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**Written presentation to CANTO AGM**

Introduction:

On behalf of the CARICOM Secretariat, I would also like to place on record thanks to CANTO for participating in the recently held ICT meetings in Grenada. Thanks also for the invitation to participate in the CANTO AGM in Jamaica.

**Update on ICT Ministers Meeting**

As you are aware, the CARICOM ICT Ministers was held on Friday January 17, in Grenada.

CANTO was ably represented by Mr. Angus Steele, Manager –LIME Grenada at both Meetings.

The Meeting was chaired by Dr. the Right Honourable Keith Mitchell, Prime Minister of Grenada and Lead Head (of Government) with responsibility for Science and Technology (incl. ICT) The Ministerial meeting was preceded by a two-day meeting of Officials and Agencies.

Eight Ministers of ICT were present at the Meeting and twelve Member States were represented.

The main thrust of the Meeting was “Advancing the Regional ICT Agenda “as well as looking as ICT as a catalyst for Economic Growth.

The Ministers received an update on all the presentations which were received at the officials Meeting.

In this regard, the Ministers urged CARICOM Secretariat to accept the offer made by CANTO (through Mr. Steele) – in his presentation on “Incentivising Broadband…” (Please *see attachment with report on this item from the Officials Meeting*). In this regard, the statement and invitation by CANTO to co-host a public /private sector meeting was welcome and well received

The main decisions emanating from the Meeting were:

1. There would be sustained attention of ICT for the years 2014 and 2015.
2. Approval to begin development of the Single ICT Space – in the following areas ( Information, Telecoms, media & Content, Cyber-security, Statistics. Public sector modernisation;
3. A Road-map for the Single ICT space looking at all area as outlined in the Regional Digital Development Strategy (RDDS)
4. Begin work on the Regional Digital Agenda – building on the work implemented under the Regional Digital Development Strategy;
5. Public/private/people partnerships to be worked on as a deliverable;
6. Throughout the meeting it was stressed that without close collaboration of all agencies – progress would be stymied.
7. It was also stressed that as much as possible – the agencies should hold joint-meetings. ( in this regard the ICT Cluster – which reports to the Secretary General , CARICOM- CTU, CKLN, CARICAD, CBU and the Secretariat have been asked to meet as soon as possible to discuss work-programmes);
8. That CARICOM ICT Ministers Meetings should be held at least twice per year ( suggested May and November).

**Requests to CANTO:**

* To allow the CARICOM Secretariat to make a fulsome presentation on the Single ICT Space at the July/ August Meeting of CANTO;
* That CANTO forward its workprogramme for information and consideration when the ICT Cluster meets in March 2014 ;
* That CANTO Board consider whether it would be possible to hold the public/private sector meeting within the confines of the July/August Meeting and to suggest Agenda items for said Meeting; and
* Please be advised that a Meeting of ICT Lead Agencies ( of which CANTO is a member ) will be held sometime in April/May of this year.

**Jennifer Britton**

**ICT4D – CARICOM Secretariat**

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***ATTACHMENT***

***Extract from Report of ICT Officials Meeting on presentation made by Caribbean Association of National Telecommunication Organisations(CANTO)***

The **CANTO representative** informed the Meeting that CANTO comprised telecommunications companies or administrations which operate a public telecommunications network in a Caribbean territory for the express purpose of providing national and/or international telecommunication services.

CANTO noted that the Region was seeking to strengthen relationships with the private sector and advised that CANTO’s mandate is also to partner with the public sector to fulfill the ICT needs of this Region collaboratively. CANTO shared their theme for this year **“Strategic Alliances for Sustainable Broadband Development”.**

There was a proposal that CANTO in partnership with the CARICOM Secretariat hold a private sector/public sector forum on ICT in 2014.

CANTO was desirous of forging closer links and partnerships with the public sector and in this regard, invited the CARICOM Secretariat to attend the 30th Annual General Meeting scheduled for 25-25 January 2014 at the Half Moon Hotel, Rose Hall, Montego Bay, Jamaica.

The **Caribbean Association of National Telecommunication Organisations (CANTO) representative** presented a PowerPoint presentation entitled “**Incentivising Investment in Broadband in the Caribbean”**. The **CANTO representative** stated that at the Caribbean Association of National Telecommunication Organisations (CANTO) conference in July 2012, the Ministerial Panel had requested that the industry provide guidance on how Caribbean governments could incentivize operators to accelerate investment in broadband networks. This request had been viewed as being timely having regard to, among other things, information from a Global Information Technology Report 2012’ (the Report) in which several CANTO member countries had been included and ranked out of a total of one hundred and forty-two (142) countries as follows -

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **COUNTRIES** | | **NETWORK READINESS INDEX** | | | | | **SUBINDEXES** | | | | |
|  | |  | | | | | **Environment** | | **Readiness** | **Usage** | **Impact** |
| **Barbados** | | 35 | | | | | 29 | | 51 | 34 | 36 |
| **Trinidad & Tobago** | | 60 | | | | | 76 | | 43 | 52 | 91 |
| **Jamaica** | 74 | | 62 | 62 | 79 | 82 | |
| **Guyana** | | 90 | | | | | 86 | | 81 | 92 | 101 |
| **Belize** | | 119 | | | | | 121 | | 112 | 123 | 124 |
| **Suriname** | | 121 | | | | | 131 | | 114 | 114 | 131 |

In terms of reasons why countries received rankings that were not within the top 30, the Global Information Technology Report 2012’ highlighted the fact that *’… Latin America and the Caribbean continues to suffer from an important lag in adopting ICT and technology more broadly. This is reflected in the rankings, as no country manages to reach the top 30 ….three shared reasons for this lag can be identified: these countries all exhibit an insufficient investment in developing their ICT infrastructure, a weak skill base in the population because of poor educational systems that hinder society’s capacity to make an effective use of these technologies, and unfavourable business conditions that do not support the spur of entrepreneurship and innovation. Addressing these weaknesses will be crucial for improving the region’s competitiveness and shifting its economies toward more knowledge-based activities…’*

Another report entitled *“Impact of Broadband on the Economy” published in April 2012 that –*

1. *‘an increase of 1 per cent in broadband adoption contributes to 0.008 per cent of GDP growth…*
2. *the economic impact of broadband manifests itself through four types of effects ...The first effect results from the construction of broadband networks. In a way similar to any infrastructure project, the deployment of broadband networks creates jobs and acts over the economy by means of multipliers. The second effect results from the “spill-over” externalities, which impact both enterprises and consumers. The adoption of broadband within firms leads to a multifactor productivity gain, which in turn contributes to growth of GDP. On the other hand, residential adoption drives an increase in household real income as a function of a multiplier. Beyond these direct benefits, which contribute to GDP growth, residential users receive a benefit in terms of consumer surplus, defined as the difference between what they would be willing to pay for broadband service and its price. This last parameter, while not being captured in the GDP statistics, can be significant, insofar that it represents benefits in terms of enhanced access to information, entertainment and public services.’*

The presenter highlighted two main areas of focus – in terms of incentives both fiscal and regulatory -within the framework of the Caribbean Industry Proposal which in the view that the industry would create the enabling environment that governments should seek to establish to encourage the rollout of broadband networks throughout the Region. These two main areas were broken down as follows –

**1. Desirable Characteristics of Broadband Incentives -**

1. All broadband networks [should be] eligible;
2. Time Bound;
3. Geographically focused to the extent possible;
4. Capable of supporting innovation and new services;
5. Targeted at initial capital costs in particular.

**2. Specific Possible lncentives –**

1. Import Duty Relief;
2. Consumption Tax Relief and Tax Credits;
3. Reduced Licence Fees or Licence Fee Waivers for a specific period;
4. Use of Universal Service Funds;
5. Resourcing;

(vi) More Government Services Online.

The following issues emerged from the discussions as follows -

1. Soliciting collaboration with the Diaspora, a significant and mostly untapped resource, that could assist the Region in engendering innovation and in this regard, online facilities could be designed to engage the Diaspora.
2. Ensure that projects were designed in the best interest of the Region before approaching International Development Partners (IDPs) for funding. This required collaboration among Member States, creation of synergies and presentation of a cohesive and united approach.
3. Include existing ICT systems and technologies in the development of projects based on needs of the Region. This was demonstrated by the UWI teacher training pilot project that utilised the advisory services of a consultant in consolidating existing systems.
4. Extending interventions where possible, from one Member States to other Member States with similar needs in order to maximise benefits at the sub-regional or regional levels.
5. The Meeting was advised that ITU as a UN body responded to requests for assistance from its members and where there were similar requests, assistance was consolidated and projectised to benefits these states where appropriate.
6. It was suggested that areas for which assistance could be extended at the regional level included youth innovation, competition law and early warning systems and disaster management given that Member States have undertaken work in these areas at the CARICOM level.
7. Developing a Single ICT Space using the OECS as a model for governance that could be extended to the wider CARICOM Region. It was noted that the OECS countries had similar regulatory systems at the national level such as e-government, e-procurement, e-customs and e-legislation which could be consolidated as a regional system. Similarly, the other Member States had similar systems that could be incorporated toward establishing a single ICT space. It was pointed out that where systems may differ they could be harmonized as much as possible. It was further suggested that where regional systems or applications were developed, that they be packaged and made available for sale by other countries that may be interested in these products. This would also contribute to the development of the Single ICT Space.
8. Developing a mechanism for information sharing among Member States was also critical.
9. Fostering closer collaboration with the private sector through strengthening relationships with CANTO.
10. Expanding Broadband availability to Member States to facilitate the full development and integration of ICTs across the Region is considered to be critical.

With respect to the issue of Incentivising Investment in Broadband in the Caribbean the main issues arising from the discussion related to –

1. The observation that even with incentives such as universal service funds in the un-served or under-served areas there appeared not to be uptake by service providers in terms of offer their services;
2. The view that the use of universal service funds appeared to be linked either to their alignment to a national ICT strategy or situations where the operators and service providers had the ability to suggest projects for use of the universal service funds;
3. the observation that even with universal service funds, the absence of other incentives related to capital equipment could impact on uptake by service providers;
4. The suggestion that the countries of the Region were behind in terms of light touch regulations. The use of government policies and regulations regarding local content and service improvement to address penetration and coverage issues;
5. The use of IXPS by providers in the Region to help circulate local content in the Region;
6. The need for service providers – notwithstanding their obligations to their shareholders – to view themselves as partners in the development process;
7. It was suggested that having regard to advances in technology, service providers needed to review their business models and moving off the beaten path consider reducing costs which would in turn help to increase uptake and usage by consumers. Service providers needed to work in partnership with the governments and regulators to help in the realisation the desired levels of development;
8. the point was made that while there appeared to be difficulties across the Region [in terms of broadband access, this was not the case with signals for cell phones. It appeared that the service providers did not put as much effort into ensuring that there was wide coverage in terms of broadband;
9. the fact that broadband connections constituted an important criterion determining the rankings of countries. While this was so, most persons had access to the Internet on their smart phones but this was not taken into account in determining the rankings. Were this to be taken into account, there could be improvement in the rankings of CANTO members;
10. It was posited that there was faster innovation taking place with mobile technology than there was with broadband technology and this was a possible reason for the disparity in penetration rates between cell phones and broadband access. The point was made that there were no statistical standards for measuring penetration and this was an issue to be looked at by CANTO and other organisations in the Region;
11. Digital switchover and the observation that it was the responsibility of governments and regulatory bodies in the region to address issues related to the spectrum for analog TV. The CTU had embarked on its Caribbean Spectrum Planning and Management Project which had been launched in 2013. Much of the work to be undertaken related to digital switchover and, in this regard, the Caribbean Spectrum management Task Force would be re-established and it was the expectation that LIME and Digicel and the other service providers in the region would be part of this Task Force and participate in the process. There was a policy framework which ought to be used by different governments to guide their use of the spectrum;
12. The technologies associated with the deployment of broadband services and the role of regulators and regulatory bodies in relaxing regulations/restrictions linked to broadband services;
13. The fact that the delivery of broadband services was no longer restricted to copper but was now possible through fibre and there were no restrictions placed on service providers and operators in respect of the latter.