EXPERT LEVEL TRAINING ON TELECOM NETWORK COST MODELLING
FOR THE HIPSSA REGIONS

Banjul

19-23 August, 2013

Introduction to the Workshop
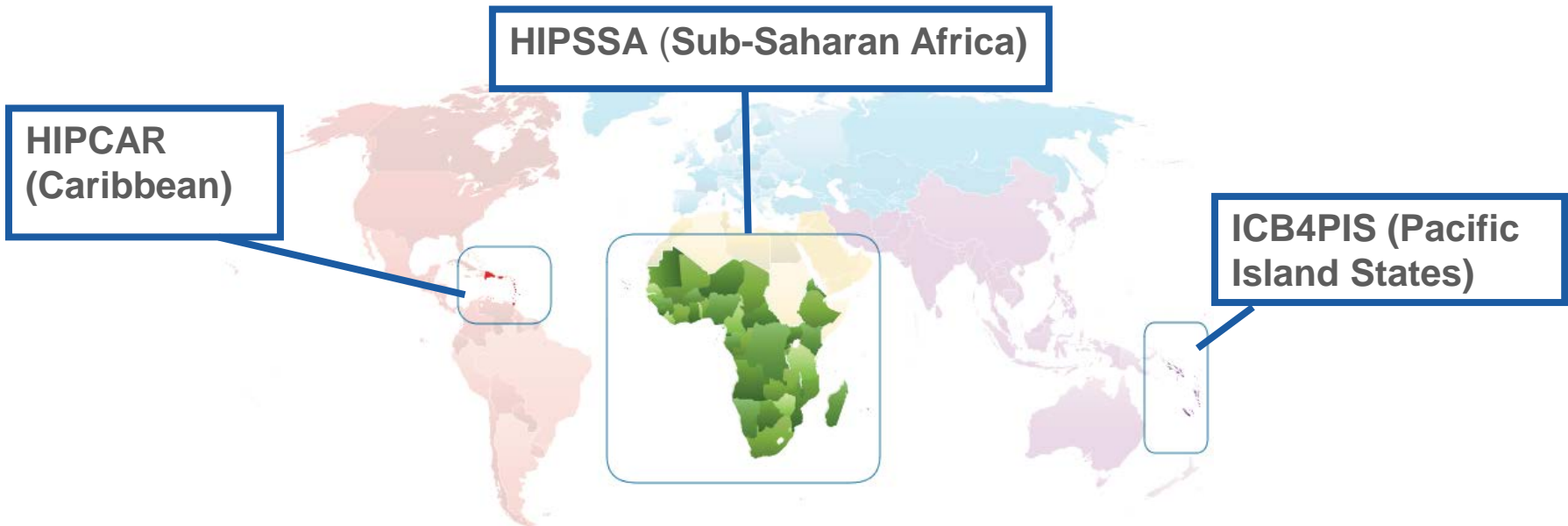
Session 1:
Welcome and Introduction

ITU-EC Project for Harmonization of ICT Policies in ACP

- **ITU and the European Commission** project to provide "*Support for the establishment of harmonized policies for the ICT market in the ACP states"*

  ➤ Launched in December 2008
  ➤ a component of the "ACP-Information and Communication Technologies" programme (**ACP-ICT**) within the framework of the 9th European Development Fund
  ➤ three regional sub-projects addressing specific needs of each region

HIPSSA (**Sub-Saharan Africa)**

HIPCAR (Caribbean)

ICB4PIS (Pacific Island States)

HIPSSA Objectives

- **Global objective**

  - **Support towards <u>harmonised policies for ICT</u> and an <u>efficient regulatory environment</u> conducive to investment in infrastructure and applications**

- **Detailed objectives*:***

  - **<u>Supporting regional integration organizations</u> to develop and promote the use of harmonized ICT policies and regulations in their region**

  - **<u>Assisting individual beneficiary countries</u> to adopt and implement ICT policies and regulatory guidelines**

  - **<u>Building human and institutional capacity</u> in the field of ICT through targeted training and knowledge sharing measures at regional and national level**

- **ITU-EC Project for Harmonization of ICT Policies in ACP countries**

  - **Builds on experience gained from <u>previous project in West Africa</u>**

  - **Uses a <u>demand-driven</u> bottom-up approach**

  - ***<u>Incorporates all past and current projects</u> and pays specific attention <u>to capacity building</u>***

Common priority content

N°	Subjects
1	**Licensing:** Technology neutral licensing
2	**Universal service:** Best practices for selection and funding of universal access or service providers
3	**Spectrum management:** Harmonized Calculation Method for Africa, HCM4A: cross-border frequency coordination
4	**Numbering:** Regional numbering plans and planning guidelines
5	**Interconnection:** Access to submarine cables, **cost modeling** and roaming
6	**Cybersecurity:** cybercriminality and computer emergency response teams
7	**Analog to Digital Broadcasting Migration:** Regional strategies and national roadmaps
8	**Statistics:** Monitoring and evaluation

Assessment Study on Regulatory Auditing and Cost modeling in Sub-Sahara Africa

Support for Harmonization of ICT Policies in Sub-Saharan Africa

Background to the HIPSSA project

- The ITU-EC joint project for "*Harmonisation of ICT Policies in Sub-Sahara Africa*" (HIPSSA) is building on the experienced gained with a pilot project funded by European Commission (EC) and ITU that led to the adoption of Additional Acts for telecommunications to the ECOWAS Treaty.

- It aims at developing and promoting harmonized policies and regulatory guidelines for the ICT market as well as building human and institutional capacity in the field of ICT through a range of targeted training, education and knowledge sharing measures.

- This project will result in the creation of harmonized regional and national policy, legal and regulatory frameworks conducive to significant investments in the ICT infrastructures and services.

Background to the development of the assessment study - 1

- Tariff regulation calls on two main activities in the region:

Regulatory auditing   and   Cost modeling

- ITU has been for a long time the primary forum of discussion on tariff and accounting principles including related telecommunication economic and policy issues (the ITU-D Regulatory and Market Environment Division (RME), ITU-D Study Group 1 Question 12-3/1 on *Tariff policies, tariff models and methods of determining the costs of services on national telecommunication networks, including next-generation networks*, and the ITU-T Study Group 3 Activities and Recommendations, Regional Tariff Groups such as SG3RG-AFR, etc.)

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Background to the development of the assessment study - 2

- Liberalization of telecommunications in Africa has induced the need for nascent regulators to build up capacity in cost modeling and regulatory accounting for them to be in the situation of regulating tariffs of operators.

- ITU has responded to this need by running training workshops, proposing tools, such as COSITU, WB Cost Model and a didactic Cost Model (based on Excel), building up expertise within its network of Centers of Excellence (CoE).

- In this sense, Regional Organizations across Africa have started to harmonize cost modeling like ECOWAS, adopting on methodology standard for West Africa (the Supplementary Act on Interconnection refers to a Bottom-Up LRIC model).

The ITU's actions and objectives

- Within the framework of this joint project with the EU, ITU is ready to respond once again to the needs of HIPSSA beneficiaries and its members by providing regional organization with an up-to-date review of regulatory practices in the respective regions identifying trends on which they could build a common approach on regulatory auditing and cost modeling, with the development and dissemination of this Assessment.

- Based on the results from this assessment, updated training material will be developed, delivered and embedded into the respective networks of regional associations of regulators and ITU Centers of Excellence (CoE) to ensure a sustainable mechanism of delivery and support.
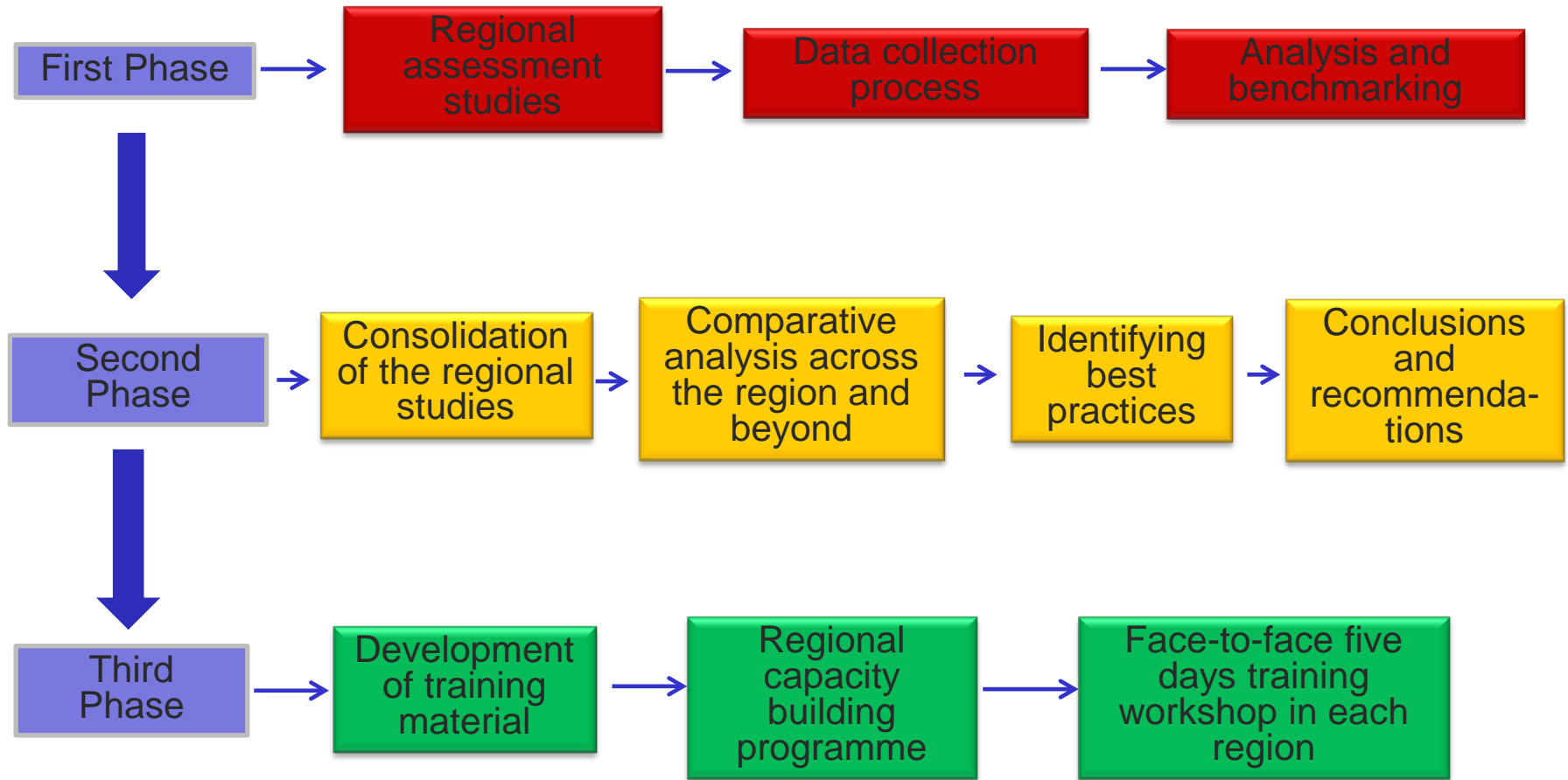
Key tasks for the HIPSSA project

- Understanding the competitive electronic communications services provision market and price regulation in the region.

- To identify the regulatory auditing, accounting separation and cost modeling mechanisms appropriate, as well as cost model development accounting standards, concepts and key assumptions.

- Review of existing public available cost models in the region and beyond, model comparisons and future challenges.

- Define price control mechanisms and its relation to cost modeling, accounting and regulation.

Implementation -1

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First Phase  →  Regional assessment studies  →  Data collection process  →  Analysis and benchmarking
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Second Phase  →  Consolidation of the regional studies  →  Comparative analysis across the region and beyond  →  Identifying best practices  →  Conclusions and recommenda-tions
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Third Phase  →  Development of training material  →  Regional capacity building programme  →  Face-to-face five days training workshop in each region
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Implementation - 2

- First phase: Development of regional assessment studies on costing strategies and cost model application and processes

  - In this first phase, data collection will be conducted through surveys and interviews (based on a common template) with regulators and operators and analysis.

  - The study will be divided geographically into four regions as defined by the African Union (AU): West Africa, Central Africa, East Africa and Southern Africa.

- Second phase: Consolidation of the regional studies' findings in a final report providing an overview of the whole Sub-Sahara Africa.

  - Identifying best practices (from the region and beyond) and presenting the conclusions and recommendations of comparative analysis.

- Third phase: regional capacity building includes preparation of training material taking in to account the regional assessment studies and best practices developed in phase 1 and 2.

  - This material will be delivered in face-to-face five days training workshops in each region.

Project management plan

Regional Coverage

Project management

Team coordination and establishing a common methodology for survey and regional assessments preparation

West Africa
Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

Central Africa
Burundi, Cameroon, Central African Republic, Chad, Congo, The Democratic Republic of Congo, Equatorial Guinea, Gabon and Sao Tome and Principe

East Africa
Comoros, Djibouti, Eritrea, Ethiopia, Kenya,

Madagascar, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tanzania and Uganda

Southern Africa
Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe

Project team members

- Senior Project Co-ordinator: **Ida Jallow**

- Regional Experts

  - English Speaking Africa: **Christopher Kemei**

  - French Speaking Africa: **Alain Sawadogo**

- International English-Speaking Expert and Coordinator of the Training Workshops: **David Rogerson**;

- International French-Speaking Expert: **Abdelmounaim El Haffaf**

- International Portuguese-Speaking Expert: **Pedro Seixas**

- Assisted by **Carmen Wagner Prado** at ITU in Geneva (Switzerland)

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Planned costing workshops

- Portuguese workshop in collaboration with ANAC

  ➢ Cape Verde, 6th- 10th May 2013.

- French-Speaking West and Central Africa workshop in collaboration with the Centre of Excellence ESMT in Senegal

  ➢ Dakar, 27th -31st May 2013.

- English-Speaking East and Southern Africa in collaboration with ...

  ➢ Arusha, 15th-19th July 2013.

- English-Speaking West and Central Africa in collaboration with ...

  ➢ Banjul, 19th – 23rd August 2013.

Participants in this week's workshop

- Representatives from:
  - The Gambia
  - Ghana
  - Sierra Leone
  - Liberia
  - Nigeria
  - Tanzania
- Have I missed anyone?
- Please introduce yourselves

Contacts

For more information: http://www.itu.int/ITU-D/projects/ITU_EC_ACP/index.html

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