

# From Free Access to Sustainability: The MoRENet Monetization Strategy in Mozambique

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## Why This Matters

“How do we keep critical research and education services running when donor funding ends?”

- Most African NRENs start with government support + donor grants
- As services scale, this model becomes unstable and unsustainable
- Without predictable revenue:
  - Risk of service interruption
  - Inability to invest in innovation or resilience
  - Growing debt to connectivity providers

Capacity

Resilience

Partnership

👉 **Sustainability isn't optional – It's essential for mission continuity.**

# The Sustainability Challenge for African NRENs

## Traditional funding model:

- ✓ Works well in pilot phase
- ✗ Fails at scale

## Key risks:

- Volatility of public budgets
- Donor priorities shift over time
- No direct accountability from beneficiaries
- Operational costs grow faster than funding

**Result:** Many NRENs face a “valley of death” between launch and maturity.

**MoRENet asked: How can we build a model that lasts?**

## The Turning Point: 2017

### National Meeting convened by the Minister of Science, Technology and Higher Education

- Participants:

**Universities**



**Technical institutes**



**Research centers**



#### Collective decision:

- ✓ Introduce **service fees** to ensure long-term viability

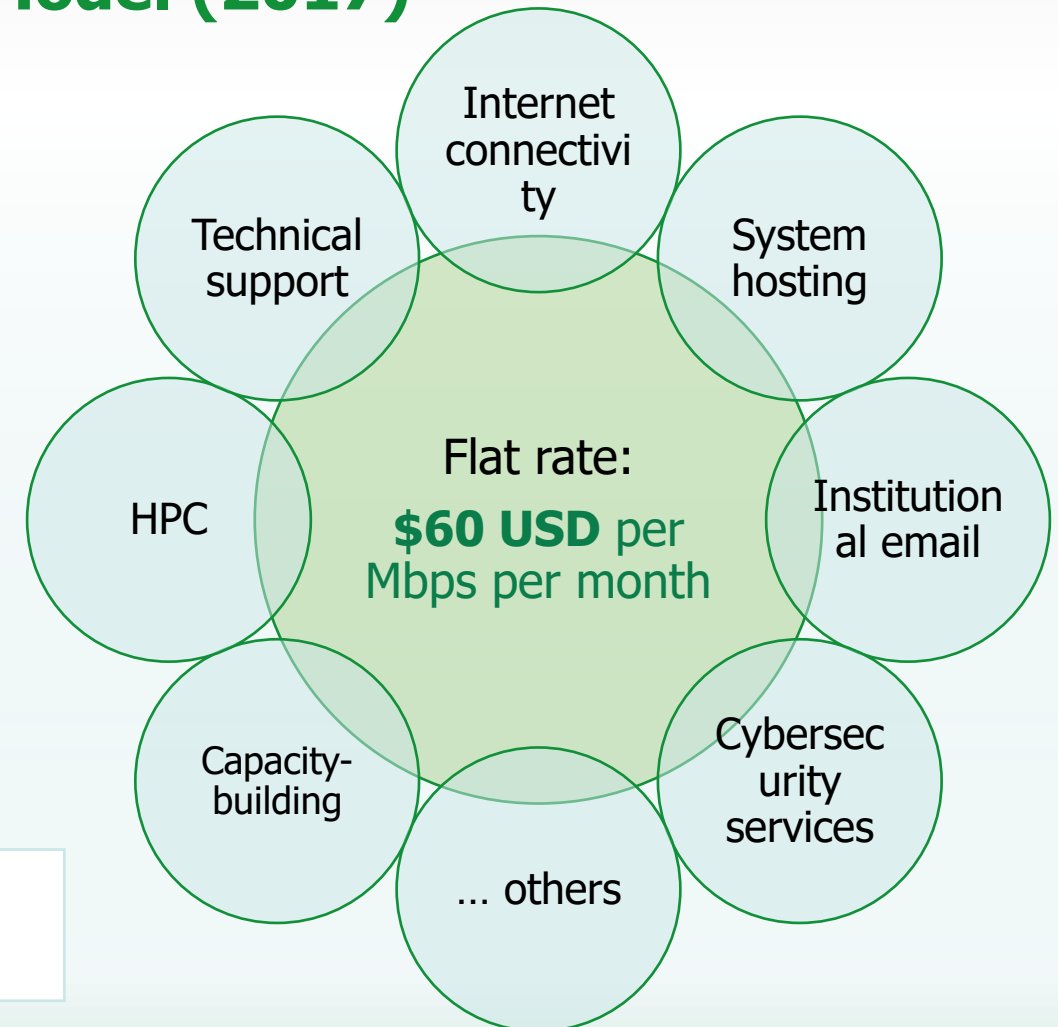
#### Guiding Principles:

- **Equity:** same rules for all
- **Simplicity:** easy to understand and administer
- **Shared responsibility:** everyone contributes to the common good

## The Monetization Model | Business Model (2017)

**Flat rate:** \$60 USD per Mbps per month

- ✓ Applied uniformly to all beneficiary institutions



**"Not just bandwidth – a full digital infrastructure service.  
Transparent, predictable, and value-based pricing."**

## Formalization: Business Model & Strategic Plan

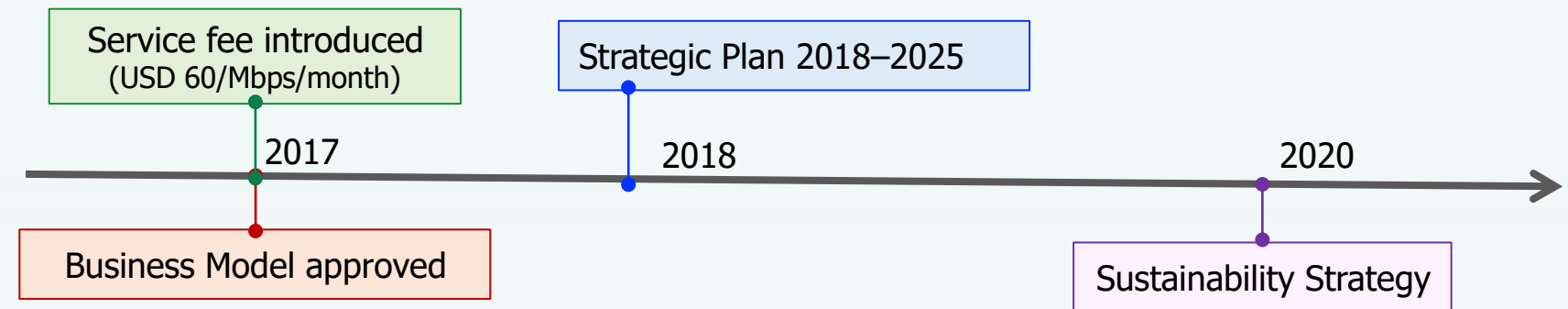
### 2017: MoRENet Business Model approved

- Service modalities: leased circuits or dark fiber
- Clear pricing criteria & revenue projections
- Revenue use:
  - Payments to national/international providers
  - Staff salaries
  - Core operations

### 2018: Strategic Plan 2018–2025 adopted

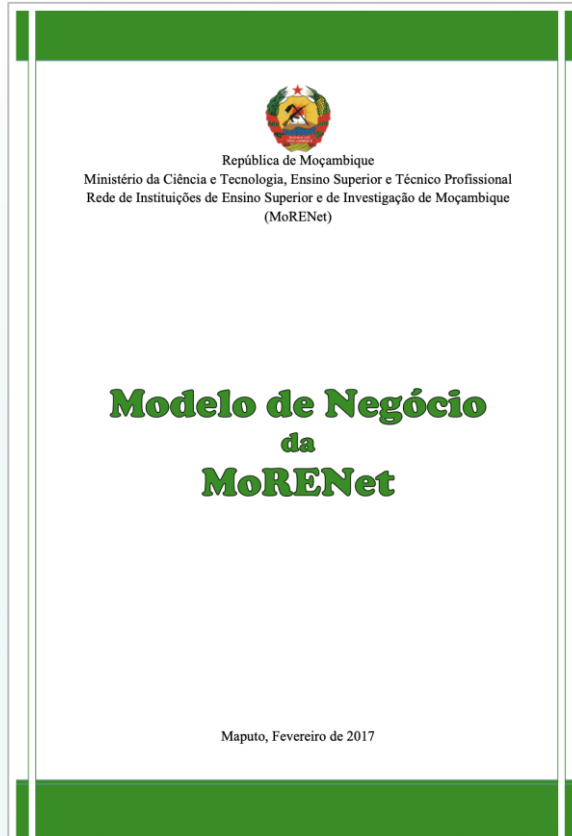
- Sustainability as a core pillar
- Integrated technical, operational & financial targets
- Shift from “project logic” to “institutional logic”

### Monetization Timeline



**“Result: Diversified funding mix → State budget + Donations + Service revenue”**

# Formalization: Business Model & Strategic Plan



República de Moçambique  
Ministério da Ciência e Tecnologia, Ensino Superior e Técnico Profissional  
Rede de Instituições de Ensino Superior e de Investigação de Moçambique  
(MoRENet)

## Modelo de Negócio da MoRENet

Maputo, Fevereiro de 2017

Tabela 11: Comparação entre as Taxas de Serviço Propostas pela MoRENet e os Preços Comerciais da TDM e da Movitel

Serviço	Instituição	Preços Unitários (USD/Mbps/mês)	Observações
Internet dedicada	TDM	369,00	Acima de 50Km: 681,00 USD/Mbps
Internet dedicada	Movitel	278,00	
<b>Serviços da MoRENet para circuitos alugados</b> <ul style="list-style-type: none"> <li>Conectividade incluindo acesso a Internet;</li> <li>Hospedagem de páginas Web;</li> <li>Backups.</li> </ul>	MoRENet	Cenário 1: 75,00	A taxa é fixa independentemente da distância
		Cenário 2: 70,00	
		Cenário 3: 60,00	

A tarifa proposta pela MoRENet não é só relativa aos serviços de acesso a Internet, mas cobre também serviços de valor acrescentado tais como hospedagem de páginas web, backups, correio electrónico e outros que a MoRENet vier a oferecer. Na Tabela 11 estão indicados alguns destes serviços.

Tabela 10: Taxas de Serviço de Ligações privadas por unidade de largura de banda

No.	Largura de Banda	Duração	Preço por 1 Mbps
1.	Entre 100 e 500 Mbps	15 Anos	14,00 USD/Mês
2.	Entre 0,5 e 1 Gbps	15 Anos	6,00 USD/Mês
3.	Entre 1 e 2 Gbps	15 Anos	4,50 USD/Mês
4.	Acima de 2 Gbps	15 Anos	3,50 USD/Mês



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## Plano Estratégico da MoRENet

2018 – 2025

Maputo, Dezembro de 2017

#	Expenditure Allocation (MoRENet's Own Revenue)	
1.	Technical assistance	9,6 %
2.	Infrastructure and Equipment acquisition	37,8 %
3	Contracting of national and international connectivity services	48,3 %
4.	Contracting of other services	2,4 %
5	Operational costs and others	1,9 %
<b>Total</b>		<b>100%</b>

## Course Correction: Sustainability Strategy (2020)

### Challenges emerged:

- Accumulated debt to connectivity providers
- Payment delays from some institutions

### Response: MoRENet Sustainability Strategy (2020)

#### Key actions:

1. Strengthen dialogue with beneficiaries
2. Raise awareness on MoRENet's value and cost structure
3. Promote consistent service adoption
4. Mobilize partners for innovative payment mechanisms
5. Propose feasible solutions for long-term financial gaps

**“Flexibility + communication = resilience”**

## Results Achieved

- Diversification of funding sources
- Increase of own revenues (2017–2024)
- Gradual reduction of external dependency

## Persistent Challenges

- Ensuring accessibility for all institutions
- Adapting services to diverse profiles
- Exploring flexible pricing models
- Public-private partnerships (PPPs)

## Lessons Learned

### 1. Institutional (political) leadership matters

- ✓ Strong ministerial backing was decisive in 2017.



### 2. Engage beneficiaries early and often

- ✓ Ownership increases willingness to pay.



### 3. Keep the model simple and transparent

- ✓ Complexity kills adoption.



### 4. Plan for adaptation

- ✓ The 2020 strategy shows that course correction is normal.



### 5. Sustainability ≠ profit

- ✓ It means covering essential costs reliably to fulfill your mission.



**“We’re not selling internet – we’re sustaining a national research ecosystem”**

## Next Steps & Opportunities

### MoRENet is exploring:

- ✦ Consumption-based pricing models (beyond flat rate)
- ✦ Public-private partnerships (PPPs) for infrastructure & innovation
- ✦ Value-added services (e.g., cloud, data analytics, eduroam expansion)
- ✦ Strengthened financial management systems for billing & collections

**“Goal: A more responsive, inclusive, and resilient NREN”**

## Conclusion

### MoRENet's journey proves:

- ✓ Public mission and financial viability can coexist
- ✓ Sustainability is built through strategy, dialogue, and adaptation
- ✓ Even in resource-constrained settings, progress is possible

**“We share our experience not as a finished solution – but as a living example, open to collaboration and improvement.”**

**Let's build sustainable NRENs – together.**

## “From Free Access to Sustainability – MoRENet’s Path to Resilience”

# Thank you

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