



Build on Broadband: A Winning Formula for the Millennium Development Goals



ITU Side Event at the Fourth UN Conference on the Least Developed Countries

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Financing broadband deployment and usage *Key discussion points*

- Broadband development needs both demand and supply measures;
- Broadband is crucial for economic growth and job creation; World Bank estimates that a 10% broadband increase will increase GDP growth by 1.38% on average;
- Public money through better use of USO funds should encourage ICT apps (demand side) with a high social impact, or help scaling up successful pilots with high socio-economic impact;
- Governance of USO funds should improve and their use should be targeted and rationally justified;
- On the supply side, any bottleneck at any level of the broadband supply chain will slow down broadband development; bottleneck exist when an operator has a dominant position or a few operators act as a cartel (examples provided by Russell);
- PPP can be proactively used (for example, leveraging on investments of electric utilities), to stimulate competition in broadband backbone markets; open access provisions should also be mandated;
- Private sector competition was the driver of cellular growth in the last decade. Competition, whenever possible, should stimulate broadband development; a small isolated island like Samoa went from 5% to 100% basic penetration in the last decade, thanks to competition in cellular.
- It is important that the fundamentals of a competitive market are kept as governments are prepared to stimulate broadband development; public funding

should be aimed at extending broadband access to non-commercial areas, and at targeting socially desirable applications, like those discussed in the area of maternal health, for example;

- Selectivity and good governance in using public and USO funds is of paramount importance; public funding should never displace the private sector investment;
- Change management and NGO delivery is key to delivery of broadband-enabled public services and social applications.