

## **Terms of Reference**

*CONSULTARÍA DE INNOVACIÓN DISRUPTIVA TO REVIEW EMERGING INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SECTOR, PROVIDING POLICY RECOMMENDATIONS TO INCREASE INTERNET AVAILABILITY AND USAGE TO ADVANCE ECONOMIC DEVELOPMENT*

### ***I. Background***

1. Twenty years ago, Fidel Castro initiated the Future Project, a revolutionary initiative to computerize Cuba and develop an ICT industry to drive economic growth.
2. Accordingly, 1.17% of GDP is invested in technological research and development, more than the US and more than 30 times the relative investment of India.
3. Cuba has already undertaken a significant expansion of services in 2016, including expansion of wifi hotspots which have grown from 65 in 2015 to 145 by 2016.
4. Recent investments have led to new undersea cables running from Venezuela and Jamaica to increase internet speeds in Cuba.
5. ICT sector growth has been severely impeded by the American economic embargo.
6. Accordingly, out-of-date and limited infrastructure yields abysmally slow internet speeds. Internet connection speeds run at 1MB per second, 4% of average speed in the US. Cuban officials have already identified these structural deficiencies as a major barrier to an expanding ICT sector.
7. Internet access and usage remains incredibly limited. Currently about 16% of Cubans have access to broadband Internet, a number that the Ministry of Information and Technology seeks to increase to 50% by 2020.
8. Cost of access remains a key barrier, despite significant reductions in cost. Currently wifi use costs \$2.25 per hour which is half of what it was a year ago, but remains roughly 12.5% of average Cuban citizen monthly income.
9. Recent American policy changes now permit commercial import of American telecommunications products, including those for accessing internet, infrastructure creation, and a broad range of other ICT.

## **II. Activities & Output**

- a. Review the evolving policy landscape concerning economic reintegration with the United States;
- b. Review recent and planned initiatives to expand Internet availability and usage;
- c. Analyze and evaluate areas within the ICT sector for future investment in order to maximize economic development;
- d. Develop policy proposal to support the expansion and modernization of Internet infrastructure, increase availability and access, and deepen economic re-integration;
- e. Identify potential partners within the private sector to implement policy recommendations;
- f. Identify potential sources of funding to finance expansion of ICT infrastructure in bilateral, regional, and/or international financial institutions;
- g. Deliver findings in PowerPoint presentation and provide supporting documentation.

The presentation will be reviewed by the Ministry of Information and Communications and relevant associates of Etecsa Telecommunications Company of Cuba.

The work under this contract will be conducted by the Consultaría de innovación disruptiva at the Maxwell School of Citizenship and Public Affairs of Syracuse University, NY.

## **III. Intended Beneficiaries**

Etecsa Telecommunications Company of Cuba; Ministry of Information and Communication; the Cuban people

## **IV. Timeline & Deliverables**

The contract will commence on Oct. 18, 2016 and is to be completed by Dec. 6, 2016.

<b>Task</b>	<b>Deadline</b>
a. To complete an outline of study	Nov. 1, 2016
b. To provide a report detailing the policy proposal and relevant recommendations	Nov. 15, 2016
c. To deliver findings in a PowerPoint presentation and provide supporting	Dec. 6, 2016

documentation.	
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