Regional seminar on costs and tariffs for countries in the Tariff Group for Africa

Bamako, Mali, 7-9 April 2003

Programme of work for Africa on the cost, tariff and rate calculation software COSITU

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COSITU - the ITU tariff model

I.   COSITU ACTIVITIES

Pursuant to the deliberations of the Tariff Group for Africa (TAF) that took place in April 2001 in Niamey and recommended that a cost calculation and tariff software be made available to African countries and member administrations, the International Telecommunication Union developed an application designed to calculate cost-orientated tariffs for telecommunication services, integrating interconnection relations between fixed and mobile operators on the basis of ITU-T Recommendation D.600R.

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The software was tested at two workshops organized in Africa in 2002:

*   From 25-27 May in Ouagadougou, Burkina Faso, for French-speaking African countries

*   From 19-22 June in Abuja for English-speaking countries

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Thanks to those two workshops and a number of other activities, the shortcomings observed were overcome.

The first official version of the COSITU software was made available in November 2001.

The Telecommunication Development Bureau has undertaken activities to transfer the software to countries and administrations showing an interest in it.

A series of training workshops have been organized on COSITU:

* From 9-13 March in Cairo for the group of countries in the region
* From 26-28 March 2003 in Kinshasa for Central African French-speaking countries
* From 23-25 April 2003 in Ouagadougou for West African French-speaking countries.

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Contacts are now being made to set the exact dates of the workshops for English-speaking countries in eastern and southern Africa and for English-speaking countries in West Africa.

The tentative dates are:

* Nigeria, 27-30 May for West African countries

* Mozambique, 24-27 June for eastern and southern African countries

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The Centre of Excellence (CoE) project of the International Telecommunication Union and the Higher Multinational School for Telecommunications (ESMT) has been asked to provide intra- and interorganization training (fixed and mobile operators, regulators, ministerial authorities, etc.) and to provide support to administrations for the implementation of the software. Four moderators (2 ESMT trainers, an official from Senegal's Agence de Régulation des Télécommunications and another from Burkina Faso's Office National des Télécommunications) are currently being trained as COSITU instructors; the first part of the course took place in Kinshasa from 26 to 28 March.

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II. PRESENTATION OF COSITU

COSITU is a software designed in particular for network operators, service providers, regulators and the authorities in charge of establishing policies for the accurate calculation of costs, rates relating to the exchange of international traffic (accounting, settlement and termination rates), interconnection charges between local operators, and national and international telephone service tariffs.

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COSITU gives operators and service providers the opportunity to obtain the information they need to manage a telecommunication company efficiently, namely:

– the costs of supplying each service;

– the level of accounting rates;

– the level of profit and loss for current interconnection rates;

– which services are profitable and which are subsidized;

– the impact of USO on the business.

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COSITU will enable regulators and the authorities in charge of establishing policy to evaluate:

- the global cost of USO policies;

- whether interconnection rates are calculated on the basis of costs incurred;

- to what extent USO policies have an impact in terms of attracting potential investors to the market;

- regulatory matters relating to Internet telephony.

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COSITU is a tool to automate:

- rates for the exchange of international traffic (accounting, settlement and termination rates);

- the calculation of costs;

- interconnection rates between local operators;

- tariffs for national and international telephone services, taking into account the impact of the universal service obligations decided by the public authorities.

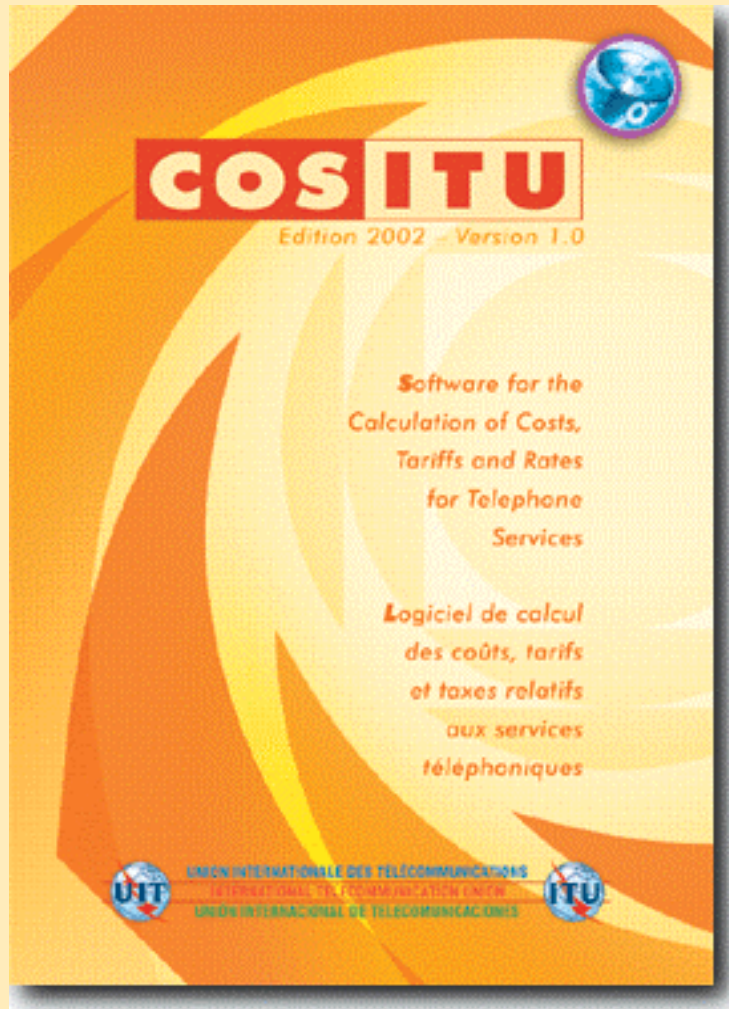**COSITU - the ITU tariff model**

COSITU server

Results obtained from the use of the software can be benchmarked by means of the **COSITU server**.

The categories for benchmarking are:
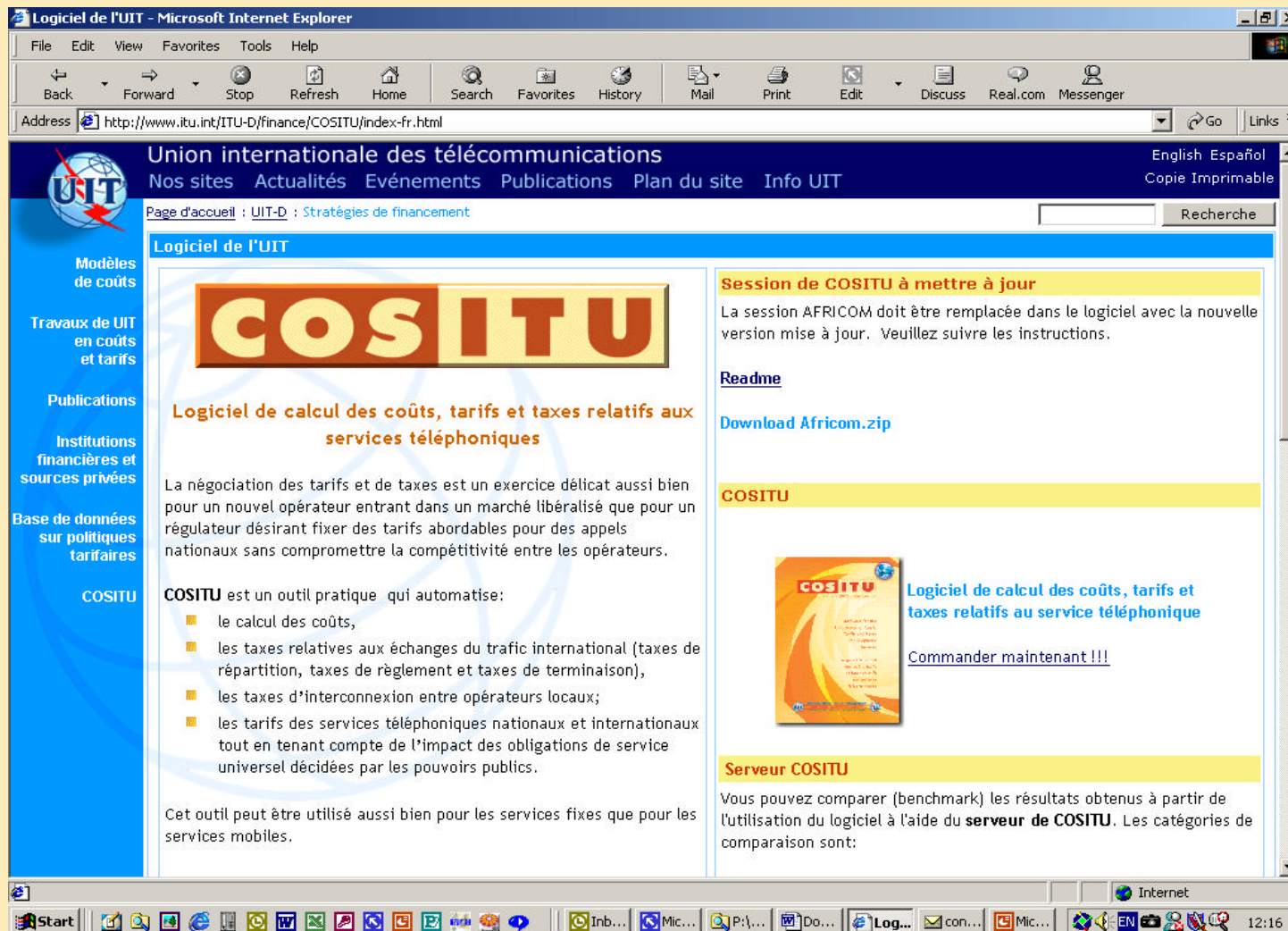
- teledensity,
- region, and
- development.

To obtain authorization and a password, place an order directly with the COSITU Administrator at ITU headquarters in Geneva.

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This software can be applied to both fixed and mobile services and therefore promotes rapid, easy and efficient implementation of the principle of cost orientation; it is also an aid in the decision-making process.

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For further information, please consult the COSITU website:

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