



Global Information and Communication Technologies



Innovation in ICT in Africa Session IV: Financing

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- SAT-3/WASC (2002) – Only submarine f.o. cable laid along the West Africa coast - source of reliable, high quality international connectivity but limited access to consortium-club members
 - Licensed operators (after mid 2007) can purchase capacity but price are high (from about \$2,000 to \$10,000 per Mb/s*) and often it is impossible to buy capacity (exception of Ghana and Benin) ⇔ unused capacity on SAT-3
 - Regulation of infrastructure, international gateways and landing stations/key facilities have proven to be difficult (business contractual interferences)
- Alternative infrastructure exists (electricity networks, railways) but is not used (regulatory aspects)
- Reliance on satellites (VSAT and earth stations) for the majority of connectivity – higher cost (but tariffs often lower than available SAT-3 capacity for non-members), not suitable for all applications (latency) but fast to market & available (capacity constrained in some areas)



- Competition to existing cable to meet surging demand for international bandwidth (RSA will multiply by 10 the number of subscribers between 2006 and 2012)
- Time to market for submarine f.o. cable is favoring satellite solutions (difficulties to set-up projects with Governments)
- Access to “cheaper” international connectivity via International networks (e.g. WACS, Glo-1, Main one, ACE, RASCOM and O3B) and Regional networks (WAFS, Central African Backbone, RCIP, WAPP) ⇔ impact of financial & economic situation
- New models :
 - Access to alternative infrastructure (i.e. WAPP, SNEL, TANESCO)
 - Open-access model to access competitive int. bandwidth (non-financing operators and service providers have unconstrained access to capacity and facilities at fair price)
 - PPP for “carrier’ s carrier”/ wholesale carrier project
 - Public funding to fill the market gap/ complement private financing when the risk-return profile is unattractive but should be managed by the private sector
 - Governments should not prevent the implementation of privately funded projects - rationale strategies to provide opportunities – i.e. remove legal and regulatory constraints (# of licenses, type of infrastructure)
- Need of national backbones and access networks...