



**3rd EU-Africa Business Forum
Discussion paper
ICT Working Group**

Introduction

Technology development and diffusion is a key ingredient to ensure economic convergence between developed and developing nations. The integration of Information Communication Technologies (ICT) has a profound effect for the rapid improvement of growth, competitiveness and jobs across all sectors of the economy. ICT has the potential of helping bridging the economic divide between developed and developing countries.

The social and economic impact of ICT is now well recognised

The socio-economic potential of ICT was recognised as an essential aspect to achievement of the Millennium Development Goals at the meetings of the World Summit on Information Society (WSIS) and by the G8. The African Regional Action Plan on Knowledge Economy (ARAPKE)¹ was launched and approved by African ICT Ministers in an effort to further support the Information Society across the African continent as recommended by the WSIS.

The 2009 ITU's on measuring the information society concludes that 'despite overall high growth rates, record numbers, and all-high penetration rates, major differences in ICT levels between regions and between the developed and developing economies remain'. While access to, and use of, ICTs is increasing, the global digital divide is as prevalent as before with minor changes over the last five-year period. In 2007, the number of Internet users in Africa stood at only 5.3 percent of population.

The ITU has been providing a platform to meet and discuss ideas on the information society. The EU-Africa Business Forum has recommended the establishment of an Observatory for ICT in Africa, as a vital component of a Pan-African ICT initiative, accelerating the necessary changes in policy making, deregulations, and many other efforts. Such Observatory should also lead to galvanizing the efforts of national and regional authorities, as well those of donor partners and the private sector.

¹ NEPAD e-schools is one of the 11 projects listed by the African Regional Plan for the Knowledge Economy (ARAPKE) as a priority.

EU-Africa Business Forum's recommendations

In its meeting of June 2007 in Accra, the EU-Africa Business Forum addressed key aspects of ICT development in Africa. The main recommendations related to capacity building, increased rural access, raising awareness and rolling-out NEPAD e-schools. The table below summarizes the main recommendations and identifies key actions that have undertaken in line with these recommendations:

Area	Recommendations	Actions taken
Capacity building	Training of trainers Observatory	Feasibility study for the ICT Observatory
Rural access	Self-sustaining pilot franchises Micro-finance - Increased ICT rural access	
Raise awareness of ICT for policy-makers and ensure the provisioning of more funding for ICT	Conferences	2008 ICT Best Practices Forum Country studies: e.g. Boosting ICT in the DRC.
Roll out of NEPAD e-Schools project	50 schools connected now in pilot, increasing to 2000 (1-2 years) but main target is 50,000 in 5 years	

PS: See ACCRA Recommendations for detailed recommendations.

The main recommendations of the EU-Africa Business Forum aimed notably to:

Enhance awareness, build skills, promote local content and broaden access.

- **Raise awareness:** ICT is a key element for African countries and therefore need to become central to each country level sustainable development strategy. As such, Governments should actively use and support ICT by defining and implementing ICT strategies.
- **Build skills** for ICT. In order to ensure open, well-functioning and competitive markets there is a need to build ICT skills among policy makers, regulators², private sector actors, service and content providers, educators and the users of ICTs to facilitate innovation and technology transfer. Literacy in ICT will be required to bridge the digital divide³. In this regard, rolling out the NEPAD e-schools project is important.
- **Develop local content and services:** It is necessary to foster the development of local content and services⁴ and allow broadened access on the other hand. E-government services and the development of local content are necessary to deliver value added public and private services to consumers and citizens as well as acting as a catalyst to the development of a local content industry which would benefit rural as well as urban end-users.
- **Broaden access:** It is necessary to extend access to ICT services including voice, video, data and Internet into rural and underserved areas leveraging broadband access. This requires partnerships between public/civil society actors and private actors that develop shared and interoperable infrastructure.

² The EU-Africa Business Forum welcomes the work of the African Union in this sector and encourages a constant dialogue between European regulatory bodies such as CEPT and the African Union to achieve this balance.

³ NEPAD e-schools is one of the 11 projects listed by the African Regional Plan for the Knowledge Economy (ARAPKE) as a priority.

⁴ The EU-Africa Business Forum strongly recommends to support priority projects relating to e-government, e-services and local content development and distribution for example, in the areas of agriculture, learning and health.

- **Education:** NEPAD e-schools is one of the 11 projects listed by the African Regional Plan for the Knowledge Economy (ARAPKE) as a priority. There is need for local digital content which will drive local and regional initiatives, bringing together communities of educators, businesses, NGOs and Government Bodies and contribute to set-up a pan-African education Community. The EU-Africa Business Forum recommends supporting priority public private initiatives relating to sharing costly infrastructures and extending access to voice, video, data and Broadband Internet in rural and underserved areas.

Issues for discussion

Cost of ICT

Reducing the cost of ICT requires reforms in the business environment and acting on the determinants of the ICT development index.

The primary barrier to bridging the digital divide is service affordability. The 2009 ITU report also highlights the strong correlation between ICT development and the so-called ICT price basket, meaning that the cost of services (e.g. internet) is negatively correlated with the elements underlying the ICT development index. This means that reducing the cost of ICT will require action on the various components of the ICT Development Index. Some countries are known for having undue high costs.

Termination rates differ from operator to operator and from country to country. The difference between termination rates and termination costs also varies. Often, Regulatory Authorities fail to prescribe benchmark charges for interconnection (in accordance with international benchmarks). Overarching ICT, telecommunication and broadcasting policies usually contain fairly vague sections about universal access, while regulators fail to define concrete objectives and design strategies to attain them.

Benchmarking and comparisons between countries

Remittances prices worldwide suggest that African corridors are expensive. The corridors with the highest cost are those linking South Africa to Zambia, Malawi, Mozambique and Botswana!

Infrastructure Access

There has been progress on the diffusion of ICT in Africa. For example, telecommunications liberalisation has led to substantial investments in infrastructure. Furthermore, over one third of Africans now have access to mobile communications and the mobile industry has pledged a further 50 Billion USD over the next five years. Yet, Africa infrastructure is still lagging dramatically in terms of access to the Internet. The secondary barrier to bridging the digital divide relates to network coverage, especially in rural communities. Wireless technologies have emerged as a good solution to connectivity in African nations especially in rural regions to provide data and voice communication services.

Local content

In Africa, adequate attention has not been paid to the issue of developing and building local content. With African regions about to link to the world via undersea fibre cables that will deliver much faster and cheaper Internet connections, mobile phone penetration growing everyday and airtime prices falling, there is a need to develop local content relevant to local interests and needs. Africans want their news, their music, their issues, and their voices to find a place on the Internet. The challenge is how to migrate the existing wealth of African content from the offline to the online world.

Applications: towards an e-single government

E-Government initiatives are launched notably with the aim to reduce logistics costs and increase responsiveness, reliability and security for business. An e-Government document has been prepared on the basis of, and as follow-up to, the 2nd ICT Best Practice Forum 2008, presenting a road-map for implementing e-Government in Africa. It is of paramount importance to enhance e-

Government and sustain the exchange of best practices in ICT. 'identified and traceable cattle using microchip technology, incorporation of companies in 60 minutes, citizens receiving placement results for secondary schools by SMS are examples of things already happening in Africa.

A Single Window aims to allow (i.e. exporters, importers, customs brokers and agencies) to exchange shipment information via a Single Window Entry [a single electronic document], relating electronic documents and business transactions via an online business process. In this regard, governments need to support e-Signatures from both domestic and international sources. Such systems should also enable compliance with pre-shipment notification requirements.

A handbook on Investor Relations & Servicing Systems (IRSS) has been prepared by the ACP Business Climate facility (BizClim) for use by COMESA Investment Promotion Agencies (IPAs). Work done in this context has led to the identification of priority areas where progress needs to be made, including the up-grading of websites of IPAs, introducing Investor Tracking Systems and the undertaking of Investor Satisfaction Measurement. Implementation of IRSS requires the development of IT systems that are conducive to reducing the cost of doing business and making the country invest friendlier.

Governments are also promoting ICT in specific areas (e.g. Land administration and titling), while other applications (e.g. mobile banking) are developing whenever the business environment does not hamper such initiatives. Broadband access opens the door to the knowledge-based economy and promotes the region's social and economic development. Broadband can be harnessed to improve many key initiatives such as Community Tele-centres, Community Access, Cyber Cafes, e-Health, and e-Learning.

Business opportunities

While attention will continue to be on improving ICT infrastructure, concerns are growing about

facilitating the use of this infrastructure. Both governments and the private sector have key roles to play.

Governments in Africa need to partner private sectors under a Public Private Partnership (PPP) arrangement, for new markets to develop. For example, a virile BPO sub-sector (e.g. call centres, telemarketing, data entry, claims process, medical transcription, legal transcription and corporate transcription services) is already evolving in African countries. South Africa and Egypt are already leading BPO destinations in Africa today. Ghana, Senegal and Nigeria are assiduously working towards evolving BPO markets. Governments will need to create the enabling environment for prospective BPO investors to operate in Africa, removing entry barriers for investors, developing fast and integrated infrastructures in transport logistics and telecommunication.

General framework for discussions

The Forum regards ICT in Africa from the perspectives of its members and does pretend to deal with all relevant issues pertaining to ICT. Moreover, there are numerous initiatives to promote ICT in Africa. It is of paramount importance to relate ICT issues to the likely social and economic impacts, taking into account the national specificities. Table below provides an example of country discussions, where the organisation of the sector and the identification of market niches are essential.

Themes for discussions in the Dominican Republic

1. Business opportunities for the ICT business sector :
Evolving technologies, innovation and convergence: m-banking, ICTs for the national SME market
2. Strategic partnerships with EU ICT companies: What are the new opportunities enabled by the Cariforum-EU EPA for the DR ICT businesses and how to promote partnerships?
3. Advancing the Public-Private agenda for the ICT competitiveness: What is the role of the Government to enhance the ICT sector competitiveness and what are the private sector inputs to the E-Dominican strategic plan?

4. Structuring the ICT sector: How to organise the ICT business sector, to create a unified voice, to promote b2b synergies, and to confront their common issues and what services do ICT businesses require from their intermediary associations?
5. Regional alliances and B2B network: Proposal to create Caribbean Federation of ICT associations: what is its role, functions, priorities, and organisation?
6. Launching the initiative to create a b2B / marketplace for ICT businesses, including Caribbean and Europe

In the area of infrastructure, there are significant investments ongoing or in the pipeline. The EASSy and SWANSat projects are a case in point. For areas with remote geographies, satellites can offer broad coverage. In fact, the satellite industry intends to launch 20 new satellites over the next 5 years over Africa. It remains necessary to extend access to ICT services including voice, video, data and Internet into rural and underserved areas leveraging broadband access.

The discussion at the EU-Africa Business Forum mainly relate to matters that are of concern to its members or where these members can play a key role. The continuation and strengthening of the ICT Best Practice Forum is to be pursued, creating a platform for the sharing of best practice and the exchange of information and project ideas.