KEYNOTE ADDRESS BY THE HONOURABLE MINISTER OF COMMUNICATIONS, ALHAJI MOHAMMED ARZIKA *OFR* AT THE MEETING OF THE WEST AFRICAN TELECOMMUNICATIONS REGULATORY BODIES AT THE ECOWAS SECRETARIAT, ABUJA APRIL 2 – 5, 2001

SALUTATION

INTRODUCTION

Your Excellencies, Representatives of respective member states, representatives of various regulatory bodies, Ladies and Gentlemen, it is my great pleasure to welcome you all to Nigeria. May I also use this opportunity to thank the Secretariat of the Economic Community of West Africa States (ECOWAS) for their initiative in convening this meeting. The active role you have been playing in matters of integration in our sub-region is well appreciated.

I am most delighted to be associated with this historical event, which is the meeting of the West African Telecommunications Regulatory Bodies. My understanding is that your meeting is aimed at designing and adopting concrete and practical steps, strategies and framework for regulating telecommunications in our sub-region. It was in furtherance to your search, both as individual countries and as a Regional Community, to finding ways of accelerating the development of this key infrastructure, which will ensure our full integration into the world economy today, that led to the launching of the West African Telecom Regulators Association (WATRA) in September 2000.

Telecommunications has become one of the most powerful tools of economic development and integration.   The issue of telecoms development in Africa must be of concern to member countries of this sub-region that is reputed today to be among the least developed in the world.

Two decades ago the ITU set up an independent commission for worldwide telecommunications development known as The Maitland Commission with the objective of recommending initiatives that could engender telecommunications development in developing countries especially Africa. Since that time, repeated efforts have been made to improve telecommunications services in Africa.

The Commissions report identified the challenges ahead and said; **"We look to Governments of industrialized and developing countries alike to give fuller recognition to this common interest and _to join efforts to redress the present imbalance in the distribution of telecommunications_ which the entire international community _should deplore"._** This statement underscores the role collaborative efforts can play in socio- economic development. Joint efforts are needful to redress imbalance and the general problem of low telecom penetration in West Africa in particular and Africa in general.

Telecommunications is very dynamic and new technologies emerge so very often that many countries are not able to keep pace with new developments. A platform like yours where ideas and experiences can be shared thus becomes a veritable ground for passing on necessary skill and knowledge that will help others keep pace with emerging trends in telecom development.

Africa today is bugged down with poverty, disease and inadequate infrastructures that will drive economic development. This is responsible for the big gap between the developed world and the under developed. In this era of Information revolution, the gap is widening and the world has recognised that there is urgency in the quest to narrow or bridge what is now commonly referred to as the digital divide. On our part we must act quickly in order to make reasonable progress in this regard.

2.   **GLOBALISATION AND TELECOMS DEVELOPMENT**

The phenomenon of globalization and liberalization is eroding the concept of national barriers and boundaries in the global arena. The seamlessness information and communications technologies have taken gives greater emphasis to issues of regional and global integration. The slow pace of telecommunications development under governments had posed great challenges to development of telecom infrastructures. Governments were spending so much of state resources in maintaining telecom infrastructures. Faced with this challenge many governments began to divest its interest in telecom ownership and management.

State owned telecom organizations were privatized as the market was opened to private participation. The need to ensure efficient

service provisioning and fair competition thus gave rise to the establishment of regulatory bodies in many countries with oversight on the telecom industry.

Towards the end of the last century, the telecom sector witnessed unprecedented changes in the industry globally. The wave of pro-competitive and deregulatory telecom policies swept across the world. New market-based approaches were evolved in the provision of telecommunication services.

Most state-owned operations increasingly found it difficult to keep pace with the rate of telecom development sweeping across the world. It became imperative that such state-owned entities had to be privatized.

Within our sub-region, the level of development of our infrastructures had been at a very minimal level. Communications within the Sub-Region is very difficult and almost impossible. Neighbouring Countries have had to route calls via Europe to a country just next door. It is believed that the inability of the Communities to keep pace with technological changes had contributed to this state of affairs.

While we were trying to overcome our problems many countries were already embracing liberalization of the telecom sector in their countries. This was for the following reasons:

a) There was increased evidence that the more liberalized telecom markets were growing faster and more innovative in service provisions and had better customer services.

b) Due to inability of state to cope with the huge capital outlay for infrastructural development, there was need to attract private sector capital to expand and upgrade the telecom networks for new services.

c) There was a major growth of the mobile and wireless services over and above the fixed networks thus providing customers with alternatives in the telecommunications market.

d) Development of international trade in telecom services which increasingly provided transcontinental and transnational global

service providers. This is evidenced in the recent DML exercise in Nigeria, which saw a number of international organisations bidding for the licence. Two organisations from the South African Sub-region in consortium with Nigerian partners won licences to provide Digital Mobile Services in Nigeria.

3. **THE EMERGENCE OF REGULATORY INSTITUTIONS**

The adoption of market-based approaches in the 90's led to the formation of telecommunications regulatory authorities in a number of countries; statistics indicates the rate of regulatory development as follows:

Number Of Telecommunication Regulatory Authorities	Year
12	1990
22	1992
30	1994
53	1996
84	1999
96	2000

The above statistics illustrates the pattern of growth of regulatory bodies globally over the years. From a paltry number of 12 regulatory bodies in 1990, to approximately 100 in the year 2000. It is expected that the number will even grow exponentially in the current year. This is attributable to the dividends liberalized markets offered to the economies which had embraced it.

The transformation of many monopolistic telecommunications markets into competitive markets meant that there was need for some sort of regulatory intervention. This was necessary for a number of reasons such as:

a) Removal of market barriers to allow new entrants into the market.

b) To create a conducive environment for all to operate under a level playing field.

c)   Ensure workable and fair interconnectivity arrangement between operators.

d)   To promote universal access through introduction of service obligation clauses for all operators.

e)   Consumer protection and rights.

f)   Monitoring of standards to ensure good service quality.

g)   To ensure optimization in the scarce resources such as radio spectrum.

The emerging liberalized telecom environment in most parts of the world and the consequent establishment of regulatory authorities brought about a major leap in the development of telecommunications services globally.

4.   **REGIONAL COOPERATION AND TELECOMMUNICATIONS DEVELOPMENT**

As you are already aware, the world has become one global village, thus the days in which nations can be islands to themselves have gone by. Regional integration and co-operation have become serious bargaining strategies in the World economic arena today.

The founding fathers of ECOWAS in their wisdom had a peep into the future and discovered that regional co-operation and integration will become a veritable tool for not only the maintenance of peace and stability but also for the economic well being of the people of our Sub-Region.

It is however sad to note that since the formation of this body, telecommunications development in most members states have not progressed satisfactorily. The result is that in the emerging seamless global village, less than 20% of our people have access to basic telephony services, while less than 5% have access to the internet, thus all the benefits that are derived from the huge commerce going on the internet are yet elusive to our peoples.

There is therefore the urgent need for us to brace up in order to catch up with the rest of the World. The Economic Community of West African States (ECOWAS) as you know, is made up of fifteen member states of Benin, Burkina Faso, Cape Verde, Cote d'Ivore, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra-Leone and Togo, covering a total land area of five million square meters with a total population of 210 million, which is almost half the population of the entire continent.

The cardinal objective of the Community is the promotion of co-operation and development in the areas of economic activity with the aim of raising the standard of living of its populations and ensuring economic stability.

In keeping with Article 33 of the ECOWAS treaty, the community has accorded priority status to the telecommunications sector. The Executive secretariat has a role to:

i. Develop community telecommunications infrastructures.

ii. Harmonize National telecommunications policies within the region.

I understand that in the pursuit of these objectives, ECOWAS had embarked on a number of programmes such as the INTELCOM I and currently progressing on INTELCOMII, launched by the authority of Heads of states in August 1998.

It is also gratifying however to note that, a number of member states have achieved a level of development in both fixed and wireless service provisions and are advancing in the Digital Mobile technologies as well.

Looking at Article 33 of the above mentioned treaty it clearly stands to reason that the development of telecommunications infrastructures within the Sub-Region is very critical and should be pursued with a lot of zeal.

It is against this background that a regional body from which member states can tap from the experiences of one another becomes imperative.

The business of regulation of the telecommunication industry is relatively new, thus there is a dearth of highly skilled and trained personnel that can sufficiently hold the forth overtime. Most of our members have often times resorted to the use of international consultants to carry out some specialist assignments.

In other parts of the World such as Europe, the Caribbean, the Americas, Asia and Southern Africa, Regional regulatory associations have been formed. The primary objective in the formation of these associations is technical co-operation and assistance to one another. Experience is shared and assistance given by member States to others that are lacking in certain areas, ours therefore, should not be different.

In the continent, TRASA is already blazing the trail, as there has been continuos increase in communications and co-operation between regulatory authorities in Southern Africa. TRASA seeks to encourage investments in member countries through the creation of a common enabling environment that is investment-friendly.

It is needful to note that two organisations that participated in our last DML exercise were South African telecommunications companies, who have already won licenses to provide digital mobile telecommunications services in Nigeria.

It is high time that we rose up to the demands of the current global telecommunications market. There are already a number of regional co-operative bodies in other parts of the world with initiatives geared at maximizing the potentials that exist within them. These bodies include:

- a) The Caribbean Telecommunications Union.

- b) The Common Market for Eastern and Southern Africa (COMESA).

- c) The European Conference of Post and Telecommunications Administration (CEPT).

- d) The Pacific Telecommunications Council.

e) The Latin America Forum of Telecommunications Regulation.

f) The Telecommunications Regulators Association of South Africa (TRASA).

The need is urgent for our sub-region to conform to regional and international norms. ECOWAS countries, as is the case in other parts of the world, requires regional association of regulators to coordinate and share information on policy making and regulatory activities.

A number of Multilateral and Bilateral Development Agencies that have interest in telecommunications regulation and with focus on developing countries may find it easier and more cost effective to channel assistance to regional institutions. With a body of regulators forming an association, member countries are likely to benefit from limited resources available for developing regulatory frameworks aimed at promoting Telecommunications Sector development.

CURRENT SITUATION

A review of the West African regional environment exhibits the following features: -

(a) Very poor ICT infrastructure, a recent report indicates that the whole of the African continent accounts for only 2% of the world's main telephone lines.

(b) Under-developed and sometimes obsolete equipment and social infrastructure in health, education, commerce etc.

(c) Dwindling resource and inability of public sector to sustain provision and expansion of services such as telecommunications.

(d) Retention of non-progressive policies, regulations, laws, practices etc. that constrains inflow of private sector investment for development.

(e) Lack of technical personnel and low literacy rate.

(f)   Low level of economic activity.

(g)   Low par capita income, etc.

From experience of many regions of the world, it is no longer in doubt that rapid development of telecommunications infrastructure, that is affordable and available, holds the greatest potential for changing in a most positive direction the fortunes of West African sub-region. Going through the communiqué of your workshop, I am left with no doubt that your association is fully conscious of these limitations and challenges that we are faced with today.

Your ability to articulate practical solutions and provide broad guidance, while recognizing and respecting the various differences in terms of state of development, national aspirations and peculiar needs and requirement of your member countries, will determine, ultimately, your success in this endeavour.

5.   **WEST   AFRICAN   TELECOMMUNICATIONS   REGULATORY ASSOCIATION (WATRA)**

In a world where nations are embracing regional and economic integration, it will be foolhardiness on our part to want to do it all individually.

The general trend world over is the concept of regional cooperation, harmonisation and integration of the socio-economic sectors of the member countries that constitute a particular region or sub-region.

The desirability of this cannot be over-emphasized. It is expedient to note the potentials and opportunities political unions such as the European Union the G7, G8, G77 and other such cooperation offer to the nationals of affected countries.

In realisation of the potentials of a regional cooperation in the area of telecommunications development, the vision of a regional body of telecommunications regulatory authorities was muted last year, during an Africa Internet Summit (AFRINET) 2000, held at ECOWAS Secretariat Abuja.

The vision was to launch the West African Regulators Association with an acronym WATRA as an umbrella body that will be similar to TRASA.

The increasingly crucial role telecommunications plays in social, economic and political advancement of peoples and nations clearly separates this sector from others and thus it is a sector that should be given maximum attention especially with a view to harmonising the activities in this sector within the member states of the sub-region. A uniform standard of operation will ensure that our nationals enjoy same quality of service wherever they may be within the sub-region.

It is however, pertinent to note that harmonization of services will not augur well without the harmonisation of the regulatory environment of the region.

In furtherance of the aforementioned objectives, WATRA was launched on the 22nd of September 2000 at the auditorium of the ECOWAS Secretariat before drawing the curtains on a two-day workshop, which followed after AFRIENT 2000 exhibitions.

It is important to note that a number of international organisation had shown interest on the initiative; the ITU, BDT Director Mr. Hamadoun Toure was at the workshop last year when the initiative was launched. The workshop was hosted by the NCC, and co-sponsored by the FCC and USAID.

Other regional bodies such as, SADC and TRASA were also in attendance to give support to the people of our sub-region on this initiative.

In its deliberations at the launching of WATRA, the workshop identified a number of factors affecting our environment as well as the potential challenges facing the sub-region, stressing that these challenges should be addressed and resolved. It indicated that effective resolution of problems facing telecom development should focus on guiding principles as follows:

➢ Harmonization of Policies and Regulations on telecommunications matters as well as encourage creation of a common

telecommunications market within the West African Sub-region (ECOWAS).

➢ Encouraging policies that will foster a strong sub-regional telecommunications network with direct cross-border connectivity within the sub-region.

➢ Collaborating with sub-regional Telecommunications Regulatory Associations in other sub-regional economic blocs e.g. TRASA in the SADC under the general co-ordination of the African Telecommunications Union (ATU) within the organisation of African Unity (OAU)

➢ Collaboration and co-operation with International Organisations and Global partners – ITU, UNDP, UNECA, USAID, IDRC, World Bank and other Multilateral Institutions – on telecommunications developmental issues.

➢ Building and developing indigenous African Institutional and Human Resource capacity on telecommunications within the sub-region.

➢ Establishing regulatory frameworks to promote telecommunications access especially for Rural and under-served communities.

In furtherance of the above stated guiding principles, it was agreed also that WATRA should focus on a number of key policy and regulatory issues such as:

➢ Promulgation of modern laws and establishment of independently empowered Regulatory Authorities to drive telecommunications development.

➢ Encouragement of increased liberalization, competition and priviatization initiatives to grow networks and enhance efficiency in service delivery.

➢ Establishment of responsive and flexible licensing regimes within the sub-region especially in relation to sub-regional telecommunications projects and initiatives.

- ➢ Development of policies to encourage universal access and telecommunication among Network Operators as well as the authority of the Regulatory Body to enforce adjudicated decision within a reasonable time.

- ➢ Development of regulations on pricing

- ➢ Encouragement of growth and development of the Internet and emerging technologies

- ➢ Human capacity building within the sector as well as training and exposure of policy makers of other sectors and institutions such as the Justice Department, Ministries of Trade, Finance, External Affairs and Information. The training should also cover media and consumer groups.

- ➢ Development and harmonization of sub-regional standards

- ➢ Development and harmonization of spectrum regulation and management among other issues. These are noble ideas that should be pursued vigorously.

CONCLUSION

I will like to once more record my appreciation to The Economic Community of West African States (ECOWAS) for its interest, support and cooperation towards the establishment of WATRA. My desire is that ECOWAS will adopt WATRA as part of its initiative and ensure its growth and survival.

My appreciation goes to the USAID for their support and encouragement on the WATRA initiative by providing some funding for the preparation of the draft of WATRA constitution and also the Bureau for Telecom Department of the ITU for their support and cooperation.

It is my hope that the adoption of a this constitution will indeed be a major leap into becoming one the most formidable regional bodies in the continent in particular and the World at large.

There should be the political will by all concerned to get our sub-region move forward into the Information Communication and Technology (ICT) age.

It is important that we move forward to join our sister regional bodies or we will be sidelined in the scheme of things globally.

Regional bodies have become powerful groups in changing and affecting the future generations yet unborn. We should not sit on the fence, but must embrace the future with courage and determination.

I congratulate you all for taking this bold step in adopting the WATRA constitution and wish you all happy deliberations.

Thank you.