ITU/UNESCO Broadband Commission for Sustainable Development
The State of Broadband 2022: Accelerating Broadband for New Realities

Key Messages

This document is intended to support those who need to speak effectively and powerfully to important stakeholders about the report 'The State of Broadband 2022'.

IN THE WAKE OF COVID-19, WE ARE CONFRONTED WITH NEW REALITIES

In a nutshell–we are emerging from COVID-19 to confront important new realities. More of us are using broadband, for an ever wider range of uses and increasingly from home as well as on the move. The need for greater access to a broadband that is fit for purpose in this new world has never been more urgent.

COVID-19 sparked a surge in Internet use–but 2.7 billion people remain without broadband
- The pandemic accelerated the uptake of broadband, the adoption of digital services, the digitalization of governmental services and the spread of e-commerce. This higher uptake will be sustained post-pandemic.
- In 2020, the first year of the pandemic, the number of Internet users grew by over 11%, the largest increase in a decade.
- In low- and middle-income countries Internet use went up 15%.
- Globally, Internet use leaped to 66% of the population in 2022, reaching 5.3 billion people, up from 54% in 2019.
- Four in ten people in developing economies (excluding China) made a digital payment for the first time after the start of the pandemic.
- 64% of people aged 15+ made or received digital payments in 2021, up from 52% in 2017.
- The pandemic threw into sharp relief today's digital divide–2.7 billion people remain without broadband.

Broadband played a central role as countries grappled with COVID-19

- <u>Enabled countries to continue to function</u>. As quarantine measures took hold, broadband—for those who had it—was essential for working and learning.
- <u>Changed working patterns into the future</u>. Many predict a significant and lasting transition to flexible working for those who can.
- <u>Boosted use of online services, effecting lasting change</u>. Millions used digital applications for the first time – including online shopping, access to government services and remote health consultation – this higher use looks set to continue.

The barriers to broadband–and how to overcome them
- <u>Pandemic shone a spotlight on the barriers to being connected</u>. Four principal barriers: a lack of skills, of access, of devices – and the means to pay for them – made it impossible for millions to access services, to work or learn from home.
- Two major elements will help overcome such barriers:
  1. <u>A regulatory environment that encourages broadband services</u> and which will attract the necessary, vast investment.
  2. *<u>Strategies and policies</u>* that enable broadband adoption and accelerate digital inclusion (seven are listed below).

COVID-19 HAS USHERED IN NEW REALITIES: BUT HOW CAN WE RISE TO THE CHALLENGE?

To address the new realities–and make the most of them as the pandemic recedes–we need the right regulatory environment and the right strategies and policies (see below)…

Build a regulatory environment that's conducive to broadband services
- COVID-19 has been a wake-up call, underlining the need for a cross-sector, collaborative regulatory regime:
    1. Wake-up call: governments now understand that a better broadband infrastructure enables countries to mitigate economic disruption more successfully.
    2. Limited online economies in LMICs struggled–lacking online retail platforms for goods and services and the means to make digital payments. Many MSMEs were caught off-guard, unable swiftly to pivot to selling online.
    3. COVID-19 represents an opportunity to accelerate cross-sector digitalization–as happened after the SARS outbreak in China in 2003.
- Wake-up call–a cross-sector, collaborative regulatory regime can help deliver nation-wide digital transformation:

    1. Such a regime will spur digital adoption across all economic sectors.
    2. It involves cooperation not only across ICT-related institutions (broadcasting, data protection, cybersecurity agencies) but with ministries for finance, energy, transport, health, education, environment and economic development.

Seven measures to enable broadband adoption and accelerate digital inclusion.
Taken together, these seven measures constitute a practical toolkit to fast-track broadband.

> *Notes: the mnemonic 'DOMAINE' can help call to mind the seven measures to promote broadband:*
> ***D**ata Protection;* ***O**perational Emissions;* ***M**easurement;* ***A**ffordability;* ***I**nvestment;* ***N**etworks;* ***E**ducation*
> *& remote learning.*

- DATA PROTECTION. Ensure that personal data is properly protected. Common failings: user consent is *not* requested for personal information to be used and there is *an absence of control* regarding the transfer of personal data abroad. Countries should create an effective data protection authority and adequate data protection laws or update existing laws in line with best practices.

- OPERATIONAL EMISSIONS. Reduce and eliminate operational GHG emissions. ICT companies should meet concrete targets in line with the IPPC's recommendations for minimizing temperature rise to 1.5°C.

- MEASUREMENT. We need to be much more serious about measurement–in two distinct areas:

    - *Measurement of global advocacy targets*. Such data and insights are key to setting policy priorities, targets and budgets. We need to do more in collecting granular, reliable and gender-disaggregated data about i) infrastructure deployments ii) internet adoption and iii) use. We need more research to understand the context, circumstances and needs of individuals and MSMEs not yet using the internet.

    - *Measurement of broadband metrics.* COVID-19 has highlighted our need for a deeper analysis of household indicators: percentage with computers and Internet access, internet-enabled handsets, the type of computer, the type of internet access, breakdowns by household demographics, and asymmetrical broadband speed.

- AFFORDABILITY. Make broadband more affordable by:
  - Adopting policies that incentivize more affordable services
  - Promoting public-private partnerships and creating an enabling investment environment
  - Reducing sector specific taxes
  - Subsidizing access to free or low-priced devices
  - Providing free connection in libraries, hospitals, schools and at other public hot spots.

  Affordability of broadband services worsened in 2021, due to a COVID-19-related drop in incomes.

- INVESTMENT. We need to invest massively in broadband. In the new post-COVID-19 world, higher capacity and lower latency are needed to support working and learning from home. Where access is absent, governments need to encourage broadband infrastructure build-out by:
  1. Allocating spectrum on a competitive basis–prioritizing connectivity above spectrum fees
  2. Making licensed spectrum available on the basis of it being flexible use and technology neutral (do not dictate technologies / architectures).

- NETWORKS. Ensure networks are up to the challenge. We must enable people to work from anywhere in the world as well as on the move. More permanent flexible working will increase demands on connectivity as will two-way videoconferencing. We must leverage technology to ensure networks can handle traffic increases.

- EDUCATION and REMOTE LEARNING. Enable remote learning for all students. Governments and the private sector should ensure all students have the digital environment that supports remote learning. While educators agree that the in-school presence of children is of primary importance, home connectivity is an important complement–for example, studies and homework outside of school.

Where are we on the seven 2025 Broadband Advocacy Targets?
This section summarizes at high level the report content as it applies to each of the seven targets. See Chapter 2 of the report for more detail.

In a nutshell, progress against targets offers a mixed picture: advances for example in use of digital financial services and in broadband penetration are balanced against reverses in affordability and in gender equality regarding access. It is worth noting too that challenges remain in measuring progress because of poor or inconsistent data availability (measurement is called out separately as an important area of future focus).

Targets and progress summary for each are set out below.

- *1. Making broadband policy universal: By 2025, all countries should have a funded National Broadband Plan or strategy or include broadband in their Universal Access and Service (UAS) Definition.*

  Progress: FEWER ECONOMIES WITH A PLAN. NEW THINKING NEEDED ON FINANCING ACCESS. The number of economies with a broadband plan has slightly decreased over the past year – some plans have expired and haven't been renewed. Around 100 countries make use of Universal Service Access Funds (USAFs) but many of these have been unsuccessful, suffering from poor design and other factors. The ITU report on financing universal access highlights the need for a change in thinking.

- 2. Make broadband affordable. *By 2025, entry-level broadband services should be made affordable in developing countries at less than 2% of monthly gross national income (GNI) per capita.*

  Progress: AFFORDABILITY WORSENS AS INCOMES DROP. After years of improvement, affordability of broadband services worsened in 2021–due to a sharp drop in per capita income as a result of COVID-19 rather than an increase in service charges, which continued to fall. Just 96 countries met the target for mobile broadband, down from 103 in 2020 while 64 countries met the target for fixed broadband, down two from 2020.

- 3. Getting people online: *By 2025, Broadband-Internet user penetration should reach: a) 75% worldwide b) 65% in developing countries c) 35% in Least Developed Countries.*

  Progress. *COVID-19* DRIVES SURGE IN USE OF INTERNET, BUT SOME GROUPS LEFT BEHIND. Internet penetration grew to an estimated 66% of the population in 2022, up from 54% in 2019. Use in 2020, year one of the pandemic, increased by 11%, the highest growth in a decade. In 2022, Internet use was 93% in high income countries, 61% in low and middle income countries but just 36% in the LDCs in 2022. Some groups are being left behind–the elderly and people with disabilities. A GSMA report offers policy recommendations for the digital inclusion of persons with disabilities.

- 4. Digital skills and literacy. *By 2025, 60% of youth and adults should have achieved at least a minimum level of proficiency in sustainable digital skills.*

  Progress. SOME WAY TO GO. Less than 40% of the population in 45% of reporting countries carried out at least one of the activities considered a basic skill (e.g., sending an e-mail with an attachment). Only 23% of the countries reported more than 60% of the population report having at least one basic ICT skill. Note: There are challenges with the coverage and interpretation of this indicator which is complex and seeks to measure a broad range of skills.

- 5. Digital financial services. By 2025, *40 per cent of the world's population should be using digital financial services*.

  Progress. TARGET HAS BEEN EXCEEDED GLOBALLY–LMICs ON TRACK FOR 2025. According to the latest data from the World Bank's FINDEX survey, 64% of people aged 15 years and older made and/or received digital payments in 2021. This figure exceeds the target of 40% on a global basis. While low and lower middle income countries and South Asia have not yet reached the target, they are on track to achieve it by 2025.

- 6. Getting businesses online. *By 2025, improve connectedness of micro-, small- and medium-sized enterprises by 50 per cent, by sector*.

  Progress. DATA IS PATCHY, MEASUREMENT DIFFICULT–LMIC SURVEY SUGGESTS LOW LEVELS OF USE. No broadband Internet access meant many MSMEs in low- and middle-income nations, were unable to sell products and services online. For most low- and middle-income nations, even aggregated data on total enterprises with Internet access is not available, let alone by sector. A survey of informal enterprises in nine African countries found low levels of ICT use: use of the Internet was 7% on average ranging from 24% in South Africa to 1% in Rwanda. Over 90% of businesses surveyed in Ghana, Kenya, Mozambique, Nigeria, Rwanda, Tanzania and Uganda reporting not having a computer.

- 7. Achieving gender equality in access to broadband. *By 2025, gender equality should be achieved across all targets.*

   Progress. FIGURES SUGGEST SETBACK TO RECENT ADVANCES IN LMICS. 69% of men and 63% of women were using the Internet in 2022. Notable gender gaps in mobile Internet access persist in LMICs. Though this improved to 36% in South Asia in 2020, (67% in 2017), progress has now stalled across LMICs and in some countries the mobile internet gender gap has even increased. Women were 16% less likely than men to use mobile internet across LMICs in 2021–a reversal of a trend that saw the gender gap reduce from 25% in 2017 to 15% in 2020. Similarly, the gender gap in smartphone ownership had been reducing year on year across LMICs–from 20% in 2017 to 16% in 2020–but over the last year this has reversed. Women are currently 18% less likely than men to own a smartphone impacting on women's access to and use of mobile money services.

What does the Broadband Commission do?
The Broadband Commission for Sustainable Development, led by ITU and UNESCO, offers a voice of global leadership and advocacy for universal connectivity – and is a powerful, worldwide convener of strategic efforts to make universal connectivity a reality.
- Global leader and advocate for universal connectivity. The Broadband Commission is the world's leading advocate of universal broadband connectivity. It works to leverage this technology in delivering progress towards achieving the SDGs.
- A decade of ITU and UNESCO together, collaborative UN engine for SDG progress. The Broadband Commission was established by the International Telecommunication Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2010 to accelerate progress to meeting the Millennium Development Goals (MDGs) and now to the Sustainable Development Goals (SDGs).
- Global engine for high-level advocacy and policy recommendation. The Broadband Commission's major activities include:
  o High-level advocacy
  o Making policy recommendations–over 30 recommendations for the decade of action
  o Running no fewer than 30 working groups–looking at topics such as science, youth, health, environmental sustainability, public-private partnerships, education and multilingualism
  o Building effective partnerships
- High-powered, high visibility team steering the ship. The Broadband Commission is steered by a high-powered community, including top CEO and industry leaders, senior policymakers and government representatives, international agencies, academia and organizations steeped in development.