

**Consultation Meeting on
Implementing WSIS
outcomes related to Action
Line C2**

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THE EUROPEAN CONTRIBUTION TO ICTS FOR DEVELOPMENT

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Introductory remark

The World Telecommunication Development Conference 2006 will represent an opportunity to have a reflection on how the ITU Development sector can help implementing the outcome of the World Summit on the Information Society (WSIS), which aims at bringing the benefits of information and communication technologies (ICTs) to populations in particular in developing and emerging regions. The European Commission, together with the Member States of the European Union, has been an active partner in the WSIS process and is committed to taking forward the momentum from the Summit in the implementation phase.

The Commission has outlined its priorities in the field of telecommunications development throughout the WSIS process:

- setting up e-strategies defining priority applications in domains of huge societal impact, such as e-government, e-health, e-learning and e-commerce;
- the establishment of stable and predictable regulatory frameworks that give incentives to private sector investment, including human capacity building in regulatory affairs;
- emphasising the importance of international cooperation in the field of Research and Development.

Furthermore, the Commission is undertaking a special effort in favour of backbone infrastructures under its new Partnership for Infrastructures, and aims at increasing the reach of research and education networks by improving the interconnection links to the European GEANT2 network.

This document outlines the activities the European Commission is undertaking in fields that are of interest to the World Telecommunications Development Conference.

I An overall strategy for the Information Society: i2010

The **i2010 initiative** was adopted in June 2005 and constitutes the strategic framework for EU policies in the Information Society field. Three main action lines should allow the EU to take advantage of the mass deployment of ICTs and the latest waves of technological convergence, while ensuring general public interest objectives such as cultural diversity:

- **creating an open and competitive single market for Information Society and media services within the EU:** under this objective, the Commission aims at an efficient spectrum management policy in Europe (2005); a modernisation of the rules on audiovisual media services (end 2005); a new enhanced MEDIA Programme for the audio-visual industry (MEDIA 2007); an update of the regulatory framework for electronic communications (2006); a strategy for a secure Information Society

(2006); and a comprehensive approach for effective and interoperable digital rights management (2006/2007);

- **considerably increasing EU investment in research on information and communication technologies (ICT):** i2010 identifies steps to put more into ICT research and get more out of it, e.g. by trans-European demonstrator projects to test out promising research results and by integrating small and medium sized enterprises better in EU research projects;
- **promoting an inclusive European Information Society.** To close the gap between the Information Society “haves” and “have nots”, the Commission will propose: an action plan on e-government for citizen-centred services (2006); actions on e-accessibility addressing web accessibility and promoting designed for all ICT through public procurement among others; three “quality of life” ICT flagship initiatives (technologies for an ageing society; intelligent vehicles that are smarter, safer and cleaner; digital libraries making multimedia and multilingual European culture available to all; all three in 2007); a new initiative on media literacy; and actions to overcome the geographic and social “digital divide”, culminating in a European Initiative on e-Inclusion (2008), building on orientations from the Ministerial Conference “ICT for Inclusion” (Riga, 12/13 June 2006).

The priorities under the i2010 initiative relate to numerous action lines of the Geneva Plan of Action. Thus, the EU has given itself a coherent framework that will help achieving the WSIS commitments.

Further information is available at: http://europa.eu.int/information_society/europe/i2010/index_en.htm

II The regulatory framework for electronic communications

To cope with the challenges of convergence, the EU has adopted, in 2002, a new regulatory framework on electronic communications networks and services that is technologically neutral. It is designed to be future proof and to take account of the convergence of digital technologies that allow everything from phone calls to entertainment to be delivered over all sorts of networks to all sorts of devices - PCs, televisions, mobile phones and more.

The regulatory framework is composed of five directives¹ which lay down the principles and procedures aiming to encourage competition in the electronic communications markets, to improve the functioning of the EU internal market and to guarantee basic user interests that would not be guaranteed by market forces. The rules are designed to be deregulatory, technologically neutral and sufficiently flexible to deal with fast changing markets in the electronic communications sector.

The framework covers all transmission networks and services, independent from the content of the services transmitted. It provides for a **single definition** of both electronic communication networks and electronic communications services.

- It sets **policy objectives** for the sector, such as bringing maximum benefit to consumers, promoting competition and encouraging efficient investment in infrastructure.
- It sets an **institutional and procedural framework**: At national level, independent

¹ The *Framework Directive* (2002/21/EC) sets the institutional and procedural framework and defines policy objectives; the *Authorisations Directive* (2002/20/EC) lays down the conditions for market entry; the *Access and Interconnection Directive* (2002/19/EC) sets out the relations between network operators and service providers to ensure unrestricted interconnection at wholesale level; the *Universal Service Directive* (2002/22/EC) fixes the minimum requirements and modalities for provision of Universal Service; the *Data Protection Directive* (2002/58/EC) lays down provisions for the protection of personal data in the Information Society (spam, cookies); the *Radio Spectrum Decision* (676/2002/EC) establishes principles and procedures for the development and implementation of EU radio spectrum policy.

regulators ensure the proper enforcement of the rules. To guarantee a coherent application of the framework in all EU Member States, the national regulators co-operate with each other and with the European Commission in putting the framework into practice (via the European Regulators' Group² and a specific Communications Committee).

- **Regulation** can only be imposed if a market (e. g. the access market or the market for local and national telephone services at a fixed location) proves to be non-competitive. To this end, a procedure is established for the definition of a relevant market and analysis as to the competitive situation. If there is a market player with significant market power, remedies are imposed. Coherent application across all EU countries is ensured through notification of the national measures to the European Commission and through cooperation and coordination of national regulators at European level.
- To facilitate entry in the market and reduce administrative burdens on operators, the framework provides for a **general authorisation**, instead of individual licences.
- It sets rules for a **universal service**, requiring a minimum level of availability and affordability of basic telephone services and guaranteeing a set of basic rights for users and consumers of electronic communications services.
- There are clear **rules for the protection of privacy and of personal data** processed in relation to communications over public communication networks.
- It establishes principles and procedures for the development and implementation of an internal and external **EU radio spectrum policy**.

The progress in implementing these rules is the object of an **implementation report** that is published by the Commission on a yearly basis. This public report gives a market overview, monitors how EU countries put into practice the provisions, and points to problems that might arise. The 11th report has just been published (20 February 2006).³ This framework has brought lower prices and improved services to consumers and business, by stimulating competition and competitiveness within the electronic communications sector and throughout Europe's economy. A highly competitive and dynamic market has evolved across Europe, allowing new market entrants to develop new services and push prices down. Telecoms services have become the fastest-growing sector of the European economy.

Nevertheless, in keeping with the principles of 'better regulation', the framework anticipates a regular review, e. g. as regards the markets to be analysed, to make sure that it keeps pace with technological and market developments. Currently, the Commission is reviewing the basic legal instruments that make up the framework. This comprises a thorough examination of the framework's principles and implementation, especially to remove any bottlenecks that may be delaying the provision of faster, more innovative and competitive services.

Further information is available at:

http://europa.eu.int/information_society/policy/ecomms/todays_framework/index_en.htm

III Improving international R&D cooperation

Sixth call of the current Framework Programme: The importance of Research and Development (R&D) is highlighted throughout the WSIS Plan of Action. The Commission, in its previous communications, has stressed the need for international cooperation in

2 <http://erg.eu.int>

3 http://europa.eu.int/information_society/policy/ecomms/implementation_enforcement/index_en.htm

this field. The latest call under the Sixth R&D Framework Programme addresses international cooperation.⁴ € 30 million are earmarked in support of: privileged partnerships with selected countries or regions; stability and prosperity of regions neighbouring the EU; important global environmental issues; future, wider and more concrete partnerships with the target regions.

Seventh Framework Programme: The next Framework Programme for European R&D (2007-2013) is currently in the decision-making process. The strong emphasis given to ICT research should be upheld in line with the second pillar of the i2010 strategy. Moreover, international cooperation in R&D projects will be considerably strengthened through the opening-up of all activities to researchers from third countries, and dedicated coordination actions targeted at specific countries or groups of countries (e.g. industrialised advanced countries, emerging and developing countries, candidate countries). This should open up substantial opportunities for international cooperation, such as early-warning systems, disaster and crises response mechanisms. Moreover, attention will be paid to the ICT contribution to fighting poverty through low-cost technologies, priority applications, and system integration.

Further information is available at: <http://www.cordis.lu/ist/>

IV Economic cooperation on the Information Society

At international level, EU action is under way in the framework of economic cooperation with areas such as Latin America and emerging economies. The EU will in particular: maintain the current cooperation dialogues in the field of Information Society and related instruments with Latin America (@LIS)⁵, Mediterranean (EUMEDIS)⁶, neighbourhood countries⁷, and emerging economies (Brazil, China, India, South Africa), taking into consideration, where appropriate, the WSIS recommendations. These activities have been described in detail in the Commission communication on the contribution of the European Union to the second phase of WSIS.⁸

V The “Brussels consensus”

During the last decade, the proliferation of ICTs in the North has been overwhelming. However, there is far less uptake in the South. The existing North-South economic and social divide will even get wider if developing countries are not helped to take advantage of ICTs in tackling economic and social problems.

The EU is conscious of this situation. Accordingly, the new EU development policy recently approved by the Council, in which for the first time in 50 years of development aid the EU will speak through one voice, states that the EU will address the digital divide by exploiting the potential of ICTs as a development tool and as a significant resource for attaining the UN Millennium Development Goals (MDGs).

Nevertheless, ICTs can only become an effective tool for development and poverty reduction if they are an integral part of a broader, more comprehensive national development strategy, such as described in the poverty reduction strategy papers (PRSPs). This implies that non-commercial e-applications – such as e-government, telemedicine, e-learning – will continue to be part and parcel of the EU’s development policy.

Further information can be found at:

http://europa.eu.int/comm/development/body/development_policy_statement/index_en.htm

VI The EC-EIB Trust Fund to finance infrastructure in Africa

4 Official Journal of the European Union, C 325 of 22 December 2005, pp. 25ss.

5 http://europa.eu.int/comm/europeaid/projects/alis/index_en.htm

6 <http://www.eumedis.net/>

7 http://europa.eu.int/comm/world/enp/index_en.htm

8 Document COM(2005) 234, 2 June 2005.

Infrastructure is a key element for sustainable development, economic growth and poverty reduction, in line with the UN Millennium Development Goals. There can be no stable growth without a strong network of infrastructure for transport, energy, water and ICTs.

In October 2005, the Commission's Communication on the new EU Strategy for Africa⁹ identified limited access to transport, communication, water, sanitation and energy services as major constraints to economic growth. To improve that situation, the Commission proposed an **EU-Africa Partnership on Infrastructure** to improve inter-connectivity, to facilitate regional integration and to promote "South-South trade". On 9 February 2006, the European Commission and the European Investment Bank signed a **Memorandum of Understanding for the creation of a Trust Fund in support of infrastructure in Africa**. The Trust Fund is a financial instrument of the EU-Africa Partnership on Infrastructure, one of the pillars of the new EU Strategy for Africa. During the start-up phase (2006-2007), the Commission intends to mobilise up to € 60 million in grants and the EIB up to € 260 million in loans for the operation of the Fund. Participation in the Trust Fund is open to EU Member States, their development agencies and financial institutions.

The Trust Fund addresses the strong African demand for infrastructure to boost trade and economic growth. Its priorities for intervention are trans-African networks for transport, energy, water, and ICTs. "Ownership" by its beneficiaries is a key principle of this initiative and, therefore, African partners and institutions are associated closely to the process.

The Trust Fund will be a European initiative that will attract EU Member States funds and increase the visibility of the European Union in a key sector of the new development agenda. Its management will be based on coordination, coherence and complementarities with other donors in the field, bringing a strong EU voice with a common vision and strategy. This convergence is indeed at the heart of the [Development Policy Statement](#)¹⁰ agreed last December by the European Commission, the Council and the Parliament.

The selection of projects will be done in consideration with the priorities listed by the African Union and the New Partnership for Africa's Development (NEPAD).

The partnership of the European Commission and EU Members States as grant donors, on the one hand, and the EIB and financial development institutions, on the other, will allow the leveraging of funds – preliminary studies point out a factor of four to five times – that will result in a substantial increase of finance devoted to infrastructure. That blending of grants and loans will be in a form of interest rate subsidies, risk guarantees or other suitable instruments. The Trust Fund will also allow for project preparation, capacity building activities and co-financing of projects that may receive financial support in the form of grants.

⁹ Proposed by the Commission in October 2005 and approved by the European Council in December 2005, cf. press release IP/05/1260, at <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1260&format=HTML&aged=1&language=EN&guiLanguage=en>

¹⁰ Cf. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1571&format=HTML&aged=0&language=EN&guiLanguage=en>