

Harnessing the financial potential of the telecoms sector: LSL World Initiative's innovative financing model

LSL World Initiative's innovative financing model can be applied to international calls using micro-surcharges to increase government revenue

CAPE TOWN, WESTERN PROVINCE, SOUTH AFRICA, January 20, 2016 /EINPresswire.com/ -- The United Nations are calling upon developed and developing countries alike to implement innovative financing mechanisms with a view to raising much-needed funds to assist with the development of the neediest countries. The institution of surcharges on globalized activities is one of the four broad categories of innovative finance mechanisms that have been identified by the Organisation, which has been promoting the institution of levies on financial transactions, air tickets or carbon emissions.

A micro-surcharge on telecommunications would definitely be a welcome addition to the UN's list of tax-based innovative financing mechanisms, as this dynamic sector has greatly benefited from liberalization. Indeed, the volume of total international voice traffic was set to increase from 542 billion minutes in 2013 to 569 billion minutes in 2014, according to a projection by Telegeography. As for the VoIP traffic, it increased by 12%, to 207 billion minutes, in 2013. South Asia and Africa have been the fastest-growing telecommunications markets in recent years. Between 2008 and 2013, the traffic to and from South Asia grew at a compounded annual rate of 19 and 18% respectively, while the traffic to Africa grew by 14%, and the traffic from Africa by 18%.

Despite this rapid growth, per capita traffic volumes in these regions remain small. All the countries of Africa combined generated less traffic than France alone. One can thus easily imagine how much money wealthy developed countries like France could raise, through a micro-surcharge on international calls, to contribute to the development of poorer countries. That is not to say that developing countries cannot benefit from instituting a micro-surcharge on international calls. In Haiti, close to 1.4 million children now attend school for free thanks to the National Education Program, which is funded through a micro-surcharge on incoming international phone calls. And in Jamaica, the Universal Service Fund, which aims to facilitate the provision of universal access to the information superhighway, collected over US\$12 billion between 2005 and 2014 through a levy of US\$0.3 per minute on incoming international calls to fixed lines and US\$0.2 on calls to mobile lines.

The potential of the telecom sector in terms of financial contribution to the development is therefore too huge not to be harnessed. A quick calculation, based on the 569 billion minutes of total international voice traffic recorded in 2014, shows that micro-surcharges of US\$0.01 or US\$0.05 per minute would have yielded close to US\$5.7 billion and US\$28.5 billion respectively that year. With respect to UNESCO's "Education for All" program, the first amount mentioned above would cover more than twice the US\$2.4 billion that could be mobilized through UNESCO's suggestion to allocate 5% of the funds collected through the tax on international financial transactions to education. It is also more than double the US\$2.3 billion that are required to send all children in war-torn countries to school. As far as healthcare is concerned, the US\$8.7 billion that will be needed by 2030 to optimize the fight against malaria only represent about a third of the revenue that could be generated through a

micro-surcharge of US\$0.05 per minute on international incoming calls.

Collecting micro-surcharges from enormous international incoming call volumes requires the use of cutting-edge data collection and processing systems, an element of regulatory reform within the sector and fraud management systems that prevent fraudsters from evading the new micro-surcharges. The developing countries wishing to finance their development in this way would thus be well-advised to contract the services of a consultancy company specializing in the identification and implementation of innovative financing mechanisms. [LSL World Initiative \(LSLWI\)](#) is such a company. LSLWI helps the governments of developing countries to implement new funding mechanisms for socio-economic development through a National Strategic Development Program (NSDP) that includes the provision of the relevant technologies and the appropriate regulatory support. LSLWI's technical partners have implemented cost-effective data and fraud management systems in many developing countries where a micro-surcharge is levied on international incoming calls and other telecoms services. These beneficiary countries include Tanzania, Rwanda, Guinea-Conakry, Ghana, Gabon, Central African Republic, Congo-Brazzaville, Togo and Liberia.

Visit the website: <http://www.lslwi.com>

[1] <http://www.unesco.org/new/fr/media-services/in-focus-articles/funding-gap-for-education-growing-according-to-new-figures-released-by-unesco-study-also-proposes-ways-to-close-it/>

[2] <http://www.unmultimedia.org/radio/french/2015/06/unesco-23-milliards-de-dollars-necessaires-pour-scolariser-les-enfants-des-pays-frappes-par-la-guerre/#.VjDtp7yOuvI>

Kerry Slack
LSL World Initiative
+27214257609
email us here

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases.

© 1995-2016 IPD Group, Inc. All Right Reserved.