



UNIVERSAL ACCESS POLICY (UAP) STAKEHOLDERS TWELFTH REPORT

ON

THE STATUS OF IMPLEMENTATION OF THE GOVERNMENT'S UNIVERSAL ACCESS POLICY

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Executive Summary

This Universal Access Policy (UAP) Report provides an update to our stakeholders and the citizens of Vanuatu on the status of the implementation of the Government's UAP. This is the twelfth (12th) report since the initial implementation of the UAP, however it is the second report after the extension on the implementation period of the UAP from 1st of January 2018 to the 1st of January 2022 under decision 291 of 2019. This Report highlights progresses that have been made in respect of the UAP implementation.

The progresses of the UAP implementation have been made well towards achieving the objectives of the UAP. Since the last updated report, significant achievements have been made, which are discussed in this report, the finalization of the UAP undertaking approach, the confirmed UAP underserved and unserved areas, signing of the UAP undertaking commitment with the Operators, are some of the key achievements on the UAP implementation to date. Furthermore, the undertaking of the other UAP programs is making tremendous impact as well in the extension of coverage in the rural remote areas of the country, reaching out to the areas where mobile networks are not available.

2020 has been a challenging year for the Telecom Operators. The COVID-19 situation, the continuous impact of tropical cyclones and the volcanic activities, have contributed to the financial challenges faced by the Mobile Operators and the Internet Service Providers (ISP). TRBR's Telecommunications Sector Report 2021 revealed that the telecommunications revenue has declined by 2% in 2020, because of such challenges the Country is facing.

Following that, the TRBR has taken the decision to be flexible with the operators commitment to the UAP rollout. The approach of the "play" and "pay" strategy will continue to be applied, however they will be supported with a grant subsidy. The Operators will also have the flexibility of choosing the number of areas to which they will be able to rollout their network, within the time frame of the Policy. TRBR is quite pleased that though with this flexibility and challenges faced by the operators, it continued to maintain the high number of sites committed for the UAP rollout in 2021.

TRBR is also pleased that a third operator Wantok (Vanuatu) Limited, has entered the mobile network market this year. WanTok has been in the telecommunications market since 2014 as an Internet Service Provider, but this year WanTok has entered the mobile service market, which means competition will increase, as such, average prices of services are expected to fall, and hopefully quality of service will likely to improve as well. Furthermore, it will extend the choices of preferred services available for the consumers.

TRBR continues to remain confident and is committed to achieving the Government's UAP objectives by working collaboratively and cooperatively with the Operators, stakeholders, and other relevant parties.

Table of Contents

1.	Introduction	4
2.	UAP Telecommunication Service Undertakings	5
2.1	UAP Implementation Approach.....	5
2.1.1	Flexibility on UAP Commitment.....	5
2.1.2	UAP Subsidy	6
2.1.3	Government Support	6
2.2	UAP Confirmed Areas	6
2.3	Signing of the UAP Undertaking Agreement	7
3.	UAP Other Programs.....	9
3.1	Community Telecommunications Grant.....	9
3.1.1	Melsisi College	9
3.1.2	Internet Governance Forum	10
3.3	Continuous Support to CLICC and TFS Sites.....	11
3.3.1	TFS and CLICC issues	11
3.3.3	Address CLICC and TFS Issues	12
3.4	ICT & Internet facility for TORBA Schools.....	13
4.	Reporting	14
5.	Conclusion.....	14

1. Introduction

The UAP mandates TRBR to report to the public on the progress of its Implementation. Since the last report, significant progresses have been made towards achieving the UAP objectives.

Key progresses to date include:

- Finalizing the UAP Implementation Approach;
- Finalizing the list of the UAP Areas for Operators rollout commitment;
- Signing of the UAP Undertaking Agreement between TRBR and the three Operators;
- Finalization of the UAP Guideline;
- Community Telecommunications Grant;
- Continuous support to CLICC and TFS Sites; and
- ICT and Internet facilities for Torba Schools and their surrounding communities.

2. UAP Telecommunication Service Undertakings

The UAP telecommunications services undertaking agreement is the major milestone of the UAP implementation program to achieve the Government objective of reaching 98% of the Vanuatu population with the required telecommunications services. The undertaking requires that services offered in the urban centers including voice, text messages and broadband internet are equally accessible and offered to the underserved and unserved population of the country.

As such, Vodafone (Vanuatu) limited, Digicel (Vanuatu) limited) and Wantok (Vanuatu) Limited have sealed their commitment to the UAP undertaking within this current timeframe that will end on the 1st of January 2022. This is the first time for WanTok to participate in the rollout program of the UAP, while Vodafone and Digicel have been part of the UAP rollout since its initial implementation.

Progresses on the UAP undertaking are further presented in the sections below.

2.1 UAP Implementation Approach

The initial implementation of the UAP program that ended on the 1st of January 2018 has had its challenges, particularly on the operators obligation as per the undertaking agreement, the loss making from unprofitable sites, geographical terrains, land disputes, to name a few. Furthermore, with the devastating impact of TC Harold in the northern Islands of the country, the COVID-19 pandemic situation and the volcanic ash fall on the island of Tanna, has brought financially challenges to the mobile operators and the internet service providers. These situations have triggered the need for TRBR to look at new incentives of implementing the rollout of the UAP during this extended period that was approved by the COM decision 291 of 2019.

The process of finalizing the undertaking strategy has involved numerous consultations with the operators and the Government through the OGCIO and PMO. Further, with the financial challenges faced by the operators, TRBR has decided to take a light touch approach to the commitment by the operators for the UAP rollout as discussed below.

2.1.1 Flexibility on UAP Commitment

TRBR has taken the decision to be flexible with allocating the underserved and unserved areas to the operators. The proposed list of the areas provided in the last UAP report (11th report), were updated and then forwarded to the Operators, in which they were then given the choice of choosing from the list to which area they are interested to rollout their network to, considering their financial strength especially during this pandemic and their slow recovery from TC Harold.

The confirmation of the areas and the allocation to the operators for their commitment are further discussed in 2.2 below.

2.1.2 UAP Subsidy

TRBR has decided that the UAP rollout will be supported with funding subsidy. The determination of the subsidy is based on the capital cost of the proposed solutions and the cost of maintaining the solution, against the UAP levy amount for the previous UAP period (July to June 2020) and the expected revenue to be collected from each solution. It will also depend on the availability of funds in the UAP trust account.

Furthermore, TRBR has exempted the operators from paying microwave link spectrum license fees and the 700Mhz spectrum license fees for 2021, which are very highly valued spectrum to be used in the rural areas because of its exceptional penetration capability.

2.1.3 Government Support

TRBR acknowledge the Government for its continuous support through the DCIR on Duty and VAT Exemption on imported UAP equipment. This government support has substantially assisted the rollout of the UAP. However, with the financial stress faced by the Operators, it is recommended for the Government to consider extending its support to allocation of grant towards the UAP rollout. This recommendation for the financial support was also voiced during the first and second meeting of the National ICT development Committee earlier this year. Currently as it stands, TRBR is the only contributor to the UAP trust account, which is rapidly depleting because of continuous financial engagement to support UAP's other programs, based on the request received from Government and the communities. Government financial support will fast track the rollout of the UAP and ensuring quality and sustainable network in the rural areas.

2.2 UAP Confirmed Areas

There were 61 UAP remaining areas that were confirmed for mobile coverage improvement in the rural areas, and 9 of these areas were addressed through the UAP other programs which includes the islands in the Torba Province;

1. Hiu
2. Toga
3. Tegoa
4. Metoma
5. Ureparapara
6. Mota
7. Gaua
8. Merelava
9. Motalava.

This program is further discussed in section 3.4 of this report.

Another 21 areas were addressed in the UAP rollout commitment with Vodafone, Digicel and Wantok. The areas includes:

- | | |
|-------------------------|---------------------------|
| 1. Efate – South East | 11. Aneitym |
| 2. Efate – North West | 12. Malekula - South |
| 3. Epi – South | 13. Paama – Inland |
| 4. Tanna - South | 14. Tanna – North West |
| 5. Tanna - East | 15. Epi – North East |
| 6. Futuna – South East | 16. Paama – South |
| 7. Nguna | 17. Malo – North West |
| 8. Mataso | 18. Malekula - Central |
| 9. Paama | 19. Aniwa |
| 10. Malo – South West | 20. Maewo – East |
| Malekula – North West A | 21. Santo – Bigbay Inland |

TRBR is currently working on an approach to address the remaining 31 areas with the aim to accomplish those areas within the current timeframe.

2.3 Signing of the UAP Undertaking Agreement

The commitment to the implementation of the UAP rollout was sealed with Vodafone, Digicel and WanTok through the signing of the UAP undertaking agreement on the 29th of June 2021 at the

TRBR conference room witnessed by the media, the staff of the three operators and the OGCIO representing the PMO. This is a major milestone towards the UAP implementation and shall be the commitment of the 3 Operators in the next twelve months.

Pertaining to the high cost of technology as experienced in the initial rollout of the UAP, the three Operators have considered technology neutral solutions with lesser cost, however the cost of the power systems still contributes to the high cost of the solutions. The capital cost of the solutions for the 21 areas stands to be VUV 314,006,405 and the expected operational cost of the solutions in a five-year period is estimated at VUV 470,847,500.



Signing of the UAP undertaking agreement with Vodafone, Digicel and Wantok

3. UAP Other Programs

The UAP other programs were initiated to supplement the implementation of the Policy. Whilst the significant part of the UAP is focus on mobile coverage, the UAP other programs is particularly to address Internet and ICT development in schools and providing a Wifi coverage around their surrounding communities in the rural areas. The other UAP program initiatives are contributing a lot in the effort of closing the gap on the digital divide, enabling a point of access to the members of the community, particularly in the areas where it is uneconomical to cover with a mobile network. The Wifi network provides an access for making mobile calls as well or sending text messages over the internet to anyone nationally or internationally.

The UAP other programs initiatives are presented below.

3.1 Community Telecommunications Grant

The Community Telecommunications Grant (CTG) was established to support the ICT and Internet projects in a form of grant and is open for applications during the month of February and March each year. Three million vatu (VUV 3,000,000) is allocated annually towards the grant and a successful applicant is entitled to a ceiling of up to VUV 1,500,000. The criteria of the grant are prioritized towards addressing internet accessibility particularly in the areas where coverage is very poor or with no coverage at all. Since its establishment in 2018, a total of VUV 12,000,000 has been awarded to benefit the communities.

In 2020, the grant was awarded to Melsisi College on the Island of Pentecost and the Vanuatu Internet Governance Forum (VanIGF).

3.1.1 Melsisi College

Melsisi College was awarded the grant through the Skool tek ICT small business who applied for the grant to support the college with educational content. The equipment installed included a server, two outdoor wireless repeaters, a receiver and an indoor wireless equipment and a router. The educational content is accessible at both online and offline, at any choice of devices owned by students and the members of the communities.



Skool Tek installations on Melsisi, Pentecost

3.1.2 Internet Governance Forum

The grant awarded to the Vanuatu Internet Governance Forum (VanIGF) covered the following:

- the upgrade of the VanIGF online reporting system, which is known as incident management system;
- web site development;
- email hosting;
- capacity development on the reporting management system; and
- field work on the awareness of safe and ethical use of internet.

The incident management system is a platform where anyone who is abused online may report the incident through this platform, and the data collected is shared with the relevant agencies, such as Vanuatu Policy Force, CERT Vanuatu,

10

OGCIO and the TRBR, to ensure a collaborative response is provided to address a particular incident.

Whilst TRBR continue to promote the use of internet and ICT through the establishment of the facilities, VanIGF has a significant role as well, on ensuring good governance on the use of internet. In the year 2020, VanIGF have reach 10,000 people with their field work program and are aiming to reach 50,000 people by end the of 2021. As stated by VanIGF in the Grant implementation report:

“we anticipate that our ongoing work will encourage more people to report these incidents and understand the importance of internet governance as a framework that starts in our homes, builds on our culture and ensure that internet is open, transparent, accountable and sustainable”

3.3 Continuous Support to CLICC and TFS Sites

TRBR continue to maintain its support to the Piloted Program on the school connectivity. Nine (9) Schools with the Computer Laboratory and Internet Community Centre (CLICC) project and the Tablet for Students (TFS) project are currently financially supported by the Governance for Growth (GfG) Program and TRBR. The schools include Venie Mataipevu – Santo bush, Saint Ann School – Port Olry Santo, Torgil Rural Training Centre – east Ambae, Sulua School – Maewo, Orap College – east Malekula, Walarano College – east Malekula, Lambubu School – central Malekula, Lamap Community Centre – south Malekula and Eles School – Nguna Island. These schools were maintained by TRBR due to their difficulties in sustaining the operations of the CLICC and TFS facilities. TRBR’s support to the school facilities are addressed in two phases; the first phase of the project was through an onsite audit visit to identify the issues and the second phase is to address the issues identified from the audit. TRBR has engaged Pacific Networks and Ituani, both locally owned ICT companies, to undertake this project.

3.3.1 TFS and CLICC issues

The issues identified in the CLICC and TFS facilities are summarized below:

Technical maintenance of the CLICC and TFS facility seemed to be a major issue, both in the maintenance of the ICT equipment and the Internet equipment. Lack of technical savvy made it impossible to sustain the ICT facility and the Internet in the long run. 7 Schools out of the 9 Schools visited do not have a computer lab coordinator with ICT and internet related knowledge, therefore little things such

as cable disconnection, trouble shooting, removing of dust and spider webs, are among other issues that have contributed to the closure of the labs.

Financial sustainability. The schools are having difficulties in sustaining the operations of the ICT and Internet facilities financially. It appeared that there are insufficient funds to sustain the facility, even though the schools were charging the internet and ICT services provided, this was not accepted by the members of the community, in which a lot of complains were raised, and therefore ended up with the schools removing the service fees.

Ownership of the facility. There seemed to be confusion as to who is responsible for the management of the facility. Although the systems are located in the school compounds, it appeared that the community and the school management were always disagreeing on who is to be responsible. This led to the removal of laptops and tablets by the facility committee members. Another issue which led to the above were the changes of school principals and lab coordinators who did not have any knowledge on the initial installation of the facility and the arrangements between the Office of the TRBR and the School.

3.3.3 Address CLICC and TFS Issues

Following the issues identified in the first phase of the project, TRBR will undertake the following to address the issues:

- Revive Internet connection;
- Install wi-fi equipment to extend internet coverage to the Communities;
- Install vouching system / ticketing system to collect payments;
- upgrade existing computers/laptops/tablets;
- Add new desktops;
- Improve cabling security;
- Training Lab Coordinator on the management and maintenance of the facility; and
- Provide monitoring service for a period of 3 months.

It is aimed that upon completion of these project, the schools will be able to maintain the operations of the facility in the long run.

3.4 ICT & Internet facility for TORBA Schools

A total of 11 Schools and communities in the Torba province are benefiting from a joint agreement between the OGCIO, Ministry of Education and Training (MoET) and Vodafone (Vanuatu) Limited, with Funding from TRBR. The 11 schools will be supported with a Solar power system, VSAT Internet connection, wi-fi equipment and a VOIP Phone. The VOIP Phone will enable the school below and its surrounding communities to make a call to any Digicel and Vodafone number. Further, the Wifi network provides an access for making mobile calls or sending text messages over the internet to anyone nationally or internationally.

1. Bagaveguy - Toga Island, Torres Group
2. Shelil - Ureparapara Island, Banks Group
3. Shew Roley - Ureparapara Island, Banks Group
4. Telvet - Motolava Island, Banks Group
5. Telhei - Motolava Island, Banks Group
6. Bagavegug - Motolava Island, Banks Group
7. Pasalele - Mota Island, Banks Group
8. Karamal - Mota Island, Banks Group
9. Gneretuwuro - Vanualava Island, Banks Group
10. Silver Memorial School -Gaua Island, Banks Group
11. Vaes - Gaua Island, Banks Group



Installation by Vodafone on Toka Island, Torba Province

4. Reporting

This is the 12th report to the Stakeholders on the implementation of the projects associated with the 2013 UAP, however it is the 2nd report issued, after the extension of the UAP implementation period to the 1st of January 2022 as per COM decision 291 of 2019.

5. Conclusion

The UAP implementation updates provided in this 12th UAP report confirmed progresses on the Government UAP undertaking to date. The rollout focuses on the pay or play and technology neutral approach, and acknowledging that satellite technology is becoming a key solution to achieving the UAP objectives, reaching out to the remote rural part of the country, with high-speed internet. VSAT solutions, with interconnected service between Vodafone, Digicel and Wantok, mobile service is accessible from any location with wifi coverage from any VSAT station.

TRBR would like to sincerely thank the telecommunications stakeholders, the three mobile operators (Vodafone, Digicel and WanTok) for their commitment to the UAP rollout and the Internet Service Providers for their contributing efforts in extending the telecommunications services and enabling the choice of services to the citizens of the country.

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