Expert Group Meeting on Financing Infrastructure Development for enhanced integration of the Landlocked Developing Countries (LLDCs) into global trade

Conference Room 11 in the Secretariat Building
United Nations Headquarters, New York
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Session 1: Overview on Trends in infrastructure funding: Challenges, Opportunities and Recommendations for the ICT sector
WHERE ARE THE LLDCs?

EUROPE (4)  ASIA (10)

LATIN AMERICA (2)

AFRICA (16)
International Telecommunication Union

is the United Nations specialized agency for information and communication technologies - ICTs.

Our Vision: COMMITTED TO CONNECTING THE WORLD

Infrastructure development - is one of our priority areas
Trends in financing towards ICT infrastructure to LLDCs

Globally -

• Private sector investment in ICT infrastructure development is high.
• Multi-lateral development Banks are involved in financing ICT4D - such as World Bank; European Bank for Reconstruction and Development, Asian Development Bank; African Development Bank; Inter American Development Bank and European Investment Bank.
• Also, China Investment in ICT has increased significantly in Africa from US$409m in 2014 to $1032m in 2015
• National Governments also play a major role. In Rwanda broadband networks have been supported by:
  • ICT operators
  • Government
  • Multi-lateral assistance agencies
Example of Rwanda

Rwanda gained access to the East African submarine cable (EASSy) through a terrestrial cable which helped the country to have a more robust Internet access with high speeds.
Trends in financing towards ICT infrastructure to LLDCs

ITU’s Projects and Initiatives:
Deployment of wireless broadband infrastructure for selected countries in the LLDCs such as Burundi, Burkina Faso, Lesotho, Mali, Rwanda, Swaziland -- financial scale is about (1 million Swiss francs).

ITU is implementing a project that provides connectivity between hospitals in Zimbabwe with ICTs to improve medical service delivery. Audit of infrastructure and facilities related to telemedicine will be delivered (1 million Swiss francs).

Implementation of Vienna Programme of Action for LLDCs
Priority 2b highlights the importance of “Infrastructure development, maintenance and ICT infrastructure.”
ITU is assisting the LLDCs in decreasing, high ICT infrastructure development and trade transaction costs; ensuring that appropriate technical standards are developed for industries, with efficient spectrum allocation, policies, legal and regulatory frameworks.
The annual flagship report of the Infrastructure Consortium for Africa (ICA) reveals that total commitments to the development of Africa’s ICT sector stood at US$2.5bn in 2015.

Budget allocations made by African national governments decreased from US$1.11bn in 2014 (45% of total investment from all sources) to US$705m in 2015 (28% of total investment).

But, that was compensated by increased commitments from China, which pledged investments in 2015 of over US$1bn.
“If you are coastal, you serve the World. If you are landlocked, you serve Neighbors.”

Paul Collier is a Professor of Economics, Director for the Centre for the Study of African Economies at The University of Oxford. From 1998 – 2003 he was the director of the Development Research Group of the World Bank
Major challenges

Connectivity

High Cost of Infrastructure Development
- 4.1 billion people – 57% of the global population were not connected as of the beginning of 2016. The majority

Low interest to Invest in ICT Infrastructure in LLDCs
Major challenges (cont’d)

Broadband Access

- ITU/UNESCO Broadband Commission for sustainable development estimates that there is a need for a global investment of 450 billion dollars to bring 1.5 billion unconnected people online which include LLDCs.
Partnerships

- Establishment of ICT Partnerships
- SDG 17
- ITU/UNIDO Partnerships on SDG9
- ITU UNESCO Broadband Commission for sustainable development

The 4 Ps
Public Private People - centered Partnerships
Connectivity, national broadband plans to be an integral part of national sustainable development strategies in the LLDCs.

Implement measures to improve regulatory and policy framework for an enabling environment and financing.

Establish ICT Public-private partnerships for viable business models, long-term institutional investors, and push those partnerships to allocate a greater percentage to infrastructure in the LLDCs.
Recommendations

- Promote Universal service funds. Make ICTs/ broadband more affordable
- Infrastructure sharing
- Tax Incentives
- Promote trade, e-commerce and SMEs (Small Medium Enterprises)
- ODA
- Prioritize ICT infrastructure investment.
THANK YOU