

ITU: Is it Still Thinking Globally and Acting Locally?

Founded in 1865, the International Telecommunications Union (ITU) is arguably one of the exceptional global bodies based on partnerships between government and the private sector. While other similar world bodies comprise politicians and other bureaucrats, ITU membership boasts of telecommunication policy-makers and regulators, network operators, equipment manufacturers and hardware and software developers.

Anthony Mugeere examines its origins, role in developing infrastructure and what Africa should look forward to.

The ITU is by far living up to expectations in its mission to coordinate global telecommunications and services. Working in collaboration with governments and private sector enterprises, ITU has, through regular global and regional conferences, facilitated the establishment of best business practices for the deployment of, and maintenance of ICT infrastructure.

For Africa, ITU has worked closely with the regional bodies to support programmes aimed to achieve the UN Millennium Development Goals. Following the completion of the study on the New Partnership for African Development (NEPAD) in January 2005 for instance, ITU convened a meeting of core partners active in ICT to explore ways of developing the use of ICT in the region. The Union was also a key player in the identification of core ICT indicators during the Botswana regional workshop in October 2004 and participated in the International Labour Organisation (ILO) spon-



CIPESA Director Vincent Waiswa Bagiire (R) confers with David Souter, MD ICT Development Associates Ltd at the CIPESA exhibition stand during WSIS Tunis, November 2005.

sored meeting on poverty reduction in Burkina Faso. This was in addition to the institutional support to the NEPAD Secretariat by providing experts to compile a list of all known terrestrial telecommunications infrastructure development initiatives and projects and advocacy through seminars and workshops.

The role of the ITU-Development sector

The most notable undertakings in supporting infrastructural development have been through the Telecommunication Development (ITU-D), one of its three sectors that specialises in designing programmes to improve telecommunications infrastructure. Like the Radio communication (ITU-R) and Telecommunication Standardization (ITU-T) sectors,

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Should Africa go 'Open Access'?

By Wairagala Wakabi

The wrangle pitting a group of telecoms operators and the World Bank on ownership and funding of the submarine cable to link Eastern Africa to the international fibre optic system is one that is likely to be repeated in future when more African ICT infrastructure projects are designed.

At the heart of the wrangle is whether ownership and use of the cable known as East African Submarine Cable System (EASSy) should be the reserve of those that invest in it, or other operators in Eastern and Southern Africa should access the cable at similar rates as those that will have invested in it. The EASSy coordinator John Sihra says the World Bank is "forcing" a loan onto the EASSy promoters so

it can have its way.

The World Bank - and other voices - argue that EASSy will deliver better value to users in Eastern and Southern Africa if it is built and run along the Open Access model whereby it is accessible to anybody that is not an investor in EASSy, who wants to use the cable in future.

But EASSy promoters say new operators intending to benefit from the cable should invest in it too, or else they will buy bandwidth at cost plus about 25 percent premium. They have told the World Bank about other options open to operators eyeing future access to EASSy. Such operators could put up another cable to compete with EASSy, or development organisations should be allowed to invest in

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Africa has had its fair share of challenges in international ICT decision-making processes. While international institutions like the World Bank and ITU often set the agenda—by setting out policy issues to regulate the use of ICT facilities like the Internet—developing countries are often left to catch the cold.

In most cases, African representatives to international ICT policy meetings lack easy, affordable and timely access to information about ICT-related policies. And as observed by the Commonwealth Telecommunications Organisation's Louder Voices Report, other key stakeholders like government and the media "lack the technical and policy capacity on ICT issues" to effectively participate in international ICT policy processes.

This is why CIPESA was established in 2004. Through printed and online public briefings and reports, we have aspired to develop the capacity of African stakeholders to contribute effectively to international decision-making on ICT and ICT-related products and services.

EDITORIAL: Welcome to CIPESAFOCUS

Using a network of partners in east and southern Africa region, we are positioning ourselves as one of the leading initiatives for research and analysis of international ICT policy issues in the east and southern Africa region.

The launch of CIPESAFOCUS, our new exciting newsletter addition to our outreach strategy, is another opportunity to reach out to our stakeholders and other people interested in international ICT policy issues. This month's publication will focus on ICT infrastructure—EASSy in particular.

This theme is one of the three focus areas we are dealing with this year—ICT infrastructure, IPR and Internet Governance.

Our view is that the EASSy provides a ray of hope for overcoming one of the major infrastructural problems facing the region.

We hope that this maiden issue of the newsletter will go a long way in providing you with more information on the selected topics.

We also expect you to make it a better publication by contributing views, comments and articles on any of the chosen themes as we strive for effective participation in international ICT policy making.

EASSy to reduce telecom costs in Zambia

By Brenda Zulu

Zambian Internet Service Providers (ISPs) say they expect connectivity costs to drop by an average of 50 percent when the EASSy cable goes live. They say the quality of service is likely to improve by between 50 and 75 percent.

Kesenge Bwalya, the information technology manager at the ISP Microlink Technologies Limited, said connectivity to the Internet is currently through Very Small Aperture Terminals (VSAT) to Europe and other parts of the world.

"Even as ISPs, our connection is through VSATs which makes the cost very expensive. The quality of service we get is not very good compared to what fibre would offer," said Bwalya.

While noting that the marine cable would deliver a drastic reduction in telecommunication costs, Communication Authority of Zambia (CAZ) Deputy Chief Executive Officer, Richard Mwanza said the country should upgrade its infrastructure to maximise the benefits the cable would offer.

Most of Zambia's service providers use the expensive satellite technology, and they pay huge amounts of money to foreign couriers, he added. With broadband, they would pay less costs and the fibre optic platform will be usable for a wider range of applications. "The benefits are many and as a regulator, broadband is the answer," said Mwanza.

He said the completion of the fibre optic system would benefit services that require real time such as video, voice and data. High speed and affordable costs would therefore translate into big benefits for Zambian users. He said that beyond national borders, there would be regional peering, which would make traffic 'local' and communication between countries cheaper.

Despite this wave of optimism among policy makers however, there is less enthusiasm about EASSy among ordinary Zambians. Not even among regular Internet users like Susan Mwape, who is among those who have never heard of the project. "EASSy what?" she asked, adding, "I don't even understand what you are calling fibre optic cables." Even some operators of Internet cafes, like Kennedy Chwala, CEO of the I-zone Internet café in Lusaka, have never heard

of EASSy. But after explaining to him what the system is all about, he smiled and said: "...then such a cable would enable a faster and more stable connection than what we have now."

For the EASSy to offer these anticipated benefits, countries like Zambia will need to build and upgrade their infrastructure that will link them to the cable. This is why Milner Makuni, president of Zambia's Computer Society, has asked the government to urgently work on building a national backbone.

"The option of fibre optic running at the back of the Zambia Electricity Supply Corporation Organisation (ZESCO) lines is strongly recommended. This will help reduce telecommunication costs through this shared infrastructure," said Makuni. "However, in the meantime a study can be undertaken to explore whether the use of existing wireless technology now installed throughout the country through cellular providers can be utilised by stakeholders."

The Zambian government is considering integrating ICT in the National Development Plan (NDP) information and communication technologies with emphasis on developing access and backbone telecommunication infrastructure like the fibre optic network, radio and microwave telecommunications links, and ground-based satellite infrastructure.

Mbita Chitala, the deputy minister of finance and national planning, says the NDP would, for the period 2006-2011, be the engine for developing various forms of ICT and capacity building related to technologies and equipment. It would also address issues such as broadening access to content such as news, information and knowledge resources.

Government and non-governmental organisations are also addressing the problem of lack of mains energy supply in rural areas, which remains a major obstacle to deploying telecommunication infrastructure and services. Despite such efforts however, EASSy remains the most realistic hope for affordable telecom costs for ordinary Zambians.

All the above developments are positive for the EASSy. Its success is heavily dependent on regional countries' efforts to upgrade their backbone infrastructure.

Is ITU still living by its philosophy?

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which set the standards for telecommunications networks, systems and equipment, the Development sector is liaising with countries to create a favourable environment and regulatory framework to spur telecommunication infrastructure development particularly through the private sector.

The host of initiatives undertaken by the ITU-D includes the design of financing strategies to enable developing countries bridge the digital divide. It facilitates access and connection, the formulation of policy and development of the human resource in the ICT sector through training programmes. In addition, it is a major actor in regulatory and network readiness for developing countries.

Information obtained from the ITU official website (www.itu.int) indicates that its membership has grown to 189 countries with over 700 private sector members. Gone are the days when the Union was about interpersonal communications. Today, ITU is a key player in foreign trade, education, banking, tourism and health. Consequently, the Union has witnessed a surge in the number of governments and private sector enterprises seeking to work with it. This is mostly due to its role in the deregulation and liberalization of the telecommunication sector in most developing countries.

What the future holds:

Future development of ICT infrastructure in Africa is a matter of critical concern to ITU. In its five-year Strategic Plan, endorsed during the Marrakesh conference in October 2002, the Union undertook to further promote policy frameworks and financing strategies that seek to bridge the international digital divide by facilitating the development of fully interconnected networks and services. One of the key issues on which the ITU is focused now is the need for Internet Domain Names to reflect the geographi-



East and Southern Africa international ICT policy stakeholders at an international summit in November 2005.

cal and functional nature of the Internet with an equitable balance of interests of all stakeholders. The Union is therefore undertaking to ensure that the management of Internet Domain Names and addresses involves both governments and the private sector. It is also involving Internet standardisation organisations, governments and the private sector in the development of IP standards and protocols for IP-based networks.

With such efforts, ITU is one of the leading global bodies at the forefront of infrastructural development in Africa. Its support to the telecommunications sector as manifested by the increase in Internet and cellular phone usage on the continent over the last decade is testimony that the Union is still thinking globally and acting locally.

Africa on 'Open Access'

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EASSy and acquire capacity which they would sell to those willing to invest in future.

One Kenyan operator said, "Once I invest in a network, I want to own it. Most operators look at EASSy not as a business to make money but as an investment to lower their costs of operations so they can compete in their domestic markets. That is why a consortium becomes preferable."

As Africa plans more infrastructure projects, many of which are regional, and seeks to achieve universal service, debate on Open Access will undoubtedly become louder.

The lukewarm performance of the SAT-3 cable that serves western and parts of southern Africa, which was built on consortium model, seem to give strength to the case for an Open Access EASSy. Nana Tanko of the Open Society Initiative for West Africa says the Sat-3 cable has failed to deliver affordable bandwidth and remains heavily underutilised.

Russell Southwood, head of Balancing Act, says that the high costs of the SAT3 cable set a bad precedent for the EASSy project to follow. Rates on SAT3 have been as high as US\$25,000 per mbps per month but are now

around US\$10-15,000. The actual cost to the operator is reportedly US\$2,000. These are very large margins. High prices mean that there are a significant number of countries where the full capacity of the cable has not been used.

Indeed, Ubuntu Linux founder and entrepreneur Mark Shuttleworth last month said the current telecoms "cartels" as they exist are not able to deliver effective and affordable bandwidth to the continent. He said bandwidth was the number one item on his list for an effective ICT strategy for the continent, and regretted that EASSy was likely to be built along a closed consortium model.

The New Partnership for African Development (NEPAD) has identified the \$200 million-plus EASSy as a priority project for the enhancement of ICT infrastructure in the region, and the World Bank/IFC, French Development Agency and Development Bank of South Africa are among the bodies supporting EASSy's construction.

Africa has the lowest amount of international internet bandwidth in the world, and the highest broadband prices. The EASSy is expected to lower connectivity rates by more than 50 percent.

** Next month, CIPESA will publish a briefing document on the Open Access debate surrounding EASSy and other challenges facing the cable and similar ICT infrastructure initiatives in Eastern and Southern Africa

The World Bank - and other voices - argue that EASSy will deliver better value to users in Eastern and Southern Africa if it is built and run along the Open Access model

Calendar of Events

Mar 7-9 2006, *ICTs for Civil Society*, Johannesburg, South Africa.

March 10 2006, *Ensuring affordable and open access to the East African Submarine Cable System (EASSy)*, Mombasa, Kenya.

Apr 24-28 2006, *Second International Conference on Information and Communication Technologies: from Theory to Applications*, Damascus, Syria.

May 3-5 2006, *Regional Impact of Information Society Technologies in Africa (IST-Africa) 2006 Conference*, Pretoria, South Africa. www.IST-Africa.org

May 7-12 2006, and **May 16-17 2006**, *AfNOG and AfrINIC Meeting*, Nairobi, Kenya. www.afrinic.net/meeting/

18-20 May, *The African Open Access Forum*, Nairobi, Kenya.

May 24-26 2006, *eLearning Africa: International Conference on Information Communication Technology (ICT) for Development, Education and Training*, Addis Abba, Ethiopia.

June 26-30, *ICANN meeting*, Marrakech, Morocco

Sept 11-15, *10th Highway Africa conference*, Grahamstown, South Africa. www.highwayafrica.ru.ac.za

About CIPESA

CIPESA is one of two programmes established under the Catalysing Access to Information and Communications Technologies in Africa (CATIA) initiative and funded by the UK Department for International Development (DfID). It aims to increase the capacity of East and Southern African stakeholders to participate in international ICT policy-making.

The programme focuses on stimulating discussion and policy analysis on international ICT issues. This is to enable African interests to be more effectively represented in international policy fora, and international policy decisions to be more effectively translated into positive outcomes in Africa. For more information see www.cipesa.org.

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Q&A with Dalkom Somalia CEO

Mohamed Jama, CEO of Dalkom Somalia - a member of the consortium that is promoting the East Africa Submarine Cable System (EASSy) – spoke to **Esther Nakkazi**. Below are excerpts:

Qn: How much financial commitment do you have so far?

We have \$110 million from 18 members and the rest of the MoU (Memorandum of Understanding) parties have committed themselves to pay as soon as possible. Their commitments will be with us shortly.

Qn: So you don't need World Bank funding?

The MOU parties have committed themselves to raising all the money required locally.

Qn: But some countries have approached the World Bank for funds?

Yes they have but that is at their national levels. Otherwise as a consortium we already have enough commitment from the MoU parties to fund the project.

Qn: What will the pricing be after the cable has been constructed?

That information is not available now. It will be available after the project costs are completed. But I can say that the price will be 65 percent cheaper than the current satellite connectivity in the short-term and 85 percent cheaper in the long-term. That will imply that after five years they have to review the prices to go down.

Qn: Why are you insisting on having co-ownership governance in the project when the World Bank and Nepad have advised you to go for the Special Purpose Vehicle (SPV)?

We have not concluded that but our preferable approach is co-ownership for three important things. It does not require much legal framework, the responsibilities and obligations of operation lie with the operators and we do not incur costs of operation. The fibre cable bandwidth time life is time-limited going up to 25 years so costs have to be minimised.

Qn: What will be the minimum requirement for investment?

The minimum will be \$2.5 million but the parties will be allowed to buy as much capacity as they can afford initially.

Qn: What are the other requirements?

All participants will be required to have International Gateway Licenses as a minimum requirement. But that is for only those who want to invest. Those who want to operate will not be required to have the license; they will only have to abide by the rules of the country they operate in.

Qn: Some South African companies have signed the MoU even if they do not have International Gateway licences.

I am not sure about that. But the consortium made a special case to Lesotho for its regulator to be a custodian of the bandwidth until the country finishes its liberalization process.

Qn: And small players who may want to join the consortium after the cable has been built?

The small players are still invited until we close as long as they meet the requirements but the ones that get International Gateway licenses after the closure will still be invited for the first five years. This project is meant to alleviate poverty in East and Southern Africa so it will provide affordable, accessible and available bandwidth.

Qn: When we are you closing the MOU stage and how many parties have signed up so far?

We are closing by mid May 2006, then we shall sign a construction and maintenance agreement. We already have 33 companies signed up for participation in EASSy.

Qn: What challenges are you facing?

We are challenged with closing the project and bringing it into reality. There is an issue of providing terrestrial connectivity to the inland countries. We have to get the landlocked countries to access a point along the coast to improve connectivity.

Qn: There allegations that there is no transparency and investors who would like to invest in the project do not know where to find you?

That is not true we have a website where all this information is available and if there any investors interested they are very welcome anytime, let them contact us.

Qn: Do you think there is enough demand from the region?

There is big demand in the region for capacity, connectivity, convergence and content development. We know that the demand is overwhelming and unless they agree to fibre optic, players in this field can not meet their requirements.

Qn: What about regulation?

We should not have a single regulator because all parties have different regulations in their respective countries. I do not agree on a common regulatory policy or approach.