contributed materially to the creation of the new USPF Strategic Management Plan (SMP), including joining a two-day intensive planning session in April 2012, which included USPF board and management, top NCC management, and the Minister. Proposals from GBI's experts were ultimately adopted by the group as the basis for the new USPF 5-year strategy, and these were later incorporated in a formal new Strategic Management Plan for the years 2013-2017. This new strategy will focus on three major program areas:

- National backbone extension
- Rural community broadband access
- ICT content and applications

The new SMP accounts for the structural weaknesses in the previous plan, and includes a realistic path to expand broadband use and eliminate the USPF budget surplus by 2017.

GBI also provided recommendations for USPF on establishment of a Monitoring and Evaluation program, as well as analysis of the GIS database and gap study, and recommendations for a new study to support identification of priority targets for the Fund.

Outcomes: The new USPF Strategic Management Plan will determine the Fund's spending focus and priorities for the period 2013-2017. The first year's budget for the Fund under the new SMP is US\$82.8-million, more than a 50% increase over the 2012 budget of \$52.1-million. It adds \$18.4 million for backbone network development and \$12.3 million for a new cell tower (BTS) program. It also includes a gap analysis, also following GBI recommendations, at a cost of \$3.1 million. This increased level of expenditure is contributing to spending down USPF's backlog of funds, as GBI projected.

The new activities prescribed by the 2013-2017 SMP are well underway. The gap analysis has been contracted and is being implemented as of September 2013. In 2012, USPF tendered a "pilot" backbone deployment as a precursor to a second, much larger backbone project in 2013. This pilot, covering 500km of fiber, was awarded in early 2013 at a cost of around \$3 million.

This was considered a success, and just after award USPF issued a tender for a much larger backbone procurement. Bids were due in the early summer, and the award was to be finalized by October 2013. USPF will allocate nearly \$19-million for the provision of 3000 km of fiber under this award. A third round of fiber procurement, which will come from 2014 funds, has already been advertised and will award 3000 km more. The BTS project, at a cost of just over \$12 million, is still being advertised.

All of these procurements are attributable to the plan created with GBI assistance. On the whole, over the 5-year period of the plan, it is estimated that the USPF will spend about \$300-million, with a commensurate large increase in broadband access for citizens, schools, public facilities, government, businesses, and other users.

The new efforts to procure backbone infrastructure and to expand BTS access are affecting other USAID (and other donor) funded projects in Nigeria. For example, USAID's NEXTT project will be leveraging the new fiber to facilitate the creation of agribusiness clusters along the trade corridor running from Lagos to Kano.

4. GHANA: DIGITAL DIVIDE STUDY AND USF CAPACITY BUILDING

Beneficiary Organizations: Ghana Investment Fund for Electronic Communications (GIFEC); Ministry of Communications

Collaborating Organizations: National Communications Authority (NCA), Institute of Statistical, Social, and Economic Research (ISSER), Commonwealth Telecommunications Organisation (CTO)

Time Frame: December 2011 to September 2013

Background: Ghana has historically been among the leading African countries in terms of telecommunications sector growth and policy. At over 100 cell users per 100 population, Ghana boasts one of the highest cellular penetration rates in the region. However, the country's progress in Internet and broadband development has been far slower, with only 14% Internet penetration as of 2011, less than half that of Nigeria or Kenya.

The Ghana Investment Fund for Electronic Communications (GIFEC) is among the most well established USAFs in Africa. It was launched in 2005 (and "strengthened" by new legislation in 2008), and has financed a wide range of projects, from new cell towers to Community Information Centers and school computers in rural areas, to electronic "fish-finders" for fishermen. Nevertheless, GIFEC's activities and spending patterns have been inconsistent, and the Fund is looking to revise its strategy and reconsider project spending. As of 2011, GIFEC had collected some \$26-million from operators while receiving another \$30-million infusion from the World Bank, and had spent about \$42-million of these amounts. The remaining surplus of some \$13-million, plus annual collections now growing to the range of \$10-million per year, will be available for spending under the new strategic plan.

Project Objectives: The Ministry of Communications approached GBI to assist in its analysis of the poor development of Internet and broadband in Ghana, and assessment of policy options, including GIFEC initiatives, to address this challenge. As a result, GBI agreed to work with GIFEC and the Ministry to support a comprehensive Broadband ICT market study and policy analysis. The study proposed to collect a wide range of data on ICT supply, demand, usage, costs, and other factors, with particular attention to Internet and broadband markets across Ghana. The core task was a major consumer survey, supported by review of secondary data sources. The goal was to identify barriers to ICT growth in Ghana, and ultimately to propose policy responses.

In parallel with this GBI project, GIFEC also used its own resources to engage CTO as an expert consultant, with two of GBI's experts (David Townsend and Kojo Boayke) under a separate contract to assist with preparing GIFEC's new strategic plan. This activity was consistent with inputs and findings from GBI's work and other sources, and coordinated with the ICT market study.

Key Activities, Accomplishments: At the outset of the project, in February 2012, GBI provided significant inputs toward the design of the study and its implementation methods. These tasks included preparation of a preliminary study report outline, design of a comprehensive survey instrument, identification of detailed secondary data requirements, and assistance with the terms of reference for the survey team to be contracted by the Ministry. GBI maintained close contact with GIFEC, the Ministry, NCA, and other agencies for purposes of monitoring progress and aiding with any difficulties that arose.

Although the project launched effectively with all of this up-front activity, the work later met with substantial delays, which pushed back the original project completion time frame of August 2012 by nearly one year. The problems arose in two areas: the contracting of the survey research institute (ISSER), and the availability of secondary market data through NCA and other sources. As a consequence, the project made little progress until ISSER was finally contracted, after which there were further delays associated with preparing and revising the survey instrument. The survey was finally launched only in May 2013. ISSER then produced a series of reports on the survey data and findings, which GBI experts reviewed and critiqued. Meanwhile, NCA had been unable to produce most of the requested secondary data, although some inputs were finally provided in July 2013, following inquiries to telecom operators. In addition, the team obtained some secondary census data. The result of these delays was to reduce significantly the scope of time and inputs that the GBI team could provide to GIFEC following the study's completion.

Outcomes: The ISSER study ultimately did produce a set of important and useful information about the status of Internet demand in Ghana. The data were disaggregated by geographic area, age, gender, and other metrics, and help to show some of the key differences between various types of Internet users and non-users in the country. GBI provided extensive comments and recommendations on the final study report, which helped improve the analysis and presentation of findings. GBI's final report on the study and recommendations for policy responses will be reviewed by GIFEC and the Ministry of Communications, which has placed a high priority on the results of this work. These recommendations, combined with the separate GIFEC Strategic Plan project, should enable GIFEC to utilize its funds more efficiently and effectively, with particular focus on expansion of rural broadband access. It is forecast that the Fund will spend some \$1.5-million to \$3.0-million on these projects per year as of 2014.

5. TANZANIA: USF PLANNING AND CAPACITY BUILDING

Beneficiary Organization: Tanzania Universal Communications Access Fund (UCAF)

Collaborating Organizations: Ministry of Communication, Science, and Technology; World Bank

Time Frame: January 2012 to May 2012 (suspended)

Background: The Universal Communications Access Fund (UCAF) of Tanzania was established under legislation passed in 2006 and regulations adopted in 2009, but was very slow to launch operations. The Fund has access to a core budget of \$30-million, but none had been spent on projects as of 2011. At the time of GBI's engagement, the Fund had only one employee, the Director, who had been working to develop pilot project plans in coordination with the World Bank. The Bank sponsored some initial focused technical assistance in setting up the Fund and attempting to implement an initial pilot project; however, bidding for the project failed to produce an acceptable outcome, and this project had to be rebid with a smaller scope in 2012.

Project Objectives: GBI initially reached agreement with UCAF to assist with the establishment and operationalization of the Fund, and creation of a strategic plan. In addition, GBI's team held discussions with the UCAF director on assisting with review and revision to the World Bank pilot project. This engagement, however, was contingent upon UCAF hiring core management staff in a timely manner, so that GBI could work with this staff and build capacity through the planning process.

Key Activities, Accomplishments: GBI collaborated with the UCAF Director during the early stages of this engagement to flesh out plans, ideas, data requirements, and procedures for establishing a strategic plan for the Fund, and ultimately for providing technical assistance and training once Fund staff were on board. This work included preparation of a framework for the development of the strategic plan, and for a market assessment.

However, the process for hiring support staff has run into continual bureaucratic delays, despite repeated assurances to the Fund Director from the Ministry (responsible for appointments) that necessary staff would be engaged soon. As a result, GBI suspended its engagement with UCAF as of May 2012.

UCAF was finally able to engage five management staff employees in May 2013, a year after the suspension of the GBI assistance. However, this was too late to re-engage the original technical support project. However, UCAF staff did participate in some of the GBI webinars under the project, and attended the final Workshop in Zanzibar.

Expected Outcomes: Now that UCAF is moving forward with establishing and implementing its mandate, the Fund has managed to conduct an initial pilot project for about \$5-million under the

World Bank program. It is expected that UCAF will be able to implement another \$25-million in follow-up projects, with potential annual collections and spending in the range of \$5 million per year or more thereafter. GBI's initial assistance toward creation of a strategic plan, together with regional training support, should help provide a foundation for the Fund to begin achieving these goals.

Beginning in the summer of 2013, having noted UCAF's successful hiring of staff and their completion of one tender with World Bank support, GBI is investigating a new technical assistance activity, to be funded under a different mechanism.

6. CAPACITY BUILDING ACTIVITIES

A core objective of this project was to provide capacity building information, training, experiences, and resources to Sub-Sahara Africa USAFs, through a variety of mechanisms. This section summarizes these activities as undertaken throughout the course of the project.

6.1 WORKSHOPS

The project requirements included conducting two regional workshops on USAF practices and knowledge sharing. The project team actually contributed to three such workshops, as opportunities arose to link GBI participation with regional events sponsored by partner organizations on the same topics. The activities of these workshops are summarized below.

(1) Nairobi, Kenya, Nov. 30-Dec. 2, 2010

- *Co-sponsor:* Intel Corporation
- *Participation:* 24 representatives from 10 African governments
- *Content:*
 - Unlocking the Benefits of Broadband
 - USF model implementation in Malaysia
 - USF model implementation in Nigeria
 - Connecting Rural India – USOF
 - Roundtable 1: Discussing active USF operations
 - Roundtable 2: Challenges and priorities for enabling USF
 - Connecting Communities Sustainability, Policy
 - Tools and support for USF operations
 - Digital transformation programs for USF
 - Objectives and methods for data collection
 - Procedures and criteria for developing USF programs
 - RFP Development for USF operations

(2) Dar es Salaam, Tanzania, August 24-26, 2011

- *Co-sponsor:* Commonwealth Telecommunications Organisation
- *Participation:* 21 representatives from 9 African governments

- *Content:*
 - Successful policy interventions that improved rural access
 - Innovative regulatory frameworks to expand rural access
 - Regulatory bottlenecks and key challenges in rural connectivity
 - Creating an innovative and sustainable business model for rural communications access
 - National broadband infrastructure development and funding
 - International connectivity for Africa
 - Extending mobile broadband coverage to rural areas
 - How Wireless Broadband can enable critical services into remote rural areas in Africa
 - ICTs, Community Access and Development: Case Studies
 - Latest trends in USAFs
 - Designing USAF development and assistance strategies

(3) Zanzibar, Tanzania, April 30-May 4, 2013

- *Co-sponsor:* Intel Corporation
- *Participation:* 23 representatives from 9 African governments
- *Content:*
 - Experiences from India : Connecting rural and remote India
 - The importance of IXP for BB and demand creation
 - USF and e-Transformation
 - Broadband Demand Survey
 - Pan Africa Regulator Organization Panel
 - Education as a USF Demand creation program
 - Turkey – Education Transformation and Update
 - Indonesia Progress and Challenges
 - Broadband Strategy Planning
 - Broadband Plan – Kenya Detailed Example
 - Panel Session national Broadband Planning Issues and Solutions
 - Broadband Backbone a Nigeria Case Study
 - Panel Session: Fibre Backbone different perspectives
 - Update on USF Development Goals and Strategic Planning
 - USF Program Concepts Options
 - USF Project Design
 - Monitoring and Evaluation

6.2 TOOLS AND MODULES

In developing capacity building and training resources for USAFs, the GBI project team prepare a series of four formal USAF Capacity Building Modules, for distribution among all interested administrations and stakeholders. These Modules incorporate extensive information on best practices and innovative ideas concerning USAF operations, as well as practical tools, example, and templates for USAF management to study in support of their internal needs. The modules

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have been made available to officials at more than a dozen African USAFs, and were utilized in both the workshops and the webinars (see below) delivered under this project. Collectively, these modules represent a valuable Toolkit for USAF personnel, whose impact will be felt long after the conclusion of this project.

The following are summary descriptions of each of the USAF Capacity Building Modules.

Module (1) USAF Strategic Planning

This module provides USAF administrators and planners with practical information and tools to help facilitate the strategic planning process. It describes the basic framework for what a Strategic Plan should look like, the elements it should include, and the procedures for creating it. It consists of five components:

- Component 1 = Strategic Plan Overview, Outline, Key Concepts: Provides an introduction to USAF Strategic Plans. Includes an indicative outline of the main contents of a USAF Strategic Plan. Offers definitions of the most important concepts and terminology used in this module, and in the USAF strategic planning process in general.
- Component 2 = Planning Process: Describes the key steps and activities of the Strategic Planning process. Identifies appropriate planning team members and activities. Offers an illustrative timetable of planning tasks.
- Component 3 = ICT Market Assessment: Explains the market research and analysis needed to support the planning effort. Describes the role of Gap Analysis. Highlights the need for financial forecasts to support Fund planning and budgeting.
- Component 4 = Setting Objectives and Targets: Describes the process of determining the main objectives of the Fund. Explains the distinction between long-term and short-term targets for Fund outcomes. Provides examples of potential objectives and targets.
- Component 5 = Defining Programs and Projects: Presents the requirements for USAF Program definitions, and for determining Program priorities and Fund allocation. Describes the process for defining Fund Projects to implement Programs, and for setting priorities among candidate Projects.

Module (2) USAF Program Concepts

This module provides a set of prototype concepts for the development of USAF operational programs. These were defined based upon a wide range of experience, ideas, and inputs from active USAFs around the world, and were designed to address typical gaps in national level access to basic and advanced ICTs, through a coordinated and comprehensive set of initiatives.

The program descriptions are presented in a structure that allows them to be adopted directly by a USAF as part of a Strategic Plan, or edited/modified in any manner consistent with the Fund's mission. In summary, the programs described in the module include:

1. National Backbone Network Expansion: Expanding high capacity national backbone networks to reach remote and unconnected regions of the country.
2. Community Broadband ICT Access: Extending broadband connectivity directly into target unserved/underserved towns and villages. This program has four main elements, ideally to be implemented together in each locality:
 - a. Broadband Network Access
 - b. Community ICT Centers (CICs)
 - c. Institutional Connectivity
 - d. Public Broadband Communication Services
3. Community ICT Center Operations: The functions of managing CICs within each town, after they have been built and equipped.
4. Universal Basic Telephone Service: Extending coverage of basic telephone networks to reach the most remote unserved locations.
5. ICT Content And Applications Development: Support for development of locally relevant and valuable content and applications to stimulate demand and enhance the benefits of ICT services.
6. Affordable ICT Devices: Support to reduce costs of computers, smart phones, tablets, and other end-user devices to help make them more affordable to lower-income users.

For each program, the module provides an overview discussion, a description of the expected outputs to be achieved by the program, and a summary of potential business models that can be employed to implement the program.

Module (3) USAF Monitoring and Evaluation

This module provides USAF administrators and staff with information, advice, experience, and recommendations regarding the role of Monitoring and Evaluation (M&E) as a key component of the Fund's operations. It highlights the importance of M&E in a project procurement cycle, and describes the high level contours of recommended M&E functions for USAFs. The module is presented in two parts, with the following components:

Part I

- Essential M&E Concepts
- Monitoring
 - What to Monitor?
 - Who Should Monitor?
 - Monitoring Mechanisms
 - Institutional Arrangements for Monitoring
 - Monitoring Framework

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- Evaluation
 - Types of Evaluations
 - Impact Evaluations

Part II

- Sourcing Options for M&E
 - Organizational Capacity Assessment (OCA)
 - In-House vs. Outsource
- In-House M&E Unit
 - M&E Unit Structure
 - M&E Unit Material Resources
- Outsourcing M&E
 - Procedures for selecting firm(s) for the M&E function
 - System Development and Support
 - In-House Staffing Requirements for Outsourced M&E

Module (4) USAF Data Collection and Market Analysis

This module provides information, recommendations, and experience with respect to the data collection and ICT market analysis functions of a USAF. It addresses the critical need for USAF administrators to maintain effective databases and studies of the status of the ICT sector in areas where the Fund is mandated to support development. Key topics covered include:

- Data Collection
 - Objectives and methods
 - Database development, implementation
 - Outputs and reports
- Market Analysis
 - Gap Analysis concepts and methods
 - Digital Divide market studies

6.3 WEBINARS

The GBI project team conducted three on-line “Webinars” for interested African USAF officials, presenting the core material of the Capacity Building Modules in real time to participants joining remotely via the Internet.

Webinar #1: Strategic Planning for USAF

Date: October 12, 2012, (5:30am EDT), 9:30-12:30 in Africa

Summary of participation: There was strong interest and healthy attendance, with 12 attendees logged in, and at least one of those represented a group of people watching on one computer.

Countries represented included Kenya, Tanzania, Nigeria, Zimbabwe, and Ghana, as well as representatives from CTO.

Feedback: The response during and after the event has been very positive. Several people commented that the presentation was very helpful and clear, and more than one person indicated that they will be sure to attend the next webinar. As expected, everyone was able to log on easily and hear David clearly, and several people have asked for recordings of the presentation.

Webinar #2: USAF Program Concepts

Date: Thursday, November 29 2012 (8:00am EDT)

Summary of participation: Interest in the webinar was high: representatives from seven countries (Ghana, Tanzania, Sierra Leone, Kenya, Zimbabwe, UK, Nigeria) registered. However attendance was smaller than expected, with six participants. The later start time may have been a factor. (The previous webinar was held in the morning, while this one was in the afternoon). In addition to a representative from CTO and two GBI personnel, a group of four staff members from Zimbabwe attended. Two of them had participated in the previous event, and they invited colleagues to join in on the second. They were very active in asking questions, just as they had been in the previous webinar.

Feedback: Response was again very positive. Some registrants who missed the webinar were contacted and given links to a recording of the session as well as the downloadable documents, while others asked for follow-up information.

Webinar # 3: USAF Monitoring and Evaluation

Date: Tuesday April 16, 2013 (5:30am EDT), 9:30-12:30 in Africa

Summary of participation: Invitations were sent to 22 individuals, with five eventual participants.

Feedback: Participants responded to a survey following the webinar, and all indicated that they felt the webinar met their expectations, was well organized, and that they would be interested to have access to similar events.

7. FINDINGS, LESSONS LEARNED

Among the overriding objectives of this assignment has been for the project team to assist USAF administrations and other stakeholders to gain greater understanding of the factors that affect the performance of USAFs in Sub-Sahara Africa. Beyond the focused technical support and immediate results derived from GBI's interventions, these findings and lessons should help provide a longer-term platform for improving the overall outcomes generated by USAFs.

As explained in the country summaries below, each engagement that GBI has undertaken has involved unique circumstances and challenges. In general, however, the project has indeed revealed several important insights into the condition and prospects of USAFs in Sub-Saharan Africa. These include the following observations:

- Target Outcomes: The original quantitative targets for spending and new users were not unreasonable projections for the ultimate impacts of USAF operations benefiting directly from GBI assistance. However, in most cases the timing of these impacts was overly optimistic, and the expected results will likely be pushed back. In the case of Nigeria, increased spending is indeed already underway, but in Kenya, the launch of the USF was postponed to accommodate the NBS. For other countries, and for the region as a whole, the likely direct and indirect impacts of the project will be longer to arrive, and not always easy to measure.

Other, more immediate measures of the effectiveness of the project are more useful, and can help identify progress along the path to adoption and implementation important reforms. Again, each country's metrics will be different, but where a USAF administration is clearly following strategies and methods learned via this project, and is progressing toward substantive reforms and capacity building, these effects should be noted. At the same time, it would be valuable to review the types of sector target indicators that have been developed, and to consider establishing new statistical measures as well.

- Universal Access to Broadband: There has been a widespread and dramatic shift in the objectives and priorities of USAFs in recent years. Whereas past programs had focused on basic public telephony, and later on filling gaps in cell network coverage, nearly all administrations are now concentrating on Broadband access as their ultimate target. The focus of USAF financing toward this end tends to vary: from fiber backbone networks to broadband community centers to institutional connections, but the Funds across Africa have embraced the goal of Universal Broadband. This raises new challenges for these administrations, as they must re-evaluate gap analyses, design new types of projects, and coordinate more effectively with multiple public and private stakeholders.
- USAFs are being incorporated in National Broadband Strategies/Plans: Linked to the above, most African governments are now developing comprehensive National Broadband Strategies, to address the goals of full-scale access to the Broadband ICT ecosystem for all citizens. This process is time-consuming and requires intensive involvement by stakeholders throughout the country: officials involved with education, health, agriculture, finance, and e-government services; and private firms from telecommunications, hardware, software, financial services, and many other sectors. The process that GBI helped to design and implement in Kenya is exemplary: all interested parties had a chance to contribute, and the resulting strategy has been widely embraced, and endorsed at the highest levels of government.

In this context, the role of the USAF needs to be clearly defined: as one financing mechanism and partner in a coordinated and dynamic society-wide process. Ideally, the Fund will provide seed financing and essential subsidies in areas that most need support, while stimulating sustainable broadband market expansion.

- High-level authority and coordination: A clear lesson from the experience of all engagements is the importance of coordinating USAF planning among stakeholders, and of ensuring support from high-level officials. As mentioned, the Kenya NBS process benefited from these advantages. Similarly, GBI's work with the Nigeria USPF was greatly helped by the personal intervention of the Minister of Communications and the head of the National Communications Commission., and outreach to other key stakeholders.

By contrast, the slower progress in Tanzania and Ghana, and the initial long delays in establishing the USF in Kenya, can be attributed to a sense of indifference, or at least lesser involvement, by higher officials for an extended period, and a lack of effective coordination across agencies. These problems were symptomatic of the barriers and challenges that are hindering many African USAFs from performing more effectively, which are often deeply rooted in the political and bureaucratic difficulties that afflict these countries more broadly. Seemingly simple decisions such as hiring staff (Tanzania) and appointing oversight boards (Kenya) can run into unexplained resistance within government hierarchies. These impediments may result from ICT industry pressure to delay or minimize Fund collections, rivalries among government power brokers, or simply excess workloads and distractions for inexperienced or understaffed officials themselves. The net result is that launching, staffing, managing, and implementing a Fund, even where a clear legislative and Government mandate has been established, has often been a slow and painful process.

- Capacity building needs are paramount: With very few exceptions, it is clear that the USAFs in Africa are burdened with a lack of capacity, experience, and tools to conduct their operations according to world best practices. Most Funds are understaffed, with some having only one or two employees to manage millions of dollars in assets. Even functioning Funds tend to spend money based on loosely designed strategies and procurement procedures, which are themselves often heavily influenced by the companies that both pay and receive the subsidies. There is little institutional experience with market and gap analysis, strategic planning, project design, and monitoring and evaluation. While the leaders and top officials of most Funds are dedicated, well-qualified people, they often must operate with inadequate support, staff, advice, and authority.

One area of especially critical need is Monitoring and Evaluation. The GBI team consistently found that both established and new Fund administrations throughout the region have placed minimal emphasis on M&E functions as part of their operations. Oversight, follow-up, and review of projects implemented with Fund money has often been almost an afterthought, with little staff time or budget allocated to these roles. The results is both a lack of reliable data on the performance of past projects, and an inability to make new plans based on understanding of what works and what doesn't. Fund staff recognize these deficiencies, and are eager to develop effective M&E functions, but typically lack the technical expertise to implement them on their own.

- Institutional strengthening through intensive engagements: Based upon the above observations, it is clear that any strategy to fundamentally reform and assist African USAFs – or a single Fund – must focus primarily upon institutional strengthening, on multiple levels. Fund managers need a wealth of information, demonstrations of

effective procedures, training in key tasks, hands-on assistance with strategic and operational planning exercises, and practical tools and resources that can be employed repeatedly as the Fund progresses toward its goals. GBI technical assistance under this project has demonstrated the compelling need for and value of this type of close, interactive collaboration with Fund officials. By contrast, some other support projects have taken the form of one-off assistance with a specific pilot project procurement, or hand-over of generic planning and training materials without close follow-up. This can lead to poor absorption of the necessary knowledge, and little long-term gains for the Fund administration.

8. ONGOING AND FUTURE USAID ACTIVITIES

In less than three years, the GBI USAF program has achieved concrete successes, and earned grateful responses, in several key African countries. And the benefits from the program's activities continue to spread, both within the directly engaged countries, and among many others where GBI capacity building efforts, resources, and expertise are being absorbed through a variety of channels. The outcomes, and ultimate impacts, of the program's focus on unblocking USAF funding, generating new ideas and approaches to universal access, linking Funds with wider Broadband strategies, and sharing knowledge and experiences across the region, are already becoming apparent, and will undoubtedly continue to expand.

Nevertheless, this program has only made an initial impact in a region where ICT access is by far the lowest in the world, and the policies and practices of Universal Access and broadband ICT development have been slow to bear fruit, against a wide range of barriers. A common concern expressed by officials from many administrations has been the need for longer-term, more intensive technical support, to help overcome these barriers permanently, by institutionalizing solutions and best practices. Often in the past, outside donor assistance to fledgling USAF organizations has taken the form of short-term and one-off projects, whereby outside consultants have taken on most of the tasks of defining a Fund's strategy and procedures, conducting market analysis, and then managing the process of initial pilot project procurements. Such engagements have frequently left the beneficiary Fund with little hands-on knowledge and experience, or direct involvement in the design and execution of their functional responsibilities. The consequence has been that even one-time successful Fund projects are difficult to replicate, once the hand-holding assistance is gone.

Fortunately, some of the outcomes of this USAID/GBI program are already firmly entrenched, in the form of official policies and strategies that have been embraced by key agencies and stakeholders, as well as professional staff of those agencies who have gained considerable expertise from active ongoing involvement in the processes, as well as general capacity building activities. On the other hand, many of the other beneficiaries who have been exposed to GBI's technical assistance, but have not been actively engaged, risk losing out on much of the impact of this work, in the event that there is insufficient follow-through. Thus, while there will always be more need than resources to support opportunities in this field, it is worth considering the options for renewed or continued USAID intervention, to build on and sustain the benefits of the GBI USAF program for Sub-Saharan Africa.

In general, there are three areas of activity that USAID could consider pursuing as direct follow-up to this program:

1. Continued assistance to countries already engaged by GBI
2. New project engagements in other interested countries
3. Further regional capacity building efforts

As for the first group, there are opportunities for follow-up and further engagement in all of the countries where the GBI USAF program has been working over the past 2-3 years. In Kenya, the USF is only just being launched, within the framework of the National Broadband Strategy, and CCK would welcome additional assistance with its implementation. In Nigeria, the USPF is beginning to implement its new Strategic Management Plan, and is looking for support for overseeing the new Gap Analysis, implementing a full-fledged M&E program, and other tasks. In Tanzania, where the UCAF is now up and running, there is a strong need for practical assistance and capacity building. In Ghana, where the new GIFEC strategy is about to be adopted and the results of the Digital Divide study are receiving serious attention, additional inputs on strategy implementation would be more than welcome.

With respect to new potential engagements, there are many candidate countries which have expressed interest in working with GBI, through their participation in the project workshops and webinars, and other venues. Countries in the SSA region that are looking at either establishing an effective USAF, or reforming and enhancing their existing Fund, as well as creating larger broadband ICT strategies, include, among others: Rwanda, Mozambique, Zambia, Zimbabwe, South Sudan, Sierra Leone, Senegal, and Côte d'Ivoire. (Also note that similar projects are already underway, in some cases with assistance from GBI expert consultants under independent contracts, in South Africa, Namibia, Liberia, and Ghana.)

Finally, the regional capacity building initiatives of the GBI program have been extremely well received, with strong interest among participants and others to see these events continued and expanded. The most popular activities have been the in-person workshops, due to the intensive learning experience as well as the opportunities to exchange ideas and concerns with colleagues from throughout the region. The webinars and especially the training modules/toolkit have also proven to be welcome resources, which can be disseminated widely among USAF staff. These activities can be augmented with more material, wider participation, and regular review and updating of Fund performance, to sustain the cooperative engagement among African USAFs that had been lacking until recently.

Whatever near-term or future programs USAID (and/or other outside supporters) may consider adopting, it will be especially important to take into account the lessons learned from the engagements under this program, as discussed in Section 7 above. In particular, the following primary considerations should be highlighted in future program design and execution:

- High-level engagements: Technical assistance projects should engage with high-level officials from the outset. In most countries, the USAF administration reports to officials within the Ministry or Regulator, and may have other constraints on its ability to implement reforms. Engagements that are agreed only between USAID and these organizations may be able to produce important capacity building outcomes and significant progress toward institutional improvements, but they are less likely to be incorporated into national-level ICT and broadband development programs. Where

possible, USAID expertise should help ensure the linkage between the USAF role and other such programs, with the express endorsement and involvement of top political officials.

- Active commitment by Funds to their own development: This is a corollary to the above principle. A clear lesson of the engagements under this project is that USAF operations benefit most when their administrations demonstrate a strong commitment to participate actively in the processes of strengthening and development. This commitment should take the form of both dedicated staff and management time and effort, as well as financial contribution to the capacity development initiative. Many Funds have substantial resources of their own with which they can augment USAID support, by hiring local experts, financing workshops and meetings, and otherwise sharing the costs of the assistance program. Such contributions help ensure that the Fund is dedicated to achieving the project goals.
- Focus on Broadband Ecosystem: Where possible, it would be preferable to structure engagements to address the full range of broadband strategic planning, with the role of the USAF incorporated therein. If a Fund's strategy is developed in isolation, either because no national broadband planning process exists, or due to a lack of coordination among policymakers, the risks of ineffective outcomes increase substantially. At the same time, a Fund cannot fill the entire vacuum of needed broadband initiatives, and an engagement should recognize the limited, targeted role that USAF financing should play in the wider broadband development process. This may mean focusing mainly on access infrastructure, for example, or it may expand to include demand-side programs, capacity building, and even backbone networks; but the projects and plans should be within the scope of the Fund's resources and expertise.
- Ambitious but realistic objectives, milestones, contingencies: Repeated experience suggests that few (if any) engagements with African USAF administrations and related agencies will proceed smoothly, and according to exact initial plans. The challenges identified here with respect to bureaucratic impediments, staff capacity, and political complications often tend to slow down and derail TA engagements, in ways that are typically beyond the control of the main participants. Project terms of reference and milestones should thus be designed to be flexible, and there should be built-in contingencies for responding to changes in direction or timing of key events. Similarly, the target objectives of such projects should be defined in a relatively open manner, highlighting interim progress as much as ultimate outcomes. There should be measures, for example, of demonstrable improvements in Fund operational techniques, plans, and functions, rather than merely focusing on the timing and amounts of end-result spending.
- Monitoring and Evaluation must be a core feature of USAF programs: This is an area where institutional development and policy need substantial strengthening in almost every African Fund. The principles, methods, and practices of short- and medium/ longer-term monitoring of project implementation and evaluation of results and impacts should become mandatory components of every Fund administration's operations. GBI has already created a training module, webinar, and workshops on USAF Monitoring and Evaluation, which can be further expanded and delivered more widely. In addition to such training efforts, programs of active, hands-on M&E assistance, associated with pilot projects and other initiatives supported by GBI, could make a lasting difference in Funds' ability to assess their own performance, and improve their functions over time.

- Regional capacity building and knowledge sharing should remain a priority: As mentioned above, ongoing support for USAF and Broadband development in Sub-Saharan Africa should combine both national-level and regional initiatives. The benefits of collaborative knowledge sharing among ICT development officials and practitioners add substantially to the impacts of one-on-one technical support. New programs that highlight workshops, site visits, training curricula, and other innovative cooperation models will ensure that the effects of this support continue to spread far beyond the immediate inputs from USAID.

ANNEX A: OVERVIEW OF PROJECT LAUNCH

This Annex presents a detailed overview of the year-long project launch process for the Sub-Saharan Africa USF Support Project. This is necessary for several reasons. One is to offer an explanation for the delay in launching activities from the time we started working on the project. The other is to explain any differences in requirements outlined in the task order and those outlined in the approved work plans, particularly in terms of the “SSA Assessment.” The project deliverables we worked towards were outlined in the work plans, and we have met all of these. The general principles justifying the project and the restrictions governing funding expenditures were outlined in the task order.

On September 30, 2010, Integra LLC was awarded the Global Broadband and Innovations IQC contract. That same month, the first Task Order under the IQC was awarded to Integra, for \$500,000 in core GBI program support services for FY 2011. This task order was mis-numbered as the second task order to be issued under the IQC, and therefore is referred to hereafter as Task Order 2 (TO2).

Also on September 30, 2010, NetHope was awarded a cooperative agreement for a parallel activity in support of GBI.

In September of 2010, the Africa Bureau Office of Sustainable Development (AFR/SD), through Ms. Judy Payne, transferred funds to buy in to the GBI mechanism with \$850,000 to support a project for Universal Service and Access Fund Development in Sub-Saharan Africa. Funds had been sourced from several years including \$350,000 of “use or lose” money.

USAID decided that the NetHope cooperative agreement was most likely to be awarded in advance of Integra’s IQC. In order to ensure that the “use or lose” funding had the best chance of being obligated by the September 30th close of the fiscal year, it was decided that the buy-in would be split into two. \$500,000 would be issued as a Task Order to Integra LLC under the GBI IQC, and the \$350,000 of “use or lose” funds would be allocated to NetHope with the understanding that NetHope would then subcontract Integra to carry out the USF support program with these funds.¹

To adapt to the bifurcated funding, the \$350,000 obligated to NetHope was characterized as Phase 1, involving an assessment activity and development of “tools” that would proceed the technical assistance (Phase 2) funded by the buy-in to Integra’s IQC.

In the belief that at least some of the \$850,000 would soon be made available and the SSA USAF program could therefore begin, the Task Order 2 COR (Joe Duncan) agreed that Task Order 2 core project funds could be used to support initial program activities until the two instruments funded by AFR/SD were in place. As such, in November, 2011 the SSA USAF

¹ In fact, both the Integra IQC and the NetHope cooperative agreement were awarded on September 30, 2010.

² Funding for both the SSA USF task order and the NetHope subcontract was held up. We were not advised of the reasons for the delay other than NetHope had not yet been authorized to issue

Program Manager, Mr. David Townsend, flew to Washington for a week-long work planning session.

Meetings were held with key parties within USAID, including Judy Payne and Joe Duncan, and an agreement was reached on how the SSA USAF work would proceed. The first step would be to identify specific problem areas within SSA USF operations to focus on improving, and the second would be to create a document that evaluated the progress of USF development in specific African countries, and which would later be used to target specific countries for Technical Assistance. The review was called the "SSA Assessment," for ease of discussion. After the SSA assessment was complete, the TA program would be administered with funds from the direct Task Order to Integra.²

With this progression in mind, David Townsend and Eric White set about developing a metric that would indicate the level of USF development of SSA countries. The criteria decided upon, attached in the annex, ranked USF development on a scale of 0-4, with a and b options available for the ranking of 3. Townsend and White then applied these rankings to African USFs. This document was submitted as a deliverable under Task Order 2.

It was also agreed that both Mr. Townsend and Mr. White would attend the Intel Africa USF and Broadband Leaders Forum in Nairobi in early December. Mr. Townsend would provide much of the technical content of the event, while Mr. White would reach out to USF leaders and discover information about USF status, while raising awareness about the upcoming GBI SSA USF program.

While at the Intel forum, Mr. White was approached by Ms. Susan Mochache, Assistant Director of Universal Service for the Communications Commission of Kenya. She requested GBI assistance in launching Kenya's nascent Universal Service Fund, and invited the team back to Kenya for work planning sessions.

At USAID, Mr. Duncan was eager to provide support to Kenya but, understandably, wanted to do so either under the SSA USF Task Order or with Mission buy-in. So progress stalled on the USAID end while we waited for the award of the task order and the subcontract. In the meantime Ms. Mochache was seeking internal CCK approval for a technical assistance arrangement with USAID. Therefore, by the start of 2011, with none of the \$850,000 having yet been awarded, there was a delay on both sides of the ocean on the Kenya engagement.

By late March of 2011 GBI determined that the direct \$500,000 task order to Integra would soon be awarded, and it seemed that the portion funded through NetHope would also soon be available. Given these developments, it was decided that the USF team could go to Kenya to engage in a work planning activity with CCK. By this time, CCK had also obtained internal approval to work with GBI on the launch of a USF.

During meetings in Nairobi held between April 11th and 14th, 2011, Integra agreed to a Scope of Work to support CCK in the development of a USF. A key development of these meetings was

² Funding for both the SSA USF task order and the NetHope subcontract was held up. We were not advised of the reasons for the delay other than NetHope had not yet been authorized to issue subcontracts under their cooperative agreement.

the request by CCK to further support them in the development of a National Broadband Strategy. However, at the end of the meetings CCK made it clear that for work to proceed they would require the signing of a government-to-government Memorandum of Understanding (MOU). We agreed to draft this Memorandum, to include the agreed Scope of Work, have it cleared by USAID Kenya, and to send it to CCK for signing as soon as possible. In the end, this process would take 11 months to complete, including several months held up in the office of the Attorney General of Kenya.

During the trip to Kenya in April, 2011, Integra received the Task Order from USAID obligating the \$500,000 in funds. Known as GBI Task Order 1 (TO1), this Task Order was countersigned by USAID on April 21st.

As issued, the task order retained the language about performing the SSA Assessment before beginning technical assistance. An exception was made for Kenya, where it was assumed that the opportunity to shape the National Broadband Plan was too important to pass up. Integra submitted a work plan for TO1 in May of 2011, in which this structure was retained and deliverable timeframes for the Task Order were listed in “months after completion of the SSA Assessment.”

However, over May and June of 2011, as the \$350,000 from NetHope for the SSA Assessment still was not obligated, it became clear that the program as structured would be untenable. There was a pressing need to move on developing TA programs with qualifying countries. Further, an opportunity to present materials and meet with USFs at the Commonwealth Telecommunications Organization’s August, 2011 forum in Tanzania had come up. Participating in this forum would allow us to easily collect data on the worthiness of countries and build relationships with potential beneficiaries, but as structured, the program said we could not go unless the SSA Assessment had been completed.

Thus, a negotiation process began to redesign the structure of the program. Clearly, because of the \$350,000 channeled through NetHope was still not available, and because the clock was already ticking on what was due to be an 18 month task order, the SSA Assessment could not precede the technical assistance. It was decided that TA would begin once formal criteria for selecting countries were adopted and approved. The assessment work was redefined to identify SSA USF needs would inform the development of tools and modules that would be part of the legacy of the program. It was also decided that the workshops originally thought of as presentations of the SSA assessments could be used as a pre-program and post-program bookend. The first workshop, funded by TO1, would be for “training and information gathering.” This reinterpretation would allow Integra to participate in the CTO workshop in August 2011 in Tanzania.

Throughout July 2011 Integra worked on three fronts. The first was to develop a formal set of criteria for selecting countries that would be TA recipients. The second was a questionnaire for USF administrators at the CTO Forum in Tanzania that would allow the selection criteria indicators to be populated with data. The third was writing the new, modified, work plan that redefined the SSA assessment, and merged the SSA Assessment (originally to be carried out as a Phase 1 under the NetHope subcontract) and the TA work (originally designed to be done exclusively under Task Order 1).

The criteria for selection of USF’s to receive TA were submitted on July 25th, 2011. The new work plan was submitted in mid July and approved on July 26th. At the late-August CTO Forum in Dar es Salaam, we administered a questionnaire to USFs in attendance that asked them to

describe their existing fund inflows, outflows, strategies, and operational procedures. This allowed us, by early October 2011, to develop a list of “priority countries to receive technical assistance,” in accordance with the new July work plan.

Also at the CTO forum, the Tanzanian Minister of ICT made a direct request for technical assistance from GBI. UCAF, the Tanzania USF, had been authorized two years previously but was not yet staffed up and running. Further, we met officials from Ghana, Nigeria, and Sierra Leone that indicated their willingness to work with GBI.

During September of 2011, as we were still waiting on progress for the Kenya MOU, negotiating a possible TA program with Tanzania, and applying the data obtained at the CTO Forum to rank countries for TA, the \$350,000 channeled through NetHope became available. NetHope finalized their subcontract with Integra on September 15th, 2011. It should be pointed out that the \$350,000 sum was reduced to \$301,000 to cover NetHope’s costs of subcontracting the work to Integra.

In summary, the SSA USF Support Program launched over the course of a year, (between October 1st 2010 and September 15th 2011) and under various funding mechanisms. It also went through a thorough reconceptualization after the issuance of Task Order 1, a change which was reflected in the work plan rather than the task order. It was believed that a task order change would only exacerbate the funding delays that were already plaguing the project.

By the time the full launch was achieved, Integra had already done a significant amount of work. We had made all the necessary contacts with USF leaders in Africa, surveyed them about their operations, developed a ranking system for USF development and a set of criteria for identifying priority countries to receive TA, negotiated a SOW with the Kenyan government and were in the process of negotiating an MOU, and were in the process of negotiating with governments in Tanzania, Ghana, and Nigeria. We had held the first of two required workshops and identified the major areas needing support in USF operations. We had even begun work on the modules that would address these training shortages. In sum, we were well on our way to negotiating the relationships that would result in the major technical assistance activities and achievements of the project, and had already begun to build the training package that was to be a major deliverable.

ANNEX B: DELIVERABLE AND TARGET INDICATOR TABLES

DELIVERABLES

The table below represents the full set of deliverables required under both the Task Order and the Subcontract from USAID, as well as due dates and completion dates.

Vehicle	Number per revised work plan	Deliverable	Due Date per revised work plan Draft: 10 business days after receipt of task order (USAID countersigned 4/27/11, due 5/11/11) Final: 5 days after receiving USAID comments	Submitted Date
TO	1	Final Work Plan - Covering all work that had initially been divided into 2 phases	5/11/11) Final: 5 days after receiving USAID comments	Draft submitted: 5/11/11; Approved as final 6/10/12, no comments. Submitted on 7/8/11, 8/11/11, 9/1/11, 10/11/11, 11/10/11, 12/12/11, 01/11/12, 02/12/12, 03/20/12, 4/11/12, 5/14/12, 6/07/12, 7/10/12, 8/06/12, 9/17/12, 10/12/12, 11/8/12, 12/10/12, 1/10/13, 2/12/13, 3/8/13, 4/10/13, 5/10/13,
TO	2	Monthly Reports	10th business day of Every Month	6/10/13, 7/11/13 and 8/13/13
TO	3	Revised Workplan	July-11	July-11
TO	4	Refined Short List of Specific Countries that hold most potential to benefit from TA, coming out of Phase 1	October-11	October-11
TO	5	Updated Documents Emerging from SSA Assessment (Modules)	August-13	September-13 Kenya: March, 2012 Nigeria: May, 2012 Ghana: December, 2011 Tanzania: February, 2012
TO	6	Country level work plans for each country receiving TA	March-12	Kenya: March, 2012 Nigeria: 2/9/12 Ghana: 2/16/11 Tanzania: 1/6/12
TO	7	Country level TORs or MOUs for each country receiving TA	March-13	March-12
TO	8	Final List of Countries to Receive TA	February-12	March-12
TO	9	Country summary report incl. plan of action for moving each supported USF/USAF forward beyond TA provided through the task order	July-13 (Month 15 from date of USAID countersign, not contract award)	September-13
TO	10	Overall Final Report	September-13	September-13
NetHope Subcontract	1	Draft and final work plans	Draft: 10 business days after receipt of task order (awarded 9/15/11, due 9/29/11) Final: 5 days after receiving USAID comments	September-11 Submitted on 7/8/11, 8/11/11, 9/1/11, 10/11/11, 11/10/11, 12/12/11, 01/11/12, 02/12/12, 03/20/12, 4/11/12, 5/14/12, 6/07/12, 7/10/12, 8/06/12, 9/17/12, 10/12/12, 11/8/12, 12/10/12, 1/10/13, 2/12/13, 3/8/13, 4/10/13, 5/10/13,
NetHope Subcontract	2	Monthly reports	10th business day of Every Month	6/10/13, 7/11/13 and 8/13/13
NetHope Subcontract	3	Final USF toolkit	September-13	September-13
NetHope Subcontract	4	List of 5 countries and three alternates to receive TA	December-11	October-11
NetHope Subcontract	5	Report about specific uses of NetHope Funds	September-13	September-13

TARGETS

The table below represents the status of the target indicators. Note that among direct indicators tracked, Integra met two of three targets. A discussion of how these targets came to be understood over the course of the implementation, and of possible indicators for future work in this area, is offered in section 7 of this report.

Direct Targets

USF Spending				
Country	Benchmark (2010)	Observed at Project End (2013)	Target (2013)	Status of Goal
Kenya	\$0	\$0	\$8 million	Unmet
Nigeria	\$2.7 million (2009)	\$82.8 million (budgeted 2013)	\$7.7 million	Exceeded Target
Ghana	\$2.87 million (2008)	\$16 million (2011 actual, last known figure)	\$5.87 million	Exceeded Target
Tanzania	\$0	N/A	N/A	N/A

Rural ICT Users				
Country	Benchmark (2010)	Project End (2013)	Target	Status of Goal
Kenya				
Nigeria		Note: No way was found to measure this indicator within the budget restriction of the project		
Ghana				
Tanzania				

Indirect Targets

Country	<i>Mobile Penetration (per 100 ppl)*</i>		<i>Internet Penetration*</i>	
	Benchmark (2010)	Observed at Project End (2012)	Benchmark (2010)	Observed (2012)
Kenya	61.63	71.89	20.98	32.1
Nigeria	55.1	67.68	28.43	32.88
Ghana	71.49	100.28	8.55	17.11
Tanzania	46.8	57.12	11	13.08

*Source: ITU

Note: Kenya target for USF spending remained unmet largely because effort to establish the fund was diverted to create the National Broadband Strategy, in which the fund will play a leading role. Now that the NBS has been created efforts are resuming on the USF, and large outlays can be expected in the next 1-2 years.

ANNEX C: LIST OF CONTACTS MADE DURING THE IMPLEMENTATION OF THIS ACTIVITY

Last name	First Name	Position	Organization	Country	Email
Akwule	Raymond	President	Digital Bridge Institute	Nigeria	rakwule@yahoo.com
Attor	Kofi	Administrator/CEO	GIFEC	Ghana	koffiattor82@yahoo.com
Bah	Mohamed Alie	Director of Communications	Ministry of Information & Communications	Sierra Leone	aliebah@yahoo.com
Beshawred	Lily	Director, Program Development and Implementation	USAID/East Africa	Kenya	lbeshawred@usaid.gov
Boyan	Alfred	Director, Finance and Admin	GIFEC	Ghana	alfred.boyan@gofec.gov.gh
Castegnaro	Michele	Sales Director, Strategic Industries	Alcatel Lucent	Kenya	michele.castegnaro@alcatel-lucent.com
De Alwis	Lasantha	Corporate Secretary	Commonwealth Telecommunications Organisation	UK	l.dealwis@cto.int
Farroe	Mervyn	Director, Agriculture, Business, & Environment	USAID/Kenya	Kenya	mfarroe@usaid.gov
Fashedemi	Tope	Director, e-government	Federal Ministry of Communications Technology	Nigeria	tope.fashedemi@commtech.gov.ng
Favor	Excellence	Board Member	National IT Authority	Uganda	excellencefavor@yahoo.co.uk
Gurtas	Ferruh	Corporate Affairs Director, ME, Turkey, & Africa	Intel	Turkey	ferruh.gurtas@intel.com
Hamad	Hamad Masoud	Minister	Ministry of Infrastructure and Communications - Rev. Gov't of Zanzibar	Zanzibar	hamasoud@yahoo.com
Hinkkanen	Jussi	Vice President, Gov't Relations, Africa	Nokia	South Africa	jussi.hinkkanen@nokia.com
Idrissa	Haruna	Minister	Ministry of Communications	Ghana	harunanugs@yahoo.co.uk
Imitara	Joel	Assistat Director, Competition, Tariffs, & Analysis	Communications Commission of Kenya	Kenya	imitara@cck.go.ke
Jagun	Abi	Special Assistant (Post and Telecommunications)	Federal Ministry of Communications Technology	Nigeria	abiodun.jagun@commtech.gov.ng
Johnson	Eric	Economic Growth Office	USAID/Tanzania	Tanzania	ejohnson@usaid.gov
Jones	Michael	Deputy Director, Agriculture, Business and Environment	USAID/Kenya	Kenya	mjones@usaid.gov

Last name	First Name	Position	Organization	Country	Email
Kalba	Kas	President	Kalba International, Inc. National Telecommunications	USA	kalba@comcast.net
Kamara	Bashir	Project Manager	Commission - Universal Access Dev. Fund	Sierra Leone	princebash2@yahoo.com
Kelly	Tim	Lead ICT Policy Specialist	World Bank GICT	USA	tkelly@worldbank.org
Khalil	Nader	Executive Manager, Universal Service Project	National Telecom Regulatory Authority	Egypt	nhusseiny@tra.gov.eg
Kilaba	James	Deputy Director, ICTs Development	Tanzania Communications Regulatory Authority	Tanzania	kilaba@tcra.go.tz
Lahde	Kristiina	Chief Technical Officer	TANZICT	Tanzania	kristiina@tanzict.or.tz
Maessick	Mark	Program Officer	USAID/Kenya	Kenya	mmaessick@usaid.gov
Maikano	Abdullahi	Secretary	Universal Service Provision Fund	Nigeria	maikano@ncc.gov.ng
Martin	Kevin	Private Enterprise Officer	USAID/Liberia	Liberia	kemartin@usaid.gov
Mbarawa	Makame	Minister	Ministry of Communication, Science, & Technology	Tanzania	makamembarawa@gmail.com
Mendy	Paul	Senior Finance Manager	Public Utility Regulatory Commission (PURA)	Gambia	psm@pura.gm
Moahlodi	Louis	Chairman: Board of Directors	Univarsal Service and Access Agency of South Africa	South Africa	louismoahlodi@yahoo.com
Mochache	Susan	Assistant Director, Universal Service Obligation	Communications Commission of Kenya	Kenya	smochache@cck.go.ke
Mwango	Bwalya	Manager, Projects, Universal Access	Zambia ICT Authority	Zambia	bmwango@zicta.zm
Nadiradze	Nino	Office of Economic Growth	USAID/Ghana	Ghana	nnadiradze@usaid.gov
Ndaro	Matano	Director, Competition, Tarrifs, & Analysis	Communications Commission of Kenya	Kenya	ndaro@cck.go.ke
Nesbitt	Nicholas	Chief Executive Officer	KenCall	Kenya	nnesbitt@kencall.com
Ngcobo	Vusi	Member: Board of Directors	Univarsal Service and Access Agency of South Africa	South Africa	vusi.ngcobo@yum.com
Onabanjo	Seyi	Special Assistant for Local Content	Federal Ministry of Communications Technology	Nigeria	seyi.onabanjo@commtech.gov.ng
Osman	Yahaya Zakaria	Technical Director	GIFEC	Ghana	yosman@gifec.gov.gh
Pauling	Sharon	Director, Economic Growth (current Acting MD)	USAID/Nigeria	Nigeria	spauling@usaid.gov
Prempeh	Phillip	Strategic Planning	GIFEC	Ghana	prempheh.phillip@gmail.com
Roman	John	Senior Manager, Global Spectrum Assessment & Policy	Intel	USA	john.m.roman@intel.com

Universal Service and Access Fund Support Project

Last name	First Name	Position	Organization	Country	Email
Silarszky	Peter	Senior Economist	World Bank GICT	USA	psilarszky@worldbank.org
Southwood	Russell	President	Balancing Act	UK	info@balancingact-africa.com
Ulanga	Peter	Chief Executive	Universal Communications Service Access Fund	Tanzania	ulanga@ucaf.go.tz
Warui	Michael	GDA Specialist	USAID/East Africa	Kenya	mkibinge@usaid.gov
Weller	Robert	Chief, Technical Analysis	Federal Communications Commission	USA	robert.weller@fcc.gov
Wertz	Jane	Head of Sales and Marketing, East and Central Africa	Helios Towers	Tanzania	jwertz@heliostowersafrica.com
Wilmore	Mihayo	Managing Partner	UhuruOne	Tanzania	mihayo.wilmore@uhuruone.com
Yedaly	Moctar	Head of Telecoms & Post Division, Dept of Infra.	African Union Commission	Ethiopia	yedalym@africa-union.org

ANNEX D: CUMULATIVE MONTHLY REPORT

While normally a full set of monthly reports would be included in the final report of the project, this report has taken a different track due to the fact that each monthly report was cumulative. This means that each monthly report retained the information as provided in the previous monthly report, and added new text at the bottom. In this way, the final monthly report for the project, submitted in September 2013 and covering August 2013, presents a full picture on the life of the project since its inception. The inclusive nature of these reports also means that they are unusually long, with the August 2013 report coming in at 32 pages. This length means that a full file containing all reports would come to several hundred pages.

For both of these reasons – the monthly reports’ length and their comprehensive nature – we have included only the most recent monthly report in this annex.

AUGUST 2013 MONTHLY REPORT **IQC: AID-CIO-I-10-00001 – Task Order: AID-CIO-TO-11-00001** **OCTOBER 18, 2013**

I. Project Background

Universal Service and Access Funds (USAFs) are government entities that play an important role in providing access to telecommunications in underserved areas of the developing world, which are frequently poor and rural. These areas, too sparsely populated and too poor to offer a network operator any kind of return on an infrastructure investment, comprise a significant portion of the African continent. Though mobile phones are becoming ubiquitous in SSA, coverage can be sparse outside of major cities (and mobile broadband access is almost nonexistent). These services can be vital for development - study after study has shown that access to telecommunications, specifically broadband, has a significant impact on economic growth. Other countries, outside of SSA, have addressed these service shortfalls through Universal Service and Access Funds. In Pakistan, for example, in its first two years of existence the USAF created 200,000 working broadband connections in 238 towns that had previously been completely unserved. African countries have begun to take notice and are following suit. Over 25 nations have now created USAFs and are looking to replicate the success enjoyed by Asian countries in using them to expand telecommunications access.

In sub-Saharan Africa, however, most Universal Service and Access Funds do not function as planned. They are often understaffed, lack the capacity to evaluate and fund projects, and do not have strong strategic direction. Many African USAFs have collected large sums of money that they have not been able to disburse. A 2010 study found that in sub-Saharan Africa almost \$400 million was sitting unused in USAF accounts. In fact, Funds on average had only been able to spend 13% of what they took in.

To help combat this problem, USAID created a Universal Service and Access Fund Support Project that provides institutional strengthening to USAFs in the region so that they can begin to disburse more of their funds, and disburse them more effectively. The project represents both a very good leverage opportunity for USAID funds and the chance to make a real impact on the

daily economic lives of the continent's poorest citizens. The USAF Support Project is funded by USAID's Africa Bureau (AFR/SD/EGEA) and implemented through E3's Global Broadband and Innovations (GBI) program. It will provide direct technical assistance to 3-5 countries and create benefits for a host of others.

2. Highlights from September 1st – 30th, 2013

Country Updates

Country	Status	Buy-in	Key Issues
Kenya	We continue to work with CCK in designing a pilot project, with a tender expected by October.		
Tanzania	Nothing to report		
Ghana	Continued work on final report to extract useful information from the ISSER digital divide report. Expected to submit by end of October.		
Nigeria	Mr. White retrieved USPF expenditure numbers while in Nigeria under a separate USAID project.		
Issues to be Raised	Nothing to report		

3. Detailed Status of Tasks

This section provides an update on the status of the Work Plan for Task Order 1, on a cumulative task-by-task basis.

Task 1 – Management and Reporting

-Monthly reports submitted on 7/8/11, 8/11/11, 9/1/11, 10/11/11, 11/10/11, 12/12/11, 01/11/12, 02/12/12, 03/20/12, 4/11/12, 5/14/12, 6/07/12, 7/10/12, 8/06/12, 9/17/12, 10/12/12, 11/8/12, 12/10/12, 1/10/13, 2/12/13, 3/8/13, 4/10/13, 5/10/13, 6/10/13, 7/11/13 and 8/13/13. Final report submitted on 9/30/2013.

-Original Work Plan Submitted 5/11, approved on 5/15/11. Modified on 7/26/11.

10/11/11 – Nothing to report.

11/10/11 – Nothing to report.

12/12/11 – Nothing to report.

01/11/12 – Nothing to report

02/12/12 – Nothing to report

03/20/12 – Nothing to report

04/11/12 – At a meeting with COTR Judy Payne on 3/20/12 we discussed a possibility of a no-cost extension for one year. We are agreeable to this, feel it would be beneficial, and want to pursue it.

5/14/12 – No Cost Extension is currently being prepared and will be submitted this month

6/7/12 – After a delay, no cost extension to be submitted this month.

7/10/12 – No cost extension submittal delayed. Submittal in July.

8/6/12 – No-cost extension and budget reallocation request submitted to USAID on July 27th.

9/17/12 – Modification 1 to the Task Order, which extended the period of performance to September 29th, 2013 at no additional cost, was received on August 27th, 2012. The modification also contained a reallocation of budget among the various CLINs.

10/12/12 – Nothing to report

11/8/12 – Nothing to report

12/10/12 – We submitted our Integra Performance Report, outlining our performance on indicators for GBI, including Task Order 1.

1/10/13 – Nothing to report

2/12/13 – Nothing to report

3/8/2013 – Nothing to report

4/10/2013 – Action plans are completed for technical assistance for Kenya CCK.

5/10/2013 – Funds for this task order are nearing depletion.

6/10/2013 – Funds for this task order are nearing depletion.

7/11/2013 – COR Judy Payne and PM Bob Otto liaised concerning desired content for the final report and possible termination of the Ghana Digital Divide study.

8/13/2013 – Nothing to report

9/13/2013 – Preparing final report

10/18/2013 – Final report submitted 9/30/2013. Revised final and updated monthly to be submitted 10/18/2013 per USAID request.

Task 2 – Undertake a series of capacity building workshops

-Work Plan revised on 7/26/11 to reflect integration of NetHope subcontract, approved 7/27/11

-First training and information gathering workshop held in Dar es Salaam, Tanzania 24-26 August 2011. Surveyed 11 USAFs and interacted with them to design program of tool and module development. Resulted in numerous leads for Technical Assistance opportunities.

10/11/11 – Short list of countries to receive TA (deliverable 4) will be formally turned in by this Friday. To complete this task, over the last month GBI has engaged in a detailed ranking of candidate countries for TA. The table below highlights the results of this methodology, using information available as of late September 2011. It will be updated this week in time for the turning in of the deliverable.

For each criterion, we have credited a finding of 0-2. In many cases a “0” does not necessarily mean that the country has failed that criterion, but rather that the answer is not yet known. Where we have some idea that the country may meet the criterion, we have awarded a “1”, and where it definitely or strongly meets the criterion, we award a “2”.

The total score in the final column is calculated by incorporating a set of weights into the criteria. In order to give more weight to “essential” and “high” priority criteria, these scores were multiplied (by 5 and by 3, respectively) before adding across the row to obtain a country’s total score.

Universal Service and Access Fund Support Project

As a reminder, the criteria are:

- 1.1 – Country is an AFR/SD priority country.
- 1.2 - Country has an established or planned USAF, sufficiently well developed to merit assistance (a “2” or better on the Townsend scale).
- 1.3 – Country’s USAF administration actively interested in receiving TA.
- 1.4 – Country government and local USAID Mission engagement/cooperation.
- 1.5 – Financial or other resource contribution by the Fund.
- 2.1 – USAF administration has necessary capacity to receive assistance.
- 2.2 – Assistance likely to yield significant impacts on USAF performance.
- 2.3 – The Fund’s challenges are exemplary for other Funds.
- 2.4 – There are recent or ongoing capacity building initiatives undertaken by the Fund itself.
- 3.1 – The Fund presents a diversity of issues or support requirements, different from other Funds receiving assistance.
- 3.2 – Working with this Fund presents opportunities for multi-country or institutional cooperation

Countries	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	3.1	3.2	Total
Kenya	1	2	2	2	0	2	2	2	2	2	1	62
Ghana	1	2	2	0	0	2	1	2	2	2	2	50
Tanzania	1	2	2	0	0	2	2	1	2	0	2	48
South Africa	1	1	1	0	0	2	1	2	2	0	1	37
Nigeria	1	2	1	0	0	2	1	2	0	0	1	36
Mozambique	1	1	1	1	0	1	1	1	1	0	1	33
Uganda	1	1	1	0	0	2	1	2	0	0	1	31
Rwanda	1	1	1	0	0	2	0	0	0	0	0	21
Zimbabwe	1	1	1	0	0	0	0	0	0	0	2	17
DRC	1	0	0	0	0	0	0	0	0	0	0	5
Mali	1	0	0	0	0	0	0	0	0	0	0	5
S. Sudan	0	0	0	0	0	0	0	0	0	0	0	0
Ethiopia	0	0	0	0	0	0	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0	0	0	0	0	0

11/10/11 – The formal memo announcing the program's list of priority countries (Task Order Deliverable 4) was submitted to USAID on October 21st, 2011.

12/12/11 – Nothing to report

01/11/12 – Nothing to report

02/12/12 – Met with Peter Ulanga in Dar es Salaam to discuss work with AUSAFA. We are exploring the idea of using AUSAFA as a platform for the centralized training of new USAF staff from Funds across Africa. They would partner with an established training institute to do so.

03/20/12 – Nothing to report

4/11/12 – We have changed plans concerning co-sponsorship of CTO's 2012 Connecting Rural Communities Africa forum (Sierra Leone, June 2012), as this is too soon for a full-fledged concluding summit for our project. We will continue to work with AUSAFA on potentially presenting some of our collective materials/modules during this forum, and engaging multiple USAFs in their adaptation and expansion. We will then aim to co-sponsor the CRC Africa Forum 2013, tentatively scheduled for 19-21 August 2013 in Namibia, as the capstone event for this project, where we will organize a final event to incorporate lessons learned and experiences of our TA clients, conduct interactive training sessions among participating USAFs, and provide additional resources and activities.

5/14/12 – Nothing to report

6/7/12 – Nothing to report

7/10/12 – We have prepared initial drafts of several training modules to be used as part of both on-line webinars and eventual in-person training sessions. These modules address issues of USAF Strategic Planning, Program Concepts, Broadband Strategy, and Monitoring and Evaluation. We are in the process of developing a set of formats and interactive methods for

delivering these modules to USAF managers in an effective manner. We are tentatively scheduling the first webinar for September.

8/6/12- During July we researched various online learning and webinar software solutions. After discussions with Judy, we narrowed our focus on Adobe Connect. We then spent time researching that software and understanding USAID's implementation of it, called AID Connect. GBI met with Josh Woodard from FACET to discuss that project's experience with webinars and to pass along lessons they had learned in doing so. Finally, after much searching, we've decided to use with Adobe Connect for our webinars, but will not be using the USAID implementation. Rather, we'll get a monthly subscription ourselves. We've signed up for a free 30-day trial and have begun setting up the "pods" and other elements of the webinar. David Townsend has submitted a power-point for the first webinar and we have begun going through it for branding, addition of graphics, and clarity. We are on schedule to hold the first webinar in September.

9/17/2012- In August we continued preparations for the upcoming webinar series. We secured an Adobe Connect license and began training on the platform. David Townsend and Laurie Moy have begun working on the set-up of the first webinar, as well as the development of a more permanent resource for participants. This resource will be in the form of an online course, through Udemy.com. It will provide the materials covered in the webinars, broken up into chapters. This mixed media resource will be an additional method of providing technical assistance for those who cannot attend the webinar, or for those who wish to refresh what they've learned. The outline of the course has been laid out, and David and Laurie are working on individual lectures and content. Work on the course is congruous to work on the webinar. David continues to work on the content of the course and is planning a trip to DC to finalize everything. Due to David's commitments with Nigeria and Kenya, his travel schedule may dictate that the first webinar be held the second week of October.

10/12/2012 - In September, we began to finalize preparations for the first webinar. As David Townsend finished the content of the module, Laurie Moy placed it into the online course on Udemy.com, formatted the final document and finished setting up the virtual meeting space. Invitations were sent to USAF contacts throughout SSA, of which 10 people have indicated they will attend thus far. David and Laurie have held multiple practice sessions in preparation for the live event, to be held Friday, October 12th at 5:30am (EDT). This time was chosen to make it convenient for attendees in African time zones to attend. A recording of the webinar will also be made available at a later date.

11/7/2012 – During October we held our first webinar entitled “USAF Strategic Planning”, which was viewed by over 12 attendees, including a group of 3-4 newly-hired individuals from Tanzania's UCAF. Other countries represented included Kenya, Nigeria, Zimbabwe and Ghana, many of which expressed their interest in attending the next webinar. The USAF Strategic Planning webinar and module can be found at Integra's website at <http://www.integrallc.com/gbi/usaf>. Laurie Moy and David Townsend have scheduled the next webinar called “USAF Program Concepts” to be held on November 29, 2012.

12/10/2012 – Integra held our second webinar in its USAF Capacity Building series on Nov 29th entitled “USAF Program Concepts”. 11 representatives from seven countries (Ghana, Tanzania, Sierra Leone, Kenya, Zimbabwe, UK, Nigeria) registered, although actual attendance was smaller than expected with only six participants. We believe the attendance was due to a later start time, as the previous webinar was held earlier in the morning and received higher attendance. In addition to a representative from CTO and two GBI personnel, a group of four

staff members from Zimbabwe attended, including their Fund Manager Mr. Hasha Myambo, who asked for some policy examples and resources.

Response to this webinar was positive; all survey respondents gave an overall evaluation of “Very Good” (the highest) and every respondent indicated that s/he would be “Very Likely” to attend another GBI Capacity Building Webinar in the future. 100% of respondents said that they learned something as a result of attending the webinar. We plan to hold our next webinar in January of 2013.

1/10/2013 – Planning continues for our next webinar to be held in January of 2013.

2/12/2013 – Next webinar (monitoring and evaluation to be presented by Parvez Iftikhar) postponed until March 2013.

3/8/2013 – Webinar on Monitoring and Evaluation, to be presented by Parvez Iftikhar (GBI ICT Advisor for Asia) has been postponed to April 4, 2013. Webinar will be held starting at 4:00 AM. Washington time. Our experience with various times of day for delivery has shown that early morning (Washington) and mid day (Sub Saharan Africa) promotes larger attendance.

4/10/2013 – The next webinar remains scheduled for April 16, 2013 on Monitoring and Evaluation. The presenter will be Parvez Iftikhar, former CEO of USF Co of Pakistan and currently GBI’s lead Asia region USF consultant. Invitations have been sent out to past and prospective participants.

5/10/2013 – Parvez Iftikhar and Laurie Moy hosted the third USAF Capacity Building webinar on Monitoring and Evaluation on April 16, 2013. The presentation was given between the hours of 9:30am and 12:30pm in Africa, and a total of five people participated from Tanzania and Zimbabwe. Topics covered included impact evaluations, and how to conduct an organizational capacity assessment. All participants indicated in a feedback survey that their overall evaluation of the webinar was good and that they were very likely to attend another USAF Capacity Building Webinar.

6/10/2013 – We propose to end the webinar series with April’s M&E presentation. It was the third in the series.

7/11/2013 – Ms. Payne has approved the completion of our webinar series. The last webinar of the series was held on April 16, 2013. Lessons learned from the webinar series will be included in the final report.

8/13/2013 – Nothing to report

9/13/2013 – Nothing to report

10/18/2013 – Nothing to report

Task 3 – Provide Technical Assistance to a select set of 3-4 Universal Service Funds

Kenya

GBI has agreed with the Communications Commission of Kenya (CCK) to a program of technical assistance for their nascent Universal Service Obligation. The USO was established in 2010 as a part of the regulator, and it started collecting funds from operators in January 2011.

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The fund will collect \$6million this year, and will receive another \$10 million from the operating budget of the regulator. As of yet the fund has not initiated any projects and is still establishing its internal processes. GBI technical assistance would streamline this process of USF establishment and ensure that the Kenyan USO is an effective champion of ICT as soon as it begins disbursing money. The agreed scope of cooperation includes the following:

1. Technical assistance in beginning the process of creating a national broadband strategy.
2. Evaluation and improvement of recently drafted gap analysis and strategic and operational plans.
3. Assistance in developing a first project implementation under these new procedures.

This scope of cooperation was outlined in an MOU signed in June by the USAID mission in Kenya on behalf of GBI, and subsequently transmitted to the CCK for counter signature.

10/11/11 - After considerable delay, caused by political turmoil inside of the CCK leadership, the CCK board accepted the MOU on 10/4/11 under the proviso that some details be changed. These details include the dates of work, as well as other minor items. The bilateral mission in Kenya has been notified and we are shepherding this process along, expecting completion in the very near term.

In the meanwhile we have received the newly conducted gap analysis from the CCK. David Townsend is in the process of reviewing it and will write a formal commentary for submittal to CCK by 21 October 2011. This is the first work task under the second item on the cooperation agenda listed above. David Townsend is also prepared to travel to Nairobi on short notice once final MOU issues are arranged.

11/10/11 – Though the MOU is still at the CCK, David Townsend has completed his analysis of the GAP analysis and is moving on to the Operations Manual. When this is complete GBI will have finished the first of the three work items on the SOW for the Kenya TA. David Townsend will meet with Susan Mochache, head of Universal Service at CCK, in London in November to try to facilitate passage of the MOU.

12/12/11 – In November the CCK finalized discussion on the MOU and sent it, with revisions (notably significantly more legal language) back to USAID/Kenya. The Mission has reviewed the CCKs submission, accepted most of the changes, proposed others, and sent the MOU back to CCK. CCK has indicated verbally that they have accepted all of USAID's new proposals and are ready to sign. The MOU should therefore take effect this month (December). GBI plans on formally launching the TA program early in the new year.

01/11/12 – After verbally agreeing to the final changes to the MOU, the CCK, rather than sign the document, sent it to the Ministry of Communications for review. This was specifically because of the nature of the broadband strategy work contained in the MOU. The Permanent Secretary forwarded the document to the Attorney General of Kenya for comment. The MOU is now again stuck. Although both Susan Mochache and her deputy, Paul Kiage, would very much like to press ahead now, it seems they are dealing with political forces beyond their manageable interests. We are pushing them to ratify the MOU and agree to an early February kick-off date. If that date cannot be accommodated GBI may need to disengage from Kenya completely under this Task Order. If we do disengage, efforts that would have otherwise been spent on Kenya will be used for a regional program with AUSAFA, or for a similar multi-country program.

02/12/2012 – The MOU has been approved by the Attorney General and the Minister, and CCK is ready to sign. They are in the process of scheduling a date with the USAID/Kenya Mission. When this task is complete GBI will kick off official cooperation with CCK. We anticipate a first mission in support of the broadband strategy to occur in March.

3/20/12 – The MOU has at long last been signed. In a highly public ceremony on March 8th USAID/Kenya Mission Director Erna Kerst and Acting CCK Director General Dr. Francis Wangusi officially launched our Kenya work. David Townsend will be in Nairobi, working with GBI's local consultant Muriuki Muriethi, the week of March 19th to create a stakeholder map and a workplan for the broadband strategy portion of the engagement. While there, he will turn over our deliverables under the second point of cooperation – assistance in reviewing their recently drafted gap analysis and operating manual. Once the work plan for the broadband strategy is complete, it will be submitted to COTR. Our current challenge is finding a way to push the Minister to appoint a board for the USF fund. The fund cannot disburse funds collected from telecommunications operators until this is done, but can still spend funds obtained from regulator fees (which now account for about a \$12million pot). However, there is a new ICT law coming through parliament that may alleviate any need for a board of the USF.

4/11/12 – Shortly after the MOU signing, David Townsend and Muriuki Mureithi spent the week of March 19th in Nairobi to formally launch the engagement with CCK. They held extensive meetings with CCK USF personnel as well as the Director General of the Commission. David presented GBI's in-depth analysis of the Access Gap study previously undertaken for CCK by Apoyo Consultoria, including findings and recommendations regarding the size of gaps and costs and options for closing these gaps. This report represents one of the agreed major Deliverables of the engagement.

During the mission, the consultants and CCK officials also participated in substantial consultative meetings with a variety of sector stakeholders, especially MNOs and ISPs. We obtained substantial insight and viewpoints concerning the priority needs for Broadband development in Kenya and for launching the Universal Service Fund. This process also helped lay the foundation for the broadband strategy deliberation process, and all participants were pleased to be consulted. Internal discussions with CCK counterparts produced substantial agreement on the key tasks and schedule for the cooperation going forward, and the main issues and challenges to be address. This included discussion of the key steps required to begin implementation of the USF, which has an available budget of 1-billion Kenya shillings; CCK is eager to develop some initial pilot projects, which GBI will advise on designing and implementing.

The most critical connection not accomplished during this trip, however, was a meeting with the Permanent Secretary of the Ministry of ICT. The P.S. is a central player in all ICT policy matters and has spearheaded several initiatives that must be taken into account in our work. We will seek to arrange some kind of contact/meeting with him in the near future. We also were unable to meet with the local USAID mission representative, Mike Jones, who was unavailable while we were there, but we maintained e-mail contact, and will follow up with him as well. The consultants will produce and Inception Report and Work Plan in the next week, which highlights the issues to be addressed and the tasks and time frame of the work.

5/14/12- Following the long-awaited signing of the MOU between USAID and CCK, this project has been moving forward much more rapidly, and CCK has shown considerable eagerness to proceed. We have now completed a fairly comprehensive Inception Report and Work Plan,

which not only sets forth the project tasks and timeline, but offers a preliminary discussion of a broad range of issues: supply-side, demand-side, and policy. These discussions are based on the field work interviews with a dozen or so stakeholders during the March mission to Nairobi, plus follow ups and further research and inputs by GBI's local consultant, Muriuki Mureithi. This report is now under review by CCK.

Meanwhile, the next steps in Kenya are already underway. These include further stakeholder consultations, which will be expanded to begin the process of identifying key participants in the Broadband Strategy Steering Committee, in addition to inputs on the USF strategy and implementation. At the same time, we are preparing drafts of the proposed strategic objectives and programs, as well as the preliminary framework document to support the broadband strategy process. These will be delivered this month, and will help launch both initiatives (USF and BB).

6/7/12 - The team continues to make substantial and rapid progress on this engagement. GBI delivered the proposed Broadband Strategy Framework in early May, which has become the basis for the strategy development process. The CCK team met with GBI's Mureithi to review this methodology, and has set a schedule of subsequent steps, including regular meetings, to move forward the process. The Steering Committee, as well as a new high-level national Broadband Commission, are expected to be assigned within the next two weeks.

7/10/12 – On June 6th GBI provided CCK with a draft proposal for USF Programs. This is closely linked to the broadband strategy, and includes an extension of the national fiber backbone, adding local broadband community access connections, and other key related programs. Later that week, Muriuki Mureithi held the first of three meetings with the CCK and the Kenyan private sector that occurred in June. These meetings discussed the broadband strategy framework and how to operationalize its plan, based on the framework previously provided by GBI. At the meeting on June 21st, CCK expressed a very clear need to make the BB strategy a cabinet level initiative, rather than a Ministry initiative. CCK, with GBI assistance, is preparing a “cabinet paper” to be submitted for review and discussion at the highest levels of Kenya's government. While this was ongoing, CCK reviewed the draft USF program concepts and provided feedback on July 4th. The next step is now to more fully flesh out the details on the agreed concepts. Meanwhile, CCK reports that the Board of Advisors to the USF have been appointed by the Minister, and will take office following the gazetting process.

It is important to point out that GBI is already having a significant and powerful impact in Kenya. There is now a process in place around USF and broadband strategy that would not be there if USAID were not involved. CCK is confronting key questions, engaging many private sector stakeholders and officials across the industry, and raising the profile of broadband strategy and ICT development to the national agenda. They're taking vital steps toward implementing their USF, in the face of resistance from the industry and inertia from the Ministry, but making strides nonetheless, and our contributions are helping to keep that momentum going.

8/6/12 – The impacts of GBI's engagement are increasingly effective in Kenya, as CCK and other institutions have embraced the processes recommended by our team, and are now actively taking charge of policy development on multiple levels. With regard to the broadband strategy, this month the steering committee was constituted and held its first two meetings, which will be weekly now until the process is complete. The committee has agreed upon the definition of “broadband” to be incorporated into the strategy, begun studying and discussing the experiences of 10 other countries that have gone through a broadband strategy development

process, and laid out a strategy for completion of the cabinet paper. Consensus is growing that this cabinet paper will in fact be the broadband strategy, which will thus have the highest possible government endorsement. The next steps in developing this paper are to define TORs for working groups under the steering committee to develop position papers on various issues for discussion in a stakeholder forum. Because of the increasing scope and high-level profile of the NBS process, this forum is now expected to be held in early December. GBI consultant Muriuki Mureithi has been a key player in moving forward this agenda and bringing it to national attention. The President of Kenya has even involved himself, asking that the process be “gazetted” so that more government funds can be made available.

Regarding the work to establish an effective Universal Service regime, during July GBI submitted a revised and expanded paper on USF Program Concepts that lays out details of how CCK can implement these concepts. A key issue that has arisen is how to deal with the constitutional requirement for equality among the counties. CCK has agreed to undertake a position paper on this issue, which is likely to play into the national broadband planning process as well. GBI will provide advice and help define the prototype framework to enable CCK to engage county governments in the implementation of USF projects. This should serve as the basis for initial Fund pilot projects.

9/17/12 – The CCK-led Broadband Strategy Steering Committee has been increasingly active (and self-motivated) in recent months. The group conducts weekly meetings, with participation by GBI local expert Muriuki Mureithi, as well as considerable outside correspondence and policy/planning activities. Over the past month or so, the group has generated a number of significant working documents, including a set of background case studies and research notes on broadband experiences elsewhere; a formal draft statement of Broadband Principles and Objectives; an internal Work Plan, TORs for the Technical Working Groups, and more. There will be a formal launching of the Technical Working Groups during September, to be attended by the Prime Minister, followed by intensive meetings by these groups along agendas prepared by CCK, with GBI advice.

On the USF, GBI has previously prepared a set of recommended priority Fund Programs, which CCK has accepted as the basis for implementing the Fund. Planning is moving ahead to define one or more pilot projects under this framework. David Townsend developed a draft memo on project planning criteria, to help guide this process. CCK has a goal to launch a pilot project before the end of the year, and Integra has reached out to NetHope about assisting with its implementation.

The participants in this cooperation have recognized that steady and strong progress continues to be made, but also that more and continued work is needed. Although the GBI assistance will have to be winding down due to budget constraints, CCK is eager for further support. We have agreed that David Townsend will make an additional trip to Kenya, while reducing his billable time, to help ensure that the momentum continues beyond the closure of the formal GBI engagement.

10/12/2012 - The CCK-led Broadband Strategy Steering Committee planned a workshop to draft the National Broadband Strategy that will incorporate Technical Working Groups (launched in September) and national ICT leadership. David Townsend is scheduled to give a keynote presentation and the introduction to the framework, following opening remarks to be provided by Dr. Bitange Ndemo, the Permanent Secretary of the Ministry of Information and Communications in Kenya. Muriuki Mureithi will also be attending this event. The workshop is scheduled to be held from October 14-19, 2012 in Naivasha, Kenya.

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11/8/2012 – During the month of October, David Townsend and Muriuki Mureithi attended the National Broadband Strategy (NBS) Technical Working Groups workshop hosted by CCK October 14-19, 2012. The event took place during a week-long retreat at Naivasha, which was attended by a team of 50 public and private leaders. Through a rigorous process that included government, private sector, and civil society, a National Broadband Strategy was drafted that is now ready for exposure through the public hearing process on or about November 21st.

The strategy is a comprehensive plan for bringing communications services and ICT business development to all of Kenya. The NBS team also organized a briefing to 20 high level leaders including 10 Permanent Secretaries to review the product and to map out next steps which include the public hearing (to be chaired by the Minister of Information and Communications) followed by a Presidential launch in December or early January.

The strategy is expected to cost US\$ 2.4 billion, of which 70% is for national infrastructure and the remainder for capacity building and content development. Funding is to be from a combination of public and private sources and will include accessing the capital markets.

12/10/2012 – The NBS and proposed budget are undergoing Cabinet Review, with a public launch expected to take place on February 13, 2012, pending government approval. According to the draft Cabinet Memo, the proposed budget allocates five percent of the annual national budget for ICT broadband development. In addition, it proposes to utilize 5% of annual county budgets. If approved by the Cabinet, the national budget allocation alone would represent approximately US \$650 million per year.

1/10/2013 – GBI consultant David Townsend submitted a concept paper to CCK on possibilities for future work with GBI. The paper focused on two separate activities; next steps for National Broadband Strategy (NBS) implementation and next steps for USF development. Feedback from Susan Mochache was extremely positive and offered support for both NBS action planning and USF activities. The Universal Service Advisory Council was also appointed this month, making USF activities “more critical than ever”, according to Ms. Mochache. Accordingly, she has requested engagement with us to develop a detailed work plan and timeline for deliverables for future work. The NBS public launch remains scheduled for February 13, 2013.

2/12/2013 – Integra submitted a draft Terms of Reference to CCK in support of the Commission’s initiative for USF development. The NBS launch remains scheduled for February 13, 2013. Further discussions among GOK leadership has resolved the issue of which entity will manage the implementation of the NBS (Vision 2030). Given CCK’s core responsibility for regulating telecommunications sector players, it was not deemed appropriate for CCK to maintain a continuing role on implementing non-regulatory components of the NBS. Integra also provided written advice on how to build Vision 2030’s capacity to lead NBS implementation.

3/8/2013 – David Townsend, Muriuki Mureithi, and Bob Otto have been in consultation with Kenya CCK concerning CCK’s request for an extension of technical assistance with focus on Fund operations. If approved, the extension would be carried out under GBI Task Order 2. Meeting between CCK and USAID Kenya scheduled for March 14th.

4/10/2013 – During March, GBI finalized a Terms of Reference agreement with CCK to provide technical assistance during the operationalization phase of Kenya’s USF. Activities will include strategy development, operating plan development, monitoring and evaluation, and assisting with implementation of the fund’s first investment in rural communication infrastructure.

Please note that this technical assistance will be funded in part by Task Order 2, GBI Core Program Support. Parvez Iftikhar and David Townsend are also scheduled for travel to Kenya in April to initiate technical assistance activities.

5/10/13 – Funded under Task Order 2, Robert Otto participated in a field visit to Nanyuki, Kenya, to scope out a possible initial investment of USF funds by the Communications Commission of Kenya (CCK). During this trip he visited the Indigo TV white space pilot project site, the expansion of which is expected to cover 80% of the country. Follow up discussions were held with CCK regarding their possible involvement in the project as well as scheduling of the technical assistance to be carried out to operationalize the USF.

Also during the month of April, Mr. Iftikhar submitted a staffing pattern for CCK. Funded outside of Task Order 1 USAF Support, Mr. Iftikhar and Mr. Townsend are scheduled to go to Nairobi in early May to launch activities for operationalizing Kenya's USF. Their labor and related travel will be funded by Task Order 2 Core GBI Program Support, and the NetHope subcontract, respectively.

6/10/2013 – David Townsend and Parvez Iftikhar both traveled to Nairobi, Kenya May 5 – 10, 2013 to assist with launch activities for Kenya's USF. They also drafted a USF Framework document in collaboration with CCK, which includes information on the USF governance structure, projects that the USF administration intends to implement, and guiding criteria for USF operations. We expect the document to be finalized and adopted by CCK in June 2013.

As the Kenya USF is nearing operationalization, there has been substantial increases in press coverage stimulated in large part by the operators' wanting to 1) not pay into the fund and 2) not having a role in deciding how USF resources will be deployed. As currently configured, the USF's Advisory Council has six civilian members and no representatives of industry. Industry's view is that the current advisory council should be disbanded and replaced by industry representatives. CCK disagrees. See <http://www.businessdailyafrica.com/Corporate-News/CCK-locks-telecom-firms-out-of-key-fun/-/539550/1866406/-/c1ktfqz/-/index.html>.

In part to focus public opinion on the need for a USF, CCK Director General Francis Wangusi was quoted in the press on the current access gap.

<http://www.nation.co.ke/business/news/Sh74-billion-needed-to-bridge-Kenyas-yawning-digital-divide/-/1006/1865412/-/10kcbpe/-/index.html>. Kenya has selected a new Cabinet Secretary for Telecommunications, Fred Matiang'i. We are attempting to acquire a transcript of his interview for the position which laid out his initial position on a number of subjects including the GBI-facilitated national broadband strategy.

7/11/2013 – During the month of June, Integra submitted the finalized USF framework to CCK, which has been circulated and commented on by industry stakeholders and civil society. GBI consultants are providing review of industry proposals to CCK. In the meantime, Mr. Iftikhar has been developing a draft concept for a broadband project, including technical requirements, and features and services that bidding operators will be expected to deliver. Mr. Mureithi has also been looking into potential pilot locations, while David Townsend develops a timetable for the project. It should also be noted that Kenya's National Broadband Strategy is expected to launch on Wednesday, July 17, 2013.

8/13/2013 – Kenya launched their National Broadband Strategy on July 17, 2013, for which GBI has been credited in several press releases, as well as the NBS document itself. Ms. Mochache also provided her thanks on behalf of CCK for technical assistance provided under GBI. In an email sent to Mr. Otto she stated:

“It has been absolutely wonderful what we have been able to achieve. The outcome is gratifying and very humbling too. The commitment by your team has been outstanding and is what has made us get here. [W]e trusted the guidance and took the [q]ue with the assurance that we are in the safe hands of highly competent, reliable and committed experts. Thank you from the bottom of our hearts for walking with us.”

– Susan Mochache, Communications Commission of Kenya

In other work with CCK, we have submitted a draft pilot project to CCK and Mr. Iftikhar, for which criteria for selecting a county has been determined. Mr. Iftikhar also proposed a new governance structure for the administrative mechanism of the USF. Please note that future Kenya-related work will be funded under Task Order 2 GBI Core Program Support.

9/13/2013 – Although funded under Task Order 2 GBI Core Program Support, our work with CCK continues to establish the universal service fund and design a pilot project. In August, we suggested locations to CCK for the pilot project that are currently under review. The CCK Board and Universal Service Advisory Council are scheduled to meet in September to determine the governance structure of the fund, and a tender is expected for released by October. The value of the tender, which represents CCK’s first USF investment, is estimated to be \$12 million.

Ghana

The Ghana Investment Fund for Electronic Communications (GIFEC) has been operational since 2005. It collects about \$26 million per year based on a fee charged to operators equal to 1% of gross revenues. Over the last few years it has worked out numerous internal challenges to disbursement and grew from disbursing only \$2.6 million in 2007 to \$9.8 million in 2010. They plan to disburse \$22 million in 2011. GIFEC has invested in programming that is different, and innovative, from what other Universal Service Funds throughout Africa have done. They have funded ICTs in the police force and the army as well as prisons. They have built and placed ICTs in libraries and post offices. They have an aggressive program in standing up 210 community information centers. In short, they have an experimental mindset. An opportunity exists for GBI to work with GIFEC, alongside CTO, to formalize how GIFEC will invest to best promote connectivity in the age of digital convergence. They are undergoing a strategic review, and an intervention here could allow GBI to shape the vanguard of USF use in Africa, providing a fertile ground of new knowledge for other Funds to learn from. This work would complement well the work done in Kenya and Tanzania. There, GBI is working to establish new Funds. In Ghana, it would work to modernize an existing Fund and shape new best practices in the field. These efforts together would allow GBI to create a toolkit that would be applicable to all USFs along a continuum of stages of development, rather than focusing exclusively on nascent funds.

10/11/11 - Kojo Boakye has been in communication back and forth with the chief director from the ministry, and a somewhat revised scope of possible cooperation has emerged. It has become apparent that GIFEC lacks good data on the level of telephone and Internet penetration in their country. They don’t know the number of users, subscribers, etc. They just have the number of ISPs that have been licensed. Consequently, their projects, even the large ones, have been very much supply driven. An opportunity exists to work with GIFEC to expand their data collection capacity, which fits well with our tool/module development work conducted under the subcontract with NetHope. Based on feedback received at the conference in Dar es Salaam in August, the first module we are working on is about data collection.

11/10/11 – GIFEC has reached out to GBI through Kojo Boakye and expressed their interest in working with us on a TA project. David Townsend and Kojo Boakye will visit Accra November 21-22 to work with GIFEC on agreeing a scope of cooperation and technical assistance that will focus on modernizing their strategy to include a stronger focus on broadband.

12/12/11 – David Townsend and Kojo Boakye (GBI consultants) visited Accra November 21-22 to work with GIFEC and the Ghanaian Ministry of Communications on an SOW for their work with GBI. After that meeting a draft TOR was proposed by the Ghanaians, and it was sent to GBI along with an official letter from the Chief Director of the Ministry (on behalf of the Minister) expressing their eagerness to work with GBI, and to contribute their own resources to this project. The draft TOR focuses on assisting GIFEC to redefine their overall program, both in terms of strategy and tactics. This will include assisting in the design of a market gap study that GIFEC will pay to carry out, and then assisting in the analysis of the resulting information and working with GIFEC to draw conclusions about how best to move forward. Then GBI will work with GIFEC to turn these conclusions into policy. We have forwarded the draft SOW and the letter from the Ministry to the Ghana Mission and requested their comment, but have so far received no response. We expect the formal TA program in Ghana to begin early in 2012.

01/11/12 – GBI has finalized a TOR with GIFEC that is nearly identical in scope to the draft described above, and both parties have signed the document. It was submitted along with this report. Work on designing the market gap study has already begun, and a team will visit Ghana in late January/early February to work with GIFEC on an implementation plan for the study.

02/12/12 – The mission to Ghana was carried out in early February 2012, and the end result was a document outlining the plan for implementing the digital divide study. This plan is currently being fleshed out in more detail, and implementation is expected to begin sometime in April. GIFEC is putting \$50,000, and possibly more, into funding a household survey that will complement and form part of, the digital divide study.

03/20/12 – An outline of the digital divide study has been submitted to and accepted by GIFEC, and from this document GBI has begun the task of creating a survey instrument (to be implemented by the Communications Ministry). A representative from GIFEC is in Washington this week and will work with GBI to finalize it. Once the instrument is submitted work can begin on implementation. It will be a partnership between the ministry and a local university. Once the results are obtained, GBI will return to Ghana to work with GIFEC to operationalize the survey results (expected late April)

4/11/12 – The meeting with GIFEC representative Victor Teppah on 3/27/12 produced momentum for moving ahead on the survey. Since the meeting, a new draft of the survey was produced that is seen by all consultants involved as the penultimate draft, needing only a few minor changes that will follow circulating it to other groups for comment. Research ICT Africa is helping with our income questions, for example. The final survey is due to be presented to the Chief Director of the Ministry the week of April 16th, and from that point a survey implementation schedule will be developed. When implementation is complete (mid-end May) we will return to Ghana to assist with analyzing results and using them to create a first draft of the digital divide study.

5/14/12 - The primary accomplishment during the month of April was the GBI team's finalizing the survey instrument and submitting it to the Ministry for review and approval. This was an involved process that encompassed numerous teleconferences and outreach to other survey organizations to ensure that our questions were adequately constructed. Further, GIFEC has

identified the survey implementer, a think tank called ISSER. Our local consultant, Kwami Ahiabenu, has been leading the charge on collecting data for the study from local sources and assisting GIFEC on coordinating the survey. The next steps are to receive buy-off from the Ministry of Communications on both the survey instrument and the proposed outline of the survey, to use a Ministry letter to obtain necessary data on tower location from MTN, and have a meeting between the GBI team and ISSER to finalize implementation issues and agree a division of labor on the post-survey data analysis. Then the survey implementation will be set to begin.

6/7/12 – This month the Ghanaian ministry approved the survey design and the questionnaire, and the local think tank that will engage the survey (ISSER) has presented an implementation plan and a budget. These are currently being discussed between the Ministry and GBI and when finalized the survey will begin. We are still waiting for the Ministry's letter to obtain tower locations from MTN.

7/10/12 – GBI Consultant Kojo Boakye visited Accra from June 25th to 29th to investigate a delay in the process of implementing the survey and to push the project forward. The contract of the survey implementer (ISSER) had been delayed due to lack of clarity on GIFEC's budget and miscommunications between ISSER and GIFEC. ISSER originally submitted a \$160,000 budget for a survey that was supposed to cost \$50,000, and upon submittal heard nothing further from GIFEC. This was due to personnel turnover at GIFEC.

GBI's presence in Accra in June forced the prioritization of this survey among new GIFEC personnel and the two groups are now actively working on a rescoping of the sampling design so that the survey cost falls within what GIFEC has budgeted. This is due to be completed by mid-July. During his visit Kojo also prepared a briefing for the Minister on this project and it is expected that Minister Idrissu will increase the government's financial contribution to the project above the original \$50,000. Kojo also sought to formalize the involvement of the regulator, the National Communications Authority, in the project so as to make secondary data collection easier.

8/6/12 – During the month of July various actors within Ghana, facilitated by GBI consultants Kojo Boakye and Kwami Ahiabenu, moved significantly closer to implementation of the survey for the Digital Divide Study. The selected survey implementer, ISSER, submitted a revised budget to MoC and provided comments to GIFEC on the survey questionnaire designed by GBI. The Minister formed a tripartite committee of MoC, GIFEC, and NCA to oversee the study, and decreed that each agency will fund 1/3 of the cost. ISSER's revised budget of \$142,000 was accepted, and the paperwork of contracting ISSER and allocating the funds was put into place. Kojo Boakye worked with GIFEC to refine the sampling framework and incorporate ISSER's feedback, so that once the paperwork is in place all parties are ready to implement. Further, GBI is now working with additional contacts at NCA to obtain relevant information in their possession about the current extent and use of internet in Ghana.

9/17/12 – There has been a delay during the month of August in contracting the survey implementer due to a formal complaint filed by another potential vender to GIFEC. GIFEC is seeking alternate permission to hire ISSER through a sole-source procurement process. However, progress was made in obtaining data from the Ghanaian Statistical Service regarding ICT use in the country.

10/12/2012 – The delay in contracting the survey implementer has continued throughout the month of September. The process of hiring ISSER to do the survey through a sole-procurement

process is hindered because objections were raised about why GIFEC was not following national procurement rules.

11/8/2012 – Nothing to report.

12/10/2012 – Nothing to report

1/10/2012 – In December, GIFEC contracted with ISSER and submitted its first payment for the Digital Divide study survey implementation to begin. After months of delay, this development signifies progress towards conducting the market and gap analysis outlined per the Terms of Reference agreement. GIFEC also requested network coverage data from the National Communication Authority, who is expected to respond with information by January 14, 2013.

2/12/2013 – In January, ISSER produced a draft survey instrument with the intention of surveying a total of 5,000 households by March 17, 2013. GBI has reviewed ISSER's survey instrument and provided suggestions to help finalize it.

3/8/2013 – The Digital Divide survey is underway, with data collection beginning on February 11, 2013. Expected end of data collection is 17, 2013. Once data is compiled, GBI analysts will start work with the data by the end of March.

4/10/2013 – Implementation of the Digital Divide survey continues, and data collection in three of the four zones has been completed. Following a slight delay due to a delayed project payment to ISSER, data collection for the fourth zone is expected to be finished in April 2013. We are advised that it will take approximately 5-6 weeks for ISSER, the survey organization, to complete data entry and begin analysis.

5/10/2013 – Nothing to report

6/10/2013 – GBI has renewed its efforts to determine the status of the survey. GBI Consultant Kojo Boakye met in London with Ghana's new Minister for telecommunications Omame Boamah and briefed him on the GBI/GIFEC study. The Minister committed to investigating the situation and delivering information required for us to complete our work. The Minister said he was interested in having the study completed in time for an October "ICT week" he was planning.

7/11/2013 – In June, ISSER finished the collection of primary survey data and provided a summary report, although Integra notes that it does not correspond to all areas of the survey questionnaire. We also have not been given access to the primary (or secondary) data. In an effort for more information, a letter was sent to the Ministry of Communications on June 6th, formally requesting the secondary data needed to complete the digital divide study. Mr. Boakye later traveled to Accra to meet with the Director General of the National Communications Authority on June 10th. During this meeting he was informed that the NCA will be finishing this work on July 15, 2013, which should fill the gap in data received thus far, providing information on fiber roll out, infrastructure sharing, international submarine cables and broadcasting. As GBI has not been given access to essential data and the task order is coming to a close, we are preparing to notify the Ministry of Communications that we will not be able to complete the work as originally envisioned.

8/13/2013 – GBI received a report on secondary data from the Director General. We reviewed this report and concluded that it was insufficient to support significant analysis for a final report. After several rounds of discussion among the team members on data requirements and the

quality of the ISSER survey report, GBI decided to prepare a final report that extracts the useful information from the findings of the ISSER report, including suggested revisions that could significantly upgrade the final report.

Some interesting findings from the ISSER report should be noted. In particular, the ISSER report found that more than 60% of rural agricultural households had never heard of the Internet.

9/13/2013 – In August, GBI constructed an outline for the final report to extract useful information from the ISSER survey report. Prior to project closeout, we will submit this report to GIFEC, officially ending our engagement with Ghana under this project.

10/13/2013 – In September, GBI continued working on the final report for GIFEC, which we expect to submit by the end of October.

Nigeria

The Universal Service Provision Fund (USPF) was established in 2003. Over the last five years it has collected about \$260 million and disbursed \$160 million, leaving \$100 million unused. Therefore, about 25% of the “\$400 million sitting unused in African USFs” that is used as an advertisement for this program is in Nigeria. The figure given here for the amount of funds available and unused (\$100 million) comes from the survey given at the CTO event in Dar es Salaam. It was confirmed by USPF Secretary Abdullahi Maikano in a meeting with GBI staff in Abuja on December 13th 2011. This amount is also it is relatively consistent with the numbers presented in the Sepulveda report (though at the time of that report, through 2009, the fund had both collected and disbursed significantly smaller amounts). Programs that have been financed through the Fund to date include the placement of ICT connectivity in 1200 schools and 200 universities, telecenters, e-libraries, ICT access for persons with disabilities, and broadband infrastructure. Nigeria is now in the process of re-engaging in a strategic plan to cover the period 2012 – 2017 and there is an opportunity to work with them to help them to do this. This may evolve into finding ways to spend the residual \$100 million and result in good lessons learned about how to do this. The head of the USPF came to Dar es Salaam specifically for the third day's events (our USF workshop), and has a previous relationship with David.

10/11/2011 – At the Internet Governance Forum in Nairobi in late September US Ambassador at large for telecommunications policy Philip Verveer met with Mr. Raymond Akwule of the Digital Bridge Institute (a part of Nigeria's Kano State University), who had been sent to the conference on behalf of the Nigerian Minister of Communications. Mr. Akwule expressed keen interest in working with GBI's Universal Service and Access Fund Support Project. However, on 10/4/11, there was a leadership reshuffling inside the Nigerian Communications Commission (NCC). The head of USPF, who had visited Dar es Salaam to speak with us, was replaced by another NCC manager who is likely looking to make major changes. GBI is already in contact with him, and is standing by to assist when he is settled in. In the meanwhile, we are liaising with Mr. Akwule to keep up interest.

11/10/11 – The GBI team has been in constant contact with Abdullah Maicano, the new USPF head, and Mr Akwule. It has been agreed that GBI should visit Abuja for a meeting with these two gentlemen, as well as with the director of the Nigeria Communications Commission and the new Minister of Communications herself. This meeting will occur on 12/13/2011 with Bob Otto, David Townsend, and Kojo Boakye.

12/12/11 – GBI is currently conducting a scoping mission to Nigeria to draw up a draft TOR. In fact, David Townsend, Bob Otto, and Kojo Boakye met with the Minister of Communications today. The results of their meetings will be transmitted in the December performance report. In the meanwhile, GBI has attempted to contact the Nigerian USAID Mission twice, with no response.

01/11/12 – After the conclusion of the scoping mission GBI drafted a TOR based on preliminary oral agreements coming out of meetings in Abuja. The TOR has been sent to the USPF and the Ministry of Communications Technology, and we are awaiting comment or signature by the USPF. It includes four main components: a focused advisory support that will assist with USPF's current/planned institutional development initiatives, assistance in the development of an ICT access gap study, advice on the development/implementation of M&E procedures, and assistance with establishing a "shared access charter" for public ICT facilities. GBI has an effective intermediary on the ground, Mr. Raymond Akwule of the Digital Bridge Institute, who is confident that the TOR will be signed and that TA can begin shortly. The Ministry has indicated its wish to have GBI participate in a strategic planning retreat to be held Feb. 9th, 2012. COTR Judy Payne has facilitated contact with USAID/Nigeria's Sharon Pauling and her EG team.

02/12/12 – The TOR has been signed by USPF and returned to GBI. They made some significant changes to the document, perhaps most importantly dropping all reference to the "Shared Access Charter." The TA now only has 3 main components instead of four (see previous update). The strategic planning retreat originally scheduled for February 9th was postponed and will now occur in April. Additionally, USPF staff will go on a study tour of the Far East in early March. GBI will conduct a mission in April to coincide with the retreat, and will begin technical support remotely in the meanwhile

03/20/12 – Little has changed since that last update, and GBI is still planning to attend the retreat in April. We have retained Parvez Iftikhar for additional technical assistance, particularly on impact assessment, and recently met with the ICT Minister at the ICTD 2012 conference in Atlanta.

4/11/12 – Arrangements are ongoing in preparation for the USPF retreat, which has been moved to the last week of April. David Townsend and Parvez Iftikhar will attend the retreat, which will be conducted by USPF's local strategy consultants to address the Fund's plans for the coming few years. David will present GBI concepts and experience regarding USF strategic planning, and will work closely with USPF staff to advise on and contribute to the group planning exercises. Parvez will be conducting the Monitoring and Evaluation component of our engagement, and will consult with USPF staff to launch the planning for this phase of work.

USPF has also transmitted to GBI its most recent market and gap analysis data and reports, conducted by an outside consultant about 2 years ago. There is substantial detailed information in these files, which the GBI team is reviewing. We will build upon this material to support our assistance to USPF in updating its gap analysis, strategic priorities, and project/budget planning.

5/14/12 - Major progress was achieved in April on the Nigeria USPF engagement, as a result of the attendance by GBI experts David Townsend and Parvez Iftikhar at the Ministry/NCC/USPF Retreat, organized by USPF's consultant KPMG, as part of their strategic planning process. This event encompassed more than 12 hours per day for two days, and all the participants -- including the Minister, the head of the NCC, all of USPF Management as well as its Board -- participated actively throughout the entire program. This involvement was a clear

reflection of the importance that they all placed on the role of the USPF and its strategy going forward.

Much of the time throughout the conference was taken up with presentations and discussions of background on the Nigeria ICT sector and the activities of USPF over the previous 5 years. This picture, as everyone acknowledged, was not very pretty. The Fund has accomplished far less than it set out to achieve, falling well short of virtually all of the targets it set in its last strategic plan, not even attempting many of the intended projects. A separate performance assessment by the consultants also showed that, even where the Fund had made some progress, such as providing computers and connectivity to schools and rolling out Community Communication Centers, the net result has often been disappointing, as only 30% to 40% of locations surveyed are actually functioning today. There was extensive debate and analysis as to the reasons for these shortcomings and the best means to overcome them; to a great extent, it was agreed that the USPF probably set its sights too high from the outset, and that it was not institutionally capable of implementing many of its goals. These findings have strongly influenced the thinking on the most appropriate way forward.

The KPMG team running the event (the local Nigeria office, supported by 2 representatives from India) was not especially expert in USF issues, but their program did help create a vital foundation of understanding, collaboration, and cohesiveness among the participants. This foundation was reinforced strongly by GBI's inputs to the process, as everyone had agreed to follow the framework for strategic (and operational) planning that we set forth. The GBI team also helped steer the definition of USPF strategic goals into a useful format, which became the basis for the main final planning exercise.

In the key session of this planning activity (we were broken into 3 groups), some of the core discussions took place between David Townsend and the Minister. Ultimately, we were able to persuade the entire group to adopt an approach to the new strategy that closely reflected the experience and ideas proposed by David and Parvez, which will now become the basis for USPF's operations going forward. The central elements of this strategy consist of 4 core programs; there are many details to be fleshed out, but these are the main thrusts:

1. National Backbone Connectivity: Buildout of a fiber backbone network throughout the country, as extensively as possible into rural districts. This is largely what Compartel has been doing, what Parvez's USF has done in Pakistan, and what several other Funds are looking to support. It's vitally needed in Nigeria, which has no national fiber backbone to speak of.
2. Local Access Networks and Facilities: This is a major initiative, which is similar to what we've also discussed with Compartel, GIFEC, and CCK Kenya, among others. In essence, it involves combining multiple, separate programs into an integrated strategic approach at the village level in rural areas. Instead of independently developing CCCs, School connections, and other separate programs, the idea is to deliver full-service (ideally broadband) access and connectivity to each location at the same time. Again, details remain to be worked out, and the scope of services and facilities are likely to vary in different areas. We also agreed that this program should be launched in the near term with a Pilot Project, which should be implemented quickly, to test and demonstrate the potential and challenges of this approach.
3. Accelerated Mobile Phone Expansion: This is an existing USPF program which has not been very effectively implemented to date. Its purpose is to fill gaps in mobile network coverage by financing rollout of base stations to unserved areas. It needs to be entirely revamped to employ best practices used by many Funds, including Pakistan's, to rapidly expand mobile

coverage. The areas that would be included under this program would typically be more remote and less populated than those to be served by the Local Access Networks above. (This program in particular might be a strong candidate for an LCCP approach, and there was considerable support for incorporating alternative energy elements in such projects.) It was also agreed that the infrastructure deployed under this project -- and indeed under all projects -- will be open to co-location and sharing by multiple operators, as an obligation of receiving USPF funds.

4. Local ICT Content Development: Initiatives to support and finance content development, especially in local languages, largely building on existing programs underway in other institutions, while also encouraging content and applications projects within local communities themselves.

Note that these Programs all fell under the general strategic goal to "Promote Universal Access and Universal Service that facilitate connectivity for development;" i.e., the core purpose of the USPF. Other programs were also defined relating to the additional goals to "Facilitate an Enabling Environment for ICT" (mainly research, studies, data collection, etc.), and internal USPF Institutional Development. Much now needs to be done to transform this framework into a full-fledged Strategic Plan, and then will begin the far more difficult challenge of establishing an initial Operating Plan, and then following through on actually implementing all of it, especially including near-term pilot project(s).

Based on this agreed high-level strategy, we then entered into discussions with USPF to modify the scope of our previous Work Plan to address the most pressing issues going forward. We agreed to shift the focus of our next stages of support to helping with the preparation of the Operating Plan and pilot project, while recognizing that the data collection/Gap analysis component can be scaled back, as they have already obtained extensive data on the sector. At the same time, the USPF management has indicated that KPMG will continue to be actively involved in supporting USPF. This is important, as it shows that the USPF administration is prepared to finance a significant amount of the support they require, while GBI can have an active partner on the ground with a solid track record.

6/7/12 – The engagement is moving forward, following the path established last month during the retreat, with focus on USPF's new strategic management plan, and the follow-up steps needed to operationalize this plan. GBI submitted its revised Work Plan for USPF consideration, and we have also begun work on two of the main tasks in that plan: review of USPF's GIS database and gap analysis, and development of a monitoring and evaluation program. We anticipate receiving the draft final strategic plan shortly, on which we will provide comments and feedback. Thereafter, we will focus on helping to draft the operating plan, which will aim to define the projects to be funded in the coming fiscal year.

7/10/12 – The USPF's strategic management plan, which resulted from the retreat GBI attended in April, was finally submitted by KPMG and shared with GBI. We were extremely pleased with the results, as the document retained all of the recommendations made by David Townsend and Parvez Iftikhar at the retreat. This essentially means that USPF is committing to a four-pronged approach in the future. As a reminder, these prongs are: 1) national backbone connectivity, 2) an integrated approach to local access that delivers full service connectivity to a given location all together rather than through multiple programs through different agencies, 3) accelerated mobile phone expansion in very remote areas, and 4) support to initiatives that finance local content creations, especially in local languages. (they are described in more detail a few paragraphs up under our April report).

Our comments to USPF about the strategic management plan include the need to include an annual budget forecast, to begin running pilot programs before all studies are complete, and to connect other public institutions besides only schools (such as health clinics, post offices, and libraries) in their local broadband access projects. Once this feedback is accepted, there will be only two remaining items of work until we move on to creating an operational framework to be implemented under the strategic plan: our comments on the GIS mapping and gap analysis study done in 2009, and our framework for a Monitoring and Evaluation program. GBI consultant Parvez Iftikhar has completed drafts of both documents and submitted them to David Townsend for final review before we turn them into USPF, which will happen in July.

It is important to note that by shaping USPF's new strategy to such a large degree, GBI intervention in Nigeria has already had a very large impact on the way that USPF will focus its plans, operations, and investments going forward. We are very fortunate to be working with GON personnel including the Minister for Communications Technologies, the Executive Chairman of the National Regulatory Commission, and the Director of USPF, who all highly value USAID's contributions.

8/6/12 – During the month of July USPF circulated the draft strategic plan for comment from the industry, and GBI engaged with private sector players make them aware of the need for written budget targets in the plan. GBI consultant Parvez Iftikhar completed the draft of the second phase of the M&E component of the deliverable to USPF, and submitted to David Townsend for review. This document is a tool that will help USPF to think about whether to do their own M&E in-house or whether or not to contract it out. It then provides steps for establishment of a program either way. Meanwhile, GBI submitted the completed first phase of the M&E framework, and worked toward finalizing analysis of the USPF GIS database.

9/17/12- During the month of August, GBI submitted a review of USPF's GIS database and maps report. This report provided analysis of the information, methods, and results of the GIS database, and included important recommendations on how to utilize this valuable resource. During the early part of September, the second phase of the M&E framework document was also submitted to USPF. The next step is for David Townsend and Parvez Iftikhar to travel to Nigeria to deliver training on M&E and the implementation of the framework documents provided by GBI. This will effectively conclude the engagement, according to the TORs and agreed schedule.

10/12/2012 – In September we submitted all portions of the Monitoring and Evaluation framework document, and are in discussion with USPF on the training and implementation of USPF Monitoring and Evaluation capability. According to Parvez Iftikhar, we have also received positive feedback on both inputs related to the updated GIS Study and Monitoring and Evaluation framework.

11/8/2012 – In October the USPF formally adopted the Strategic Management Plan that GBI helped develop and is working to create a National Broadband Plan. The fund also issued several RFPs per GBI's recommendations, including a project to analyze broadband access gaps and a tender for the Backbone Transmission Infrastructure Project (BTRAIN). The BTRAIN project plans to deploy 3,000 km of fiber optic cable throughout the country and is estimated to cost approximately \$100 million. The broadband gap analysis is expected to cost in excess of \$150,000.

12/10/2012 – We have scheduled Mr. Iftikhar and Mr. Townsend to conduct a 3-day training for Nigeria's USPF staff on monitoring and evaluation from December 17-19, 2012. The training will include instruction on technical audit procedures, data collection and analysis methods.

1/10/2013 – In December, Mr. Iftikhar and Mr. Townsend traveled to Abuja to conduct a three-day training for Nigeria's USPF staff on monitoring and evaluation. During this training, GBI consultants also reviewed USPF's objectives and provided advice on strategies to achieve them. The feedback from participants was positive and GBI has expressed interest in helping the USPF reach their 2013 goals. The following message was received from a USPF staff member:

"Thank you for taking the time is in Nigeria for the purpose of providing the three days training, we sincerely appreciate the time you spent reviewing USPF goals and objectives also recommending strategies for achieving them. The training was very helpful and gave us new perspective on available opportunities. I would like to thank both of you for your contributions and happy to inform you that feedback from the participants was extremely positive, which is thanked to your excellent training, both the contents and standard of delivery was wonderful. This email will also serve as a reminder for David to send the second presentation. Well done and thank you again. Best Regards; Lamido Umar Yola"

2/12/2013 – In discussions with Intel about inviting Maikano to participate in the Intel/GBI USF and Broadband Leadership Forum scheduled for late April on Zanzibar. His role would be as a presenter on broadband network development and strategic management planning. GBI is also encouraging Intel to extend invitations to Dr. Eugene Juwah (EVC of the NCC) and Minister Omobola Johnson (MCT).

3/8/2013 – Eric White made a follow-up visit to Nigeria's USPF (not funded through GBI), and confirmed that the fund is continuing to follow GBI's recommendations for program development by tendering for several projects, including a national gap analysis, a stakeholder initiative program to expand service to unserved communities, and a public-private investment program for BTRAIN.

4/10/2013 – Nothing to report

5/10/2013 – Bob Otto and Eric White participated in an Intel Corporation USF and Broadband Leadership Forum for Sub Saharan Africa, held in Zanzibar. During the Forum, they met with USPF staff including Kelechi Nwankwo (strategy director) to confirm outcomes from the technical assistance delivered under this task order. Mr. Nwankwo confirmed that two programs proposed by the GBI team are now being executed; the BTRAIN fiber backbone procurement and the stakeholders' innovation program. They also discussed possible direct collaboration between USPF and USAID Nigeria on programs in support of the Mission's NEXTT project. NEXTT is focused on building trade, investment, and employment in the LAKAJI corridor.

6/10/2013 – Nothing to report.

7/11/2013 – Nothing to report.

8/13/2013 – GBI requested data from USPF on expenditures to date since our work had been completed. We have not received that information at the time of this writing. Eric White is traveling to Abuja under the NEXTT project and will meet with USPF to, among other things, collect this information.

9/13/2013 – Eric White is scheduled to travel to Abuja under a separate USAID project, during which time he will meet with the USPF to retrieve this information, and inquire future opportunities for GBI engagement. He is scheduled to be in Nigeria from August 27 – September 7, 2013.

10/18/2013 – In September, Eric White retrieved USPF disbursement records while on assignment in Nigeria through a separate USAID project. He has shared this information with our GBI counterparts.

4. Issues to be Raised

10/12/2012 – Although on hold within the Africa Universal Service and Access Fund Support Project, we are informed that Tanzania's UCAF has begun to staff out its operation. According to Peter Ulanga, Chief Executive Officer of UCAF, the fund is currently operational with seven staff members, and is expected to reach 20 staff once fully operational. Network operators are responding to invoices, paying 0.3% of gross revenue, for a total of approximately US \$3 million per year. UCAF is presently working on a larger infrastructure deployment project for 152 wards in rural areas, and will be inviting the operators to bid on each ward or wards of interest. Beyond this project, Dr. Ulanga is organizing a workshop for November 2012, to bring together operators and suppliers of low cost technologies and their products.

11/8/2012 – The Kenya NBS is going through its final stages of vetting and adoption. We suggest that USAID should be prepared to take some credit for assisting the GOK and CCK in strategy formulation. A strategy launch is anticipated for December or early January and USAID should consider participating. We will advise on specific dates and venues when they are available.

12/10/2012 – Regarding Kenya, we suggest that USAID DH Personnel should be in contact with the CCK to discuss the implications of the NBS for development strategies. Participation by the Kenya Mission Director in the February 13th NBS launch is also highly recommended.

Further on Kenya, the CCK and GBI have been discussing next steps for the CCK and NBS. These discussions centered around 1) extending TA to the Vision 2030 secretariat to be in charge of NBS implementation and 2) continuing TA to CCK as it launches its investment activities in support of the NBS.

Given the lack of progress on the national digital divide survey at GIFEC, we are considering appropriate next steps. We have compiled a time line of our efforts to get the survey contract, financed by GIFEC, awarded. No project money is being spent on these efforts.

1/10/2012 – Nothing to report

2/12/2013 – Intel and GBI discussed scheduling and content for a Sub Saharan Africa USF and Broadband Leadership Forum to be held in late April or early May in East Africa. Intel has requested GBI participation to focus on capacity building sessions over two days of the four-day forum. Currently under consideration are sessions addressing strategic management planning, broadband strategy development, gap/market analysis, monitoring and evaluation, and USF program concepts. Two likely sites for the forum are Nairobi and Zanzibar. Intel is estimating

their costs of the forum to be in excess of \$100,000, not including Intel staff labor for organizing and delivering the forum.

3/8/2013 – GBI involvement at the SSA USF and Broadband Leadership Forum has firmed up. ICT team leader Jeff Cochrane will participate. Sixty attendees have been invited. Kenya, Nigeria and Ghana Fund chief executives are invited to present.

4/10/2013 – For the SSA USF and Broadband Leadership Forum April 30 – May 4, 2013 in Zanzibar, Tanzania, David Townsend, Muriuki Mureithi, Eric White, and Parvez Iftikhar are scheduled to present on topics oriented to improve administrative and program management capabilities. ICT team leader Jeff Cochrane and Task Order manager Robert Otto are also scheduled to attend. This forum, organized in conjunction with Intel Corporation and financed by them, is the capstone training activity for GBI Task Order I. GBI's USAF content will be delivered May 2nd and 3rd with participation in forum activities April 30th, May 1st, and May 4th.

5/10/2013 – Eric White, Parvez Iftikhar, David Townsend and Muriuki Mureithi traveled to Zanzibar, Tanzania to participate in Intel's USF Leaders Forum, held April 30 – May 4, 2013. Robert Otto also joined them, whose travel was funded under a separate task order. GBI presentations and involvement that took place in May 2013 will be reported in next month's project performance report.

Funded separately under Task Order 2, Robert Otto and the USAID ICT Division Chief, Jeff Cochrane, made a field visit to the Innovative Agricultural Research Initiative (iAGRI) project, based at Sokoine University. Located in Morogoro, Tanzania, the purpose of this trip was to set the stage for future engagements in rural broadband connectivity in the country.

6/10/2013 – GBI has had preliminary discussions with Cisco's lead for Africa on possible collaboration on policy matters in Sub Saharan Africa. A new round of discussions is slated for Friday June 14th with participation of Cisco's policy chief, Robert Pepper and Africa Market Manager, David Meads. The intention of the meeting is finding an agenda for collaboration.

7/11/2013 – The Cisco-GBI discussion was again postponed until July 26th due to conflicting travel schedules at Cisco.

8/13/2013 – The Cisco GBI discussion was again postponed until August 14th due to scheduling problems at Cisco.

Eric White contacted Peter Ulanga of Tanzania's UCAF to discuss the problem GBI has identified with access to the Tanzanian national fiber backbone. He was able to confirm our assessment that the backbone pricing structure drives up access costs making it all but impossible for ISPs to serve customers in rural areas of Tanzania.

9/13/2013 – In October, Eric White was able to confirm with Peter Ulanga of Tanzania's UCAF, that a bidders conference for a voice procurement will take place the first week of September. Once implemented this project should close the voice gap in the country, at which point UCAF is expected to refocus its resources on the broadband market.