REGIONAL INITIATIVE TEMPLATE

Please complete each section below.

1. Contact Details

Please provide the following contact details:

Name of individual or group submitting initiative	United Nations
Name and position of primary contact	Lizbeth Cullity – United Nations Resident Coordinator – Multi-Country Office for Samoa, Cook Islands, Niue and Tokelau Jaime de Aguinaga – Deputy Resident Representative, United Nations Development Programme – Multi-Country Office for Samoa, Cook Islands, Niue and Tokelau
Email address	lizbeth.cullity@one.un.org jaime.aguinaga@undp.org
Alternate email address	jaimeaguinaga@gmail.com
Phone number	(+685) 23670
Fax number	(+685) 23555
Mailing address	UN House United Nations Development Programme (UNDP) Private Mail Bag, Apia, Samoa.

2. Name of Initiative

Expansion of Information and Communication Technologies (ICT) connectivity, access and use in the Pacific

3. Background and Rationale

You may consider: What is the issue being addressed by this initiative? What are the causes of this issue? Are there relevant studies that have been carried out to support the issue? Are there links to national, regional or international goals/policies?

Please limit your response to no more than 750 words.

Issue:

*The Pacific is probably the most remote region in the world, with 10 million people scattered over one-third of the planet. In a region with highly dispersed populations, remote from major world markets, regular access to cost-effective telecommunications infrastructure and services is a vital requirement for future economic development as it assures interconnectivity between businesses, buyers, and export markets. In fact, the **Pacific Plan Review 2013** highlighted that the largest economic gains from regionalism may be found in the labor and telecommunications markets (p. 92-93).*

*ICT markets across the Pacific are at varying stages of development and face different challenges, but limited **internet bandwidth** remains an issue in most countries, including Kiribati (45 Mbit/s), RMI (45 Mbit/s), FSM (45 Mbit/s), Vanuatu (60 Mbit/s), Samoa (135 Mbit/s) and Solomon Islands (216 Mbit/s). **Affordability** is also a challenge in most cases, where entry-level fixed-broadband plans cost more than 10% of GNI p.c. (far from the affordability target of 5% of GNI p.c. set by the Broadband Commission for 2015). In*

*addition, limited **access and reliability** of the network are the main constraints in rural and remote islands.*

*Being aware of this opportunity to empower Pacific islanders and reduce their isolation and high cost of doing business, the Pacific is in the midst of a "telecommunications revolution" with improvements in connectivity regulations. This proposal aims to contribute to these efforts and, in light of the values and principles of the SAMOA Pathway and the Pacific Framework for Regionalism, suggest a coordinated and inclusive **(a) situation analysis, (b) master plan and (c) financial mechanism for the regional expansion of ICT connectivity, access and use**. The assessment would identify existing gaps, binding constraints, causes and drivers for change. The master plan would focus on coordination mechanisms, results, actions, timelines, budgets and monitoring. The financial mechanism would pool, effectively manage and distribute the resources mobilized to support the implementation of the master plan. The initiative would focus on the following areas: (1) policy, (2) planning, (3) funding, (4) usage models, (5) market demand, (6) adoption, (7) economic vitality and (8) innovation. The last section of this form includes some suggested end goals and potential actions in each of these areas, to be reframed during the detailed situation assessment of each country.*

Potential barriers/causes:
- *Huge physical distances, requiring high investment costs for data delivery*
- *Disperse and relatively small size markets, leading to small economies of scale*
- *Limited coordination and regulatory impediments, discouraging private-sector participation and limiting competition, network interconnection and infrastructure sharing*
- *Unequal and often limited ICT skills of current/potential domestic and private users, particularly in rural and isolated islands*
- *Increasing bandwidth required by applications, limiting the practical use in areas with limited and/or expensive access*

Studies:
- *Intel, UNDP, USAID et all, 2013. "The Broadband Opportunity: The time is Now"*
- *ADB, UNESCAP & UNDP, 2015. "Making it happen: Technology, finance and statistics for sustainable development in Asia and the Pacific. Asia-Pacific Regional MDG Report 2014/15".*
- *ITU, 2014. "Measuring the Information Society Report".*
- *UNDP & Motorola, 2014. "Mobiles for Human Development".*
- *UNDP, 2013. "From Connectivity to Service Delivery: Case studies in e-governance".*
- *Network Strategies, 2013. "Mobile connectivity and affordability in the Pacific"*
- *Studies linked to private-led innovated initiatives such as Google balloons, internet.org, etc.*

Links to national, regional and international goals/policies:

*The **Pacific Plan Review 2013** highlighted that the largest economic gains from regionalism may be found in the labor and telecommunications markets (pages 92-93).*

*The Pacific Leaders also recently "reiterated that quality infrastructure is indispensable for securing resilient, reliable and durable transport and communications links" (paragraph 40 of **PALM7 Declaration**).*

*The lack of adequate ICT infrastructure networks was also highlighted in the **SAMOA Pathway** as one of the major limiting factors of economic growth and job creation in SIDS (paragraph 27). The Members of the General Assembly also called for support to "promote and enhance the use of ICT for, inter alia, education, the creation of employment, in particular youth employment, and economic sustainability purposes in SIDS" (paragraph 27g) and supported the establishment of "national and regional ICT platforms and information dissemination hubs in SIDS to facilitate information exchange and cooperation (paragraph 109h).*

*Moreover, ICT connectivity, access to markets and finance were identified as the major constraints to enhance economic sustainability in the region at the **Private Sector Partnership Forum** held on the margins of the SIDS Conference.*

4. Description

Please provide a brief overview of this initiative. Try to address the following: Does this initiative contribute to a positive change to the region? What makes this initiative of importance to the Pacific region as a whole? Who would implement this initiative? Who are the main beneficiaries? Are regulatory or legislative changes required at the national level to implement this initiative? How would the initiative be funded? Has this initiative been carried out previously? What are the key risks in implementing this initiative? Are there any complementary projects and programmes currently active? What is the proposed timeframe for this initiative? How would the initiative be sustained over the proposed timeframe?

Please limit your response to no more than 750 words.

Positive change and importance for the region:

*The **economic impact** of improved Information and Communication Technologies (ICT) is well documented. According to the World Bank, every 10% increase in broadband penetration corresponds to 1.38% increase in economic growth in low- and middle-income countries. In fact, the **Pacific Plan Review 2013** highlighted that the largest economic gains from regionalism may be found in the labor and telecommunications markets (p. 92-93).*

*The **social impact** is less easily quantified, but there are countless stories of the changes brought by access to the Internet in healthcare, education, finance, agriculture, security, local entrepreneurship and governance worldwide.*

Implementing entities:
- *PIFS: Coordination and resource mobilization*
- *UN system, including the United Nations Development Programme (UNDP), the UN University Computing and Society Centre (UNU-CS), the International Telecommunications Union (ITU) and the UN Economic and Social Commission for Asia and the Pacific (UNESCAP): Implementation and technical support, particularly in e-governance, policies, public-private partnerships, community engagement, knowledge/technology transfer and management, etc.*
- *Government regulatory bodies and public telecommunication entities: Implementation*
- *University of South Pacific (USP): Technical support in the area of regulatory reforms*
- *Telecommunications companies: Investment, innovation and implementation*

Beneficiaries:

All Pacific Islanders may potentially benefit from this initiative. The following specific user groups would particularly benefit from technical support and financial resources: telecommunications service providers (incentives for infrastructure investment), regulators (legislative support), public administrations (e-governance), emergency coordinating entities (connected early warning systems), universities and schools (online education), financial service users and providers (digital financial inclusion), entrepreneurs and small and medium enterprises (capacity building), etc.

Regulatory/legislative changes required at national level:

*Telecommunications **market liberalization** is well underway in the South Pacific, notably in Fiji, PNG, Samoa, Solomon Islands, Tonga, Cook Islands and Vanuatu, resulting in significant increases in access to and variety of ICT infrastructure and services. The liberalization process is also commencing in the northern Pacific (FSM, Kiribati, RMI and Palau). The reform process has typically entailed governments' adopting new national ICT policies and legislation, and establishing regulatory institutions to license service providers, promote competitive behavior, and ensure fair treatment of consumers.*

*The concept of a **Pacific regulatory/technical support facility for ICT** was first raised at a meeting of regional telecommunications and ICT stakeholders in 2007 at which the World Bank (WB) was requested to undertake an options assessment. With support from the Private-Public Infrastructure Advisory Facility, the WB undertook a detailed options analysis in 2008 and made its recommendations to the region's ICT ministers. In 2010, under the Framework for Action on ICT Development in the Pacific, Pacific ICT leaders formally committed to the establishment of a regional regulatory resource center and sought development partner assistance for implementation. On this basis, WB and ADB mobilized resources from the Pacific Region Infrastructure Facility (PRIF) trust fund to support the establishment of a "Pacific ICT Regulatory Resource Centre" hosted by the USP in Fiji to improve cooperation and knowledge sharing among regulators and enhance regulatory outcomes across the Pacific.*

This proposal will build on these efforts and will partner with USP to provide enhance regulatory and legislative support.

Funding:

New Zealand *may be a potential partner in this initiative. In fact, one of the three priorities for NZ aid is to "expand ICT connectivity, access and use in the Pacific". The focus areas for this priority are to (1) improve access to affordable telecommunications and internet to provide appropriate infrastructure and applications for users; (2) enhance delivery of e-Government services; (3) maximize associated business opportunities by providing ICT tools to SMEs and increasing the presence of private sector operators in the Pacific; and (4) invest in skills and capability development through school curricula, vocational training in ICT and improving literacy for user groups.*

Australia *is also another potential partner. Its Department of Communications has a specific 'international involvement' scheme that focuses on capacity building and training to support developing countries in the Asia-Pacific region. They seek liberalisation of international trade in telecommunications services and e-commerce multilaterally, regionally and bilaterally. The department is supported by specialised international organisations including: ITU, OECD, APEC and APT.*

World Bank *and* **Asian Development Bank** *may provide some support through the "P4: Pacific Regional ICT Regulatory Development Project" ($4.94m, implemented by USP).*

Previous experiences:

This proposal will build in many previous experiences in this area. The most visible example of the opportunities linked to the ICT revolution in SIDS is probably in **Mauritius**, *which has become a global hub for ICT services.*

Previous specific experience in ICT for development from **UNDP** *includes the provision of e-health services in the Kyrgyz Republic, the promotion of web and mobile technology in Guatemala to manage a cash transfer programme for poor families, the establishment of the Africa E-Governance Academy in Ghana as a hub for networking, training and research, the assessment of how ICTs can empower parliaments, and the promotion of e-participation in West Africa.*

Risks:

This proposal may have the following potential risks: (1) existence of **funding** *gaps, (2) limited* **capacity** *of responsible parties to carry out tasks and activities, (3)* **overlapping** *with other initiatives, and (4)* **market inefficiencies** *in the telecommunications market. These risks may expose the initiative to delays and inefficiencies in implementation. However, the proposal, with the leadership of the PIFS and the commitment of development partners and private operators, can effectively address these risks.*

Complementary active projects/programmes:

This proposal may build on the following initiatives:
- *P4: Pacific Regional ICT Regulatory Development Project (WB)*
- *Pacific Rural Internet Connectivity System (PACRIS)*
- *High-level roundtables on Telecommunications Connectivity (UNESCAP)*
- *Asian Information Superhighway initiative*
- *Development of Satellite Communications Capacity and Emergency Communications Solutions for the Pacific Islands*
- *Implementing the Climate Change Adaptation Component of the Satellite Communications, Capacity, and Emergency Communications Solutions Project for the SIDS of the Pacific*
- *Alcatel-Lucent and Interchange to deliver ultra-broadband connectivity linking Vanuatu, the Solomon Islands and PNG*
- *Google balloons*
- *Internet.org*
- *ICT indicators*

Timeframe and future sustainability:

The timeframe for this proposal may depend on the final depth of the intervention. The situation analysis, the definition of a master plan and the establishment of a financial mechanism can take between **one and two years**, *including collection and analysis of data, inclusive discussions on gaps, causal links, opportunities and potential solutions, presentation of initial results, review of proposals, agreement of regional and national actions and targets, resource mobilization and negotiation with partners. The implementation of the master plan can take* **ten to fifteen years**.

That being said, it may be preferable to treat this initiative as a **continuous process** *rather than as a one-time project with clear starting and ending points. The ICT revolution is already taking place in the Pacific, and efforts will not be limited by this initiative, so it is important to frame this proposal as an opportunity to build some momentum and to add also value to other on going initiatives at*

local, national and regional levels.

5. Alignment to Regional Vision, Values and Objectives

Briefly describe how your initiative supports the vision, values and objectives set out in the Framework for Pacific Regionalism. These can be found in the Framework for Pacific Regionalism document or in the submissions guideline document.

Please limit your response to no more than 500 words

*As explained in previous sections, the expansion of Information and Communication Technologies (ICT) connectivity, access and use would definitively promote the **vision** of peace, harmony, security, social inclusion and prosperity in the Pacific. In fact, the **Pacific Plan Review 2013** highlighted that the largest economic gains from regionalism may be found in the labor and telecommunications markets (p. 92-93). Moreover, enhanced ICT would facilitate progress in many other dimensions through practical applications on e-governance, connected early warning systems, online education, digital financial inclusion, remote health services, etc.*

*The initiative would also support regional **values** such as good governance, safety, culture, inclusivity, equity and equality, honest relations and inclusive and enduring partnerships. Inclusive improved access and use of communication and information services would promote income-generating opportunities, voice and recognition to those ones suffering poverty, exclusion and inequality. It would also facilitate the promotion of cultural heritage of the Pacific and the communication with vulnerable communities before, during and after emergencies. Moreover, it would increase the transparency, accountability and participation of citizens, which are critical factors for good governance.*

*Finally, the proposal would significantly contribute to the achievement of all the **objectives** of the Framework for Pacific Regionalism:*
- ***Sustainable social, economic, environmental and cultural development** through the improved access to communication and information services in those dimensions*
- ***Inclusive and equitable economic growth**, as it would support private sector development through more inclusive access to financial services and better interconnectivity between businesses, buyers and export markets*
- ***Strengthened governance, legal, financial and administrative systems,** through improved access to information, justice and human rights, strengthened linkages between formal and informal structures), and platforms to support transparency, anti-corruption, civic engagement and local governance*
- ***Human, environmental and political security** through communication channels, early warning systems and disaster management tools*

6. Additional Information

Please provide or attach additional information in support of this initiative.

Please limit your response to no more than 5 pages.

AREA	END GOAL	POTENTIAL ACTIONS
Policy	▪ *Create innovative policy an• regulatory frameworks that encourage widespread, universal broadband access and use*	▪ *Establish policies that encourage competition and innovation and promote rapid deployment and use of broadband* ▪ *Eliminate regulatory burdens and barriers which inhibit broadband adoption* ▪ *Assign abundant spectrum (harmonized where possible) for wireless broadband use enabling economies of scale that will lower prices* ▪ *Align broadband strategies with key development goals and priorities*
Planning	▪ *Develop national broadband plans and other public policies linked to development goals*	▪ *Establish national broadband plans with specific time-bound goals for deployment and adoption*

	▪ *Develop inclusive strategies to reach all citizens, including the underserved and most vulnerable groups, such as women and youth*	
Funding	▪ *Utilize targeted subsidies, such as a universal service funds, to help connect the underserved* ▪ *Affordability for everyone*	▪ ***Utilize targeted subsidies*** *for broadband adoption for the underserved, such as tax breaks on equipment* ▪ ***Utilize existing universal service funds*** *to incentivize private sector investment in priority service gap areas* ▪ ***Rationalize existing tax systems****, reforming sector taxation and fee levels which inhibit broadband adoption, especially where these affect poorer customers and customers in rural areas* ▪ ***Encourage public sector broadband capacity*** *demand aggregation investments that can help make the business case for infrastructure investments*
Usage models	▪ *Provide local capacity building in digital literacy and use*	▪ ***Establish digital and information literacy programs*** *and integrate ICT skills in the educational curriculum* ▪ ***Enable ICT*** *innovators and entrepreneurs*
Market demand	▪ *Demand creation through e-government and other innovative services*	▪ ***Expand e-government services*** *to enhance public service delivery* ▪ ***Connect and equip schools*** *with state-of-the-art content and ICT* ▪ ***Promote financial inclusion*** *through technology-enabled digital financial services targeting low income households and women* ▪ ***Increase island resilience*** *through the interconnected early warning systems (EWS)*
Adoption	▪ *Incentives aimed at deploying infrastructure to increase penetration and adoption of services and applications in underserved areas*	▪ ***Establish priority programs targeted at marginalized groups*** *such as women and girls, the elderly, poor communities, and those with disabilities*
Economic vitality	▪ *Create public-private partnerships, including banks and venture capital organizations, business organizations, development agencies and non-governmental organizations (NGOs), educators and teachers; and healthcare organizations*	▪ ***Active support*** *of a broad ecosystem of public and private entities*
Innovation	▪ *Capacity building in the public and the private sectors to encourage development of innovative services and applications*	▪ ***Encourage the sharing of best practices*** *worldwide to enable broadband adoption* ▪ ***Support skills development*** *within countries, encouraging innovation*

Adapted from Intel, UNDP, USAID et all, 2013. "The Broadband Opportunity: The time is Now"

Alignment with the criteria included in the test for regional action:

TEST	CRITERIA FOR REGIONAL IMPLEMENTATION
Market test (5%)	*The initiative does not involve services that markets can provide well. The establishment of the regional regulatory resource centre with the help of development partner assistance for implementation could not be provided by the private sector.*
Sovereignty test (10%)	*The initiative will maintain a degree of effective sovereignty held by national governments. The concept of a Pacific regulatory/technical support facility for ICT was first raised at a meeting of regional telecommunications and ICT stakeholders in 2007.*

Regionalism test (30%)	The initiative meets the following criteria at a sub-regional or regional level, in support of national priorities and objectives: ▪ *Establish a shared norm or standard – The telecommunication reforms and the establishment of standards for service delivery will improve transparency, economies of scale and accountability* ▪ *Establish a common position on an issue – The Pacific Plan Review 2013 highlighted that the largest economic gains from regionalism may be found in the labor and telecommunications markets (p. 92-93) and the lack of adequate networks was highlighted in the SAMOA Pathway as one of the major limiting factors of economic growth and job creation in SIDS (paragraph 27).* ▪ *Deliver a public or quasi-public good that is regional (or sub-regional) in its scope realise economies of scale – It will increase island resilience through the interconnected early warning systems (EWS) and enhance e-government services.* ▪ *Overcome national capacity constraints – It will support the development of modern state of the art broadband systems that will expand and improve ICT connectivity, access, and use in the Pacific.* ▪ *Complement national governments where they lack capacity to provide national public – It will improve access to affordable telecommunications and internet to provide appropriate infrastructure and applications for users* ▪ *Goods like security or the rule of law - It will increase island resilience through the interconnected early warning systems (EWS)* ▪ *Facilitate economic or political integration – It will provide inclusive access to financial services and better interconnectivity between businesses, buyers and export markets*
Benefit test (20%)	*The initiative brings substantial net benefits, through faster broadband connection enabling quicker information sharing, business banking online, and encouraging innovation. The smaller island states will particularly benefit from this initiative, given their lack of ICT development and capacity gaps. The proposal promotes a participatory approach, so it is highly inclusive.*
Political oversight test (20%)	*The initiative requires the Leaders' careful attention and support, given the main economic benefits derived from this regional initiative through improved and reliable broadband connectivity.*
Risk and sustainability test (10%)	*The initiative may have potential risks such as funding gaps, limited capacity of responsible parties to carry out activities and tasks, potential overlapping with other initiative and difficulty to manage market inefficiencies in the telecommunications sector. However, the proposal, with the leadership of the PIFS and the commitment of development partners and private operators, can effectively address these risks.*
Duplication test (5%)	*There are some initiatives on going but not at the scale of this proposal. The collaborative and inclusive participation of public, private and social stakeholders will ensure that there are not duplications but synergies. Some development partners (NZ, Australia…) have express interest in supporting this area and this proposal will provide the right framework for an effective and efficient implementation.*