



Project Budget Number:

Project Title: **Digital Switchover in Jamaica:**
A Funding Proposal to Establish
the Digital Switchover
Programme Management Office

Start Date: January 2013

Estimated End Date: December 2015

Government Coop. Agency: Office of the Prime Minister,
Other Regulatory bodies,
Ministries of Education

Implementing Agency: Broadcasting Commission

Project Site: Broadcasting Commission,
Jamaica

Beneficiary Country: Jamaica

SUMMARY OF CONTRIBUTIONS	
A) Project Budget	
Description	US\$
Project Personnel	163,500
Equipment & supplies	104,000
Programme expenses	557,000
Monitoring & Evaluation	30,000
Indirect costs	68,360
Total:	922,860

Brief Description:

This project aims at establishing a dedicated unit staffed with qualified personnel to guide the implementation process of digital switchover in Jamaica. To achieve this objective, ITU shall jointly partner with the **BROADCASTING COMMISSION**.

For the	Signature	Date	Name/Title
ITU:	_____	__/__/____	
Partner(s):	_____	__/__/____	
	_____	__/__/____	

BACKGROUND AND CONTEXT

Jamaica has set December 2015 as the date for its Digital Switchover or analogue switch off. This process has been in train since 2003 when Jamaica convened its first digital switchover forum, followed by a DSO Workshop in 2008.

The Jamaica electronic media sector is an important contributor to national life for both its communicative role and its role as a contributor to economic development. There are currently three free-to-air broadcasters in operation, 40 subscriber television operators in 241 zones across the island including one all-island triple play STV provider and one mobile TV provider. There are also over 22 radio stations currently. The sector is an important contributor to economic life, generating over USD 77 million in 2010, which represents just under 0.04% of gross domestic product. However, the sector can be further strengthened and made more competitive through the adoption of digital switchover. The Broadcasting Commission has identified some critical far reaching and overlapping benefits to Jamaica if it transitions to digital broadcasting:

Consumer and cultural benefits

The main consumer and cultural benefits come from switching digital television on, as distinct from switching-off analogue terrestrial, though there are interdependencies. The most readily appreciated benefit, where the analogue television set-up allows only a very limited number of channels, is a major expansion in the breadth of choice. How this opportunity is used depends on regulatory decisions and market conditions, but it carries the potential for new content, including more specialized minority-interest programmes an expansion and streaming of existing content, e.g. a news channel, a sports channel, a children's programming channel etc., providing more extended coverage and making consumer access more convenient new content providers -- and thus greater pluralism and diversity more local services more data-based services interactive features (level of sophistication dependent on the platform) the option of widescreen and/or HDTV (of appeal in the growing market for large-size flat screen TV sets) the option of mobile TV, e.g. on screens on mobile telephones.

Spectrum efficiency benefits

There are efficiency gains in switching to digital technology for all platforms. However, the gains which most clearly involve governments are those to be obtained from switching-off analogue terrestrial transmissions. Spectrum for terrestrial broadcasting is usually scarce and, historically, has normally been allocated by, and ultimately managed by, governments -- or by regulators accountable to governments. Since around six digital terrestrial TV channels can be accommodated in the capacity required for one analogue TV channel, the scope for improved efficiency is considerable. It may well be possible to increase the broadcasting provision substantially and still reclaim some saved spectrum. The detailed motives for switching-off analogue terrestrial TV transmissions completely, in the end on a compulsory basis, may vary depending on degrees of scarcity and level of demand and may include: finding enough

frequencies for the introduction of digital terrestrial television at the desired levels of coverage, or for digital radio finding enough spectrum for the introduction, or extension, of HDTV finding enough frequencies for an expansion of local television utilizing saved spectrum for new developments in the field of telecommunications, e.g. mobile TV, wireless broadband etc. auctioning saved spectrum for a range of competing purposes and securing the financial proceeds from the auction(s).

Economic Development

Increased spectrum availability would facilitate the expansion of broadband deployment which in turn has implications for economic growth in the region. Regional telecommunications company Digicel has expressed the view that for every 10% increase in broadband penetration there is a corresponding 0.9 to 1.5% increase in GDP¹.

The positive correlation between broadband deployment and GDP has been supported empirically by the research of Professor Raul Katz of Columbia Business School in Latin America and the Caribbean. Professor Katz, in his research, has identified that a 1% increase in broadband penetration results in a corresponding 0.0178% growth in GDP. Professor Katz further posits that broadband deployment contributes between US\$6.7 to \$14.3 billion to the combined GDP of Latin American and the Caribbean².

The creative industries (music, broadcasting and film) have been identified as a critical plank in Jamaica's development plan (Vision 2030). Moreover broadcasting is closely related to the copyright industries which make a significant contribution to Jamaica's GDP. It follows that expansion of Jamaica's broadcasting would redound to further growth of copyright industries.

Problem Statement

Despite the obvious benefits that could accrue to Jamaica if it transitions to digital broadcasting, there are grave limitations that are constraining Jamaica's pace towards fully transitioning to digital from analogue broadcasting. The financial costs, especially that to be borne by the Government and media regulator to help guide and manage the transition are especially burdensome. This is so given Jamaica's fiscal constraints with a public debt stock at more than 120% of GDP and a debt servicing accounting for more than 32% of GDP in 2009. This must also be seen in the context of decreasing Government revenues, which moved downward from 32.4% in 2005 to 27.1% in 2009 as a percentage of GDP. Whereas Government expenditure, in particular recurrent expenditures such as wages and salaries and utility expenses have grown in the same time period from 36% to 38% of GDP. Jamaica is therefore fiscally constrained to fully cover the costs to establish a Secretariat to properly manage and guide the DSO implementation plan.

¹ Ellington, B. 'Mark Linehan, Digicel's 4G Man'. *The Sunday Gleaner Outlook*, September 12, 2010.

² Katz, R. (2010). 'The Digital Communications Market: Challenges & Opportunities'. Unpublished paper presented at Broadcasting Commission's Regional Forum on Policy and Regulation in the Electronic Media Sector, July 5, 2010.

In other jurisdictions that have achieved some degree of success in their DSO transition programme, in particular the UK, they have established a dedicated secretariat or project implementation unit to help guide the DSO process. Jamaica recognizes this important fact, and deems it necessary given the wide ranging number of stakeholders involved in the process and whose activities must be properly coordinated and managed. But the central problem is the funding that is needed to establish the secretariat and make it fully functional.

DSO Programme Management Office (PMO): Overall Objectives

The following forms the overall objectives to be attained by the DSO PMO:

1. Develop and lead implementation of a consumer and stakeholder communications programme on DSO;
2. Lead discussions and facilitate co-operation and or collaboration in transitioning transmitter networks from analogue to digital;
3. Coordinate and interface with key stakeholders in the DSO process; DSO steering Committee, media and other regulators, civil society, Government, consumers and broadcasters;
4. Being an impartial and independent focal point for reliable information on all aspects of the Digital Switchover programme;
5. Interface with the Spectrum Management Authority to coordinate the analogue switch-off;
6. Develop a strategy and framework in consultation with the SMA for investing/utilizing the digital dividend;

The Secretariat would be housed within the offices of the Broadcasting Commission of Jamaica; this would see the BCJ contributing administrative resources to the PMO as well as a home to house its officers. The PMO would be staffed by a Programme Manager and a project and administrative officer. The Programme Manager would be directly accountable to the Executive Director of the Broadcasting Commission and the DSO Steering Committee.

ACTIVITIES OF THE PMO

The PMO secretariat will be primarily involved in the following activities:

1. Media and consumer education campaigns to sensitize Jamaicans and media industry about DSO;
 - a. Using wide ranging media such as newspaper articles, TV Commercials, DSO website to create awareness, understanding and positive attitudes to digital among Jamaicans;
2. Commissioning and conducting research on DSO, with specific reference to the Digital Dividend;
3. Managing the key result paths in the DSO process:
 - a. Communications

- b. Device logistics
 - c. Network roll-out
 - d. Consumer monitoring
 - e. Regulations and licensing
 - f. Securing further financial support for the DSO process
4. Developing integrated plans based on an agreed model to transition from analogue to digital in Jamaica;
 5. Developing work plans and delivery timetables for all major partners involved in the DSO process;
 6. Generating reports and accountability correspondence to the main DSO Steering Committee;
 7. Liaising with and lending technical support to other Caribbean countries in the process of their DSO transitioning;

INPUTS INTO THE PMO PROJECT

The electronic media regulator, the Broadcasting Commission of Jamaica, will contribute financially by housing the DSO PMO secretariat at its offices. This would result in significant savings from real estate rental. Additionally, the BCJ will contribute by way of lending its administrative personnel and office appurtenances to the work of the DSO secretariat.

In addition to the funds being sought from the ITU, some effort will be made to secure additional funding from Broadcasters and other media entities to help offset some of the costs of activities which the DSO PMO will be undertaking. Additionally resources will also be sought from the Jamaican Government and other financing agencies.

Proposed Budget

PROPOSED BUDGET (in USD) ³			
DURATION OF PROGRAMME (MONTHS):36			
Staff Costs	2013	2014	2015
<i>Programme Manager</i>	35000	36000	37000
<i>Project and administrative Officer</i>	18000	18500	19000
Purchase of Equipment and Supplies			
<i>Office Supplies</i>	30000	30000	30000
<i>Office Furniture</i>	6000	0	0
<i>Computer system</i>	6000	0	0
<i>Computer software</i>	2000	0	0

³ 1 USD = 85 JMD

Programme Expenses			
<i>Media, communications & public education campaign</i>	84000	84000	84000
<i>Consultancy fees</i>	60000	60000	60000
<i>Website Development</i>	40000	30000	25000
<i>Travelling</i>	10000	10000	10000
Monitoring and Evaluation		15000	15000
Sub-total	291000	283500	280000
<i>Indirect Costs (8%)</i>	23280	22680	22400
Total Costs	314280	306180	302400
		TOTAL	922'860

Budget Notes:

1. Consultancy fees will include fees payable to technical consultants whose expertise will be needed especially at the stage of changing out broadcasting transmitters from analogue to digital; additionally, communications consultants will be required to help in designing and implementing the media and public education campaign on DSO;
2. Members from the DSO secretariat may need to travel to conferences, symposia and meetings occasionally.

MONITORING AND EVALUATION

Fiduciary responsibility and programme efficacy are the two essential objectives that DSO secretariat will seek to achieve. In this respect, these two main items will be monitored and evaluated as follows:

1. Online surveys and qualitative measures will be deployed periodically to gauge the perceived effectiveness of the programme among the key stakeholders including consumers and broadcasters;
2. Audited financial statements will be submitted to the DSO Steering Committee and the ITU annually in an effort to maintain transparency and accountability;
3. A comprehensive assessment and review of the programme will be conducted at the end of the third year leading to a substantial document that extrapolates lessons learned and general principles that may be useful in other regions and to other countries that are embarking on their own DSO process.