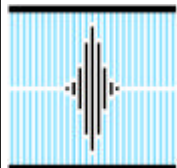


EFFECTIVE REGULATION CASE STUDY: BOTSWANA

SUMMARY OF ITU REPORT

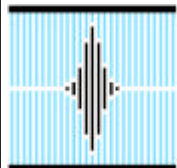
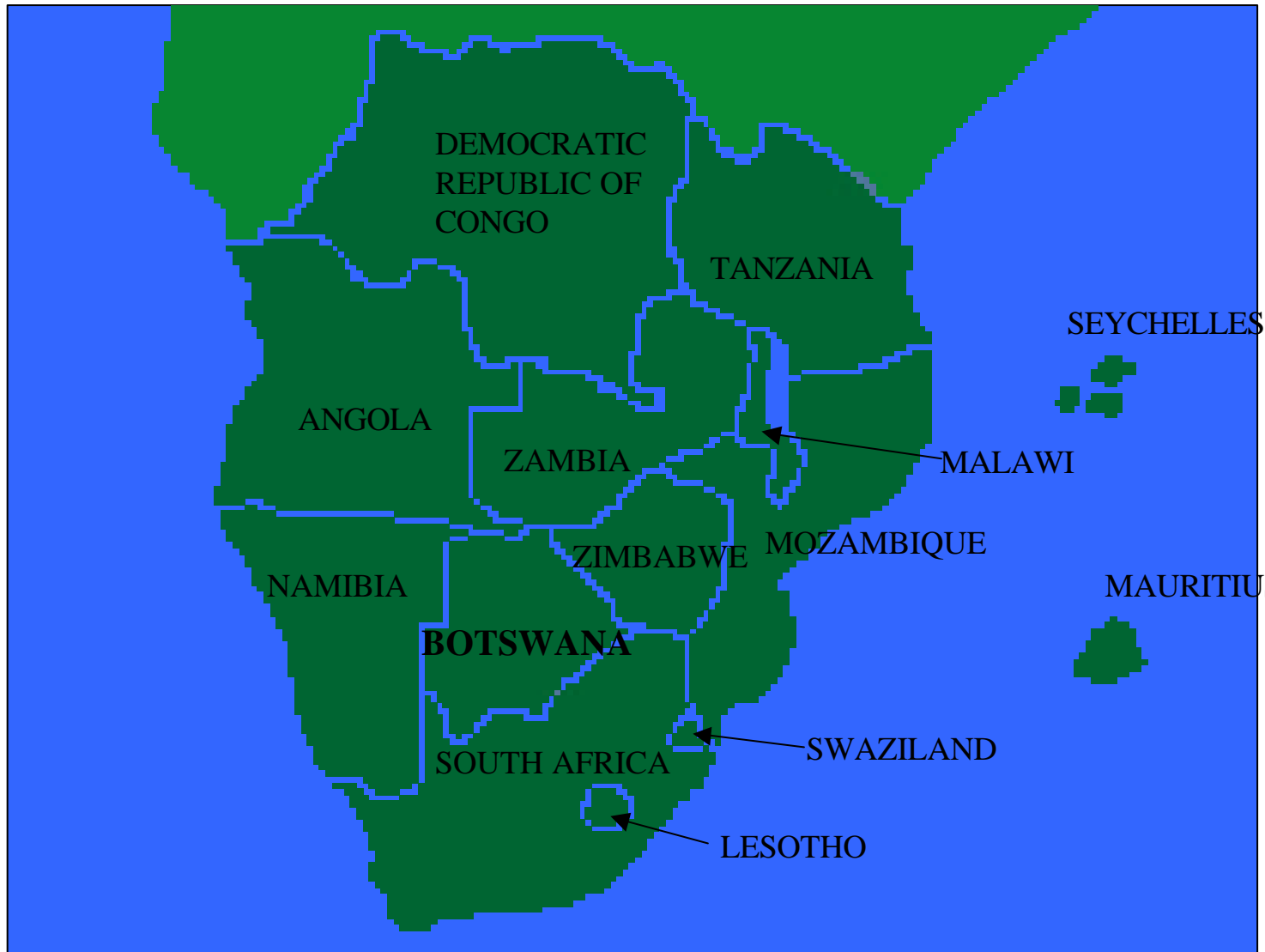
Presented By

TSIETSI MOTSOELA



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

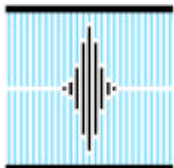
MAP OF BOTSWANA



STATISTICS:

AREA: 582 000 sq km

POP: 1.68 m

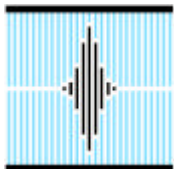


ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

TELECOMMUNICATIONS SECTOR REFORM

1. **1 April 1980:** Separation of telecommunications and post – establishment of incumbent monopoly.
2. **Mid 1990:** Public unhappy with quality of service.
3. **1992:** Govt directed the MWTC to formulate appropriate policy on sector reform.
4. **1995:** Countrywide consultation ⇒ Telecommunication Policy.
5. **Summary of Policy Objectives:**
 - Creation of an independent regulator.
 - Competition ⇒ increase efficiency and diversity of services.
 - Transparency ⇒ promote confidence.
 - Private sector ⇒ increase resources and supply.
 - Protection of consumers from uneven competition.



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

6. Institutional Structure of BTA

➤ BTA created December 1996 under the Telecommunications Act.

➤ Mandate:

➤ Promote the provision of telecommunications services.

➤ Promote interest of consumers.

➤ Promote and maintain competition amongst operators.

➤ Exclusive right to award service and radio licences.

7. BTA Organisational Structure:

Minister appoints a five-member Board of Directors:

➤ One person nominated by the Minister of Finance.

➤ One person nominated by the Minister of Commerce.

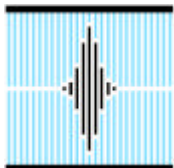
➤ One person to represent the business community.

➤ One person to represent domestic users of telecommunications services.

➤ One person to be the Chief Executive and Chairman of the Board.

8. Note that the Ministry has no representative in the Board.

9. BTA finances all its operations from licence fees – no Govt funding.

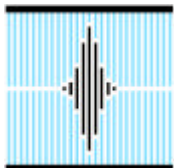


ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

STAFF ORGANISATION

10. Six departments: (Broadcasting Regulation, Communications & Consumer Affairs, Engineering Services, Legal Services, Market Development and Analysis, Finance and Administration).
11. Number of staff = 52.
12. Staff training a key feature of BTA's human resource development.
13. Professional staff required to have a Masters Degree.
14. Training (short and long term) costly but necessary.



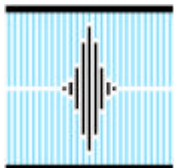
ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

TELECOMMUNICATIONS MARKET PLAYERS

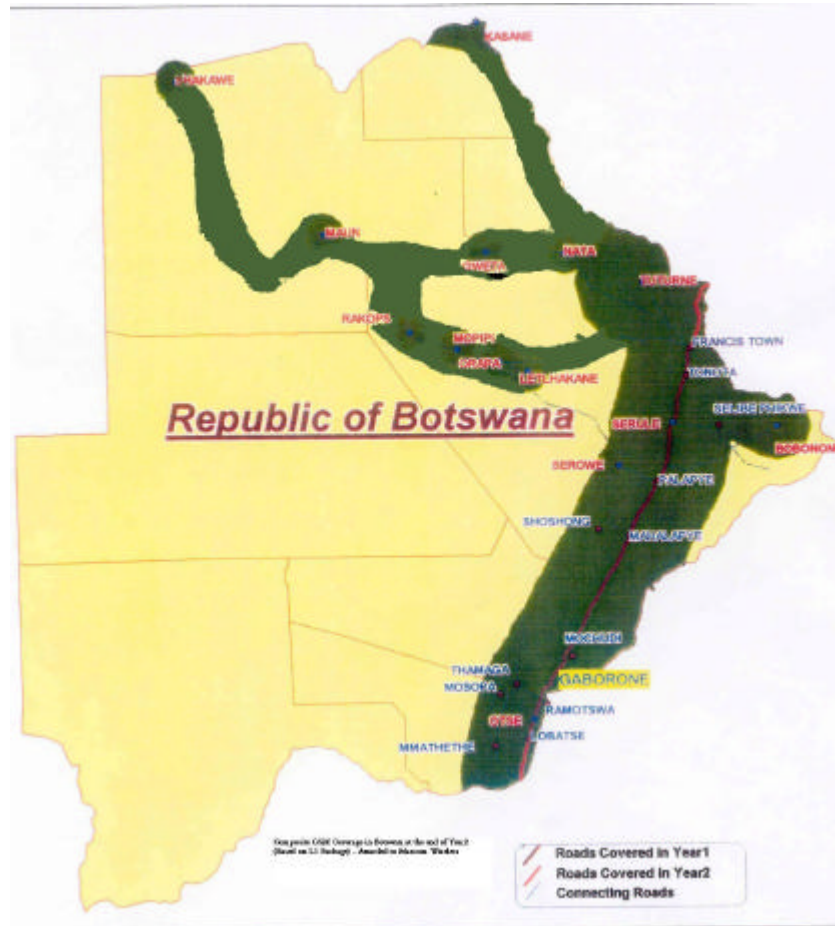
15. BTA - complete authority (guided by Policy and Act) to license operators.
16. Seeks permission from Minister only in case of exclusive licences.
17. BTA licensed the incumbent operator immediately after the Act came into force.
18. BTA issued a tender for 2 GSM mobile licences in May 1997.

Tender Evaluation Criteria	Points
Coverage	45
Level of citizen ownership	15
Creativity (strategic ownership, local employment policy, training, technology transfer, service innovation, etc)	15
Overall Experience in operating mobile systems	10
Roll out speed	10
Experience outside country of origin	5

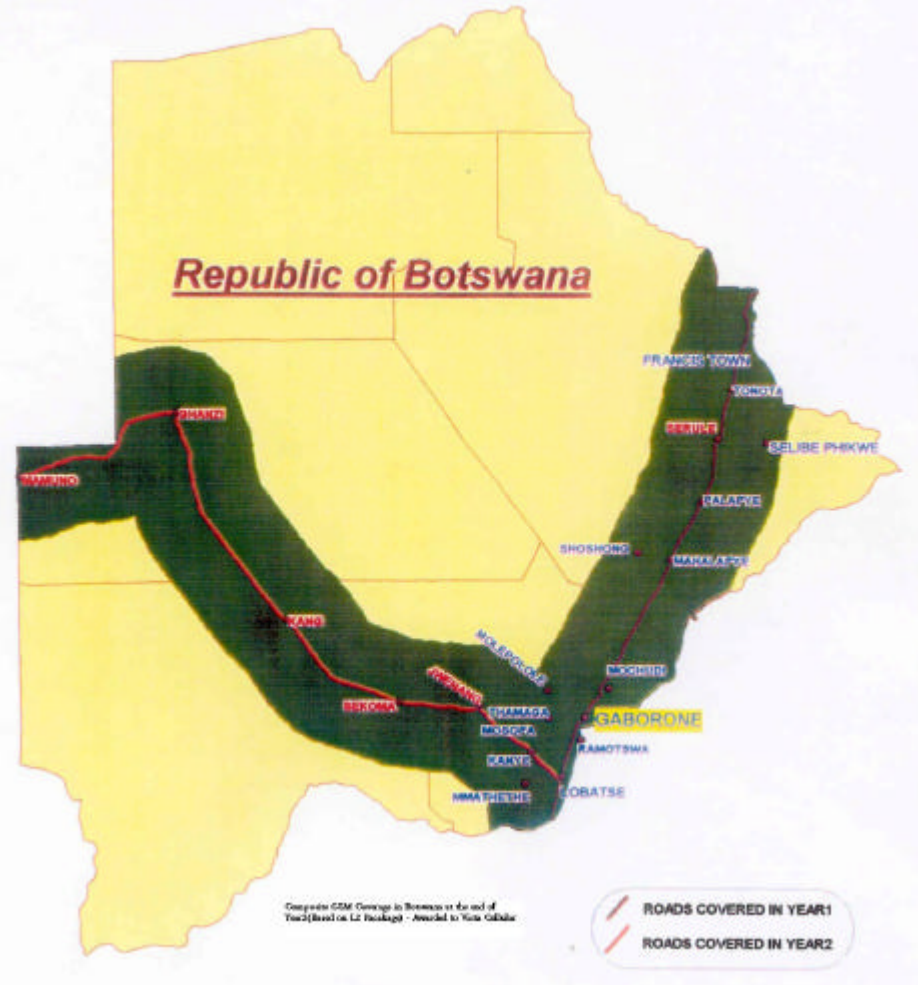


ICT Consultants (Pty) Ltd

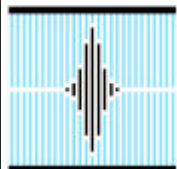
ITU Case Study Report on Effective Regulation: Botswana



MANDATORY COVERAGE FOR L1



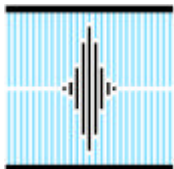
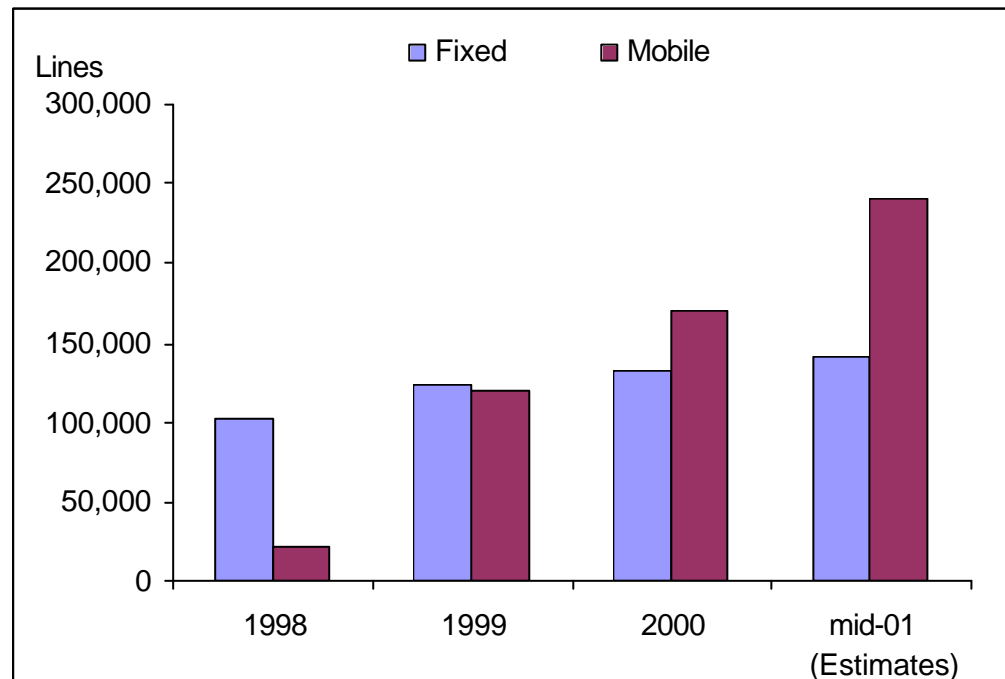
MANDATORY COVERAGE FOR L2



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

19. Twenty companies bought the invitation to tender out which five submitted bids.
20. BTA awarded the 2 licences to Mascom Wireless (PTI, Masiyiwa Holdings and DECI) and Vista (France Telecom, citizen company and citizen individual) in Feb 1998.
21. Incumbent operator was unsuccessful.
22. Growth in lines since 1998:



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

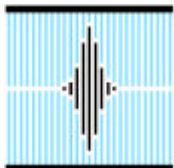
BEST PRACTICES

The Government:

23. Public consultation prior to sector reform \Rightarrow Policy.
24. Deriving the Act directly from the Policy.
25. Giving the regulator full licensing authority and respecting the regulator's independence in licensing matters.
26. Annual financial contributions towards universal access programmes.

The Regulator:

27. Commitment to strong legal processes in implementing its mandate.
28. Full financial independence from the government.
29. An organisational structure designed to address market conditions.
30. Recruitment of staff as needs evolve.
31. An unwavering support to staff training.
32. Establishing clear priorities and implementing those priorities and adding additional responsibilities as it builds capacity.



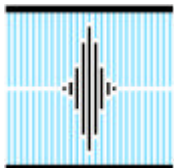
ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

CHALLENGES

The Government:

33. Developing a comprehensive ICT Policy and regulatory framework.
34. Reaching a decision on the future of BTA, i.e whether it will be subsumed under a multi-sector regulatory body.
35. Implementing the privatisation of the incumbent operator; and
36. Improving internet diffusion.



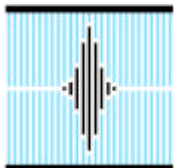
ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana

CHALLENGES

The Regulator:

37. Improving the level of transparency commensurate with staff resources:
 - Code that governs all aspects of decision making (lobbying, public consultation, *ex parte* contacts and the publishing of decisions);
 - Conducting public hearings and opening decision-making meetings to the public.
 - Improving public consultations (e.g. public comments on licensing awards).
38. Developing a universal service programme designed for a competitive market.
39. Completing the tariff rebalancing process.
40. Establishing QoS guidelines, monitoring and enforcement procedures.
41. Convincing the government to make all the changes to Botswana's legal framework that BTA has proposed.
42. Taking the lead to guide the industry into the future.



ICT Consultants (Pty) Ltd

ITU Case Study Report on Effective Regulation: Botswana