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ANNUAL REPORT  
**2010 / 2011**

# Towards Evidence-based Policy

Research ICT Africa (RIA) was launched in 2003 with support from the International Development Research Centre (IDRC) to address the research gap that existed in the area of ICT policy and regulation, and to develop the data and analysis necessary for informed and evidence-based policy formulation. RIA seeks to fill a strategic gap in the development of a sustainable information society and network knowledge economy by building the ICT policy and regulatory research and capacity needed to inform effective ICT governance in Africa. It does so by conducting high-quality research to facilitate evidence-based ICT policy formulation that will improve access to, use and application of ICT for social and economic development. To achieve this, RIA has focused on building a sustainable network of research excellence in Africa that facilitates knowledge sharing and capacity development and contributes to global discourse on ICT policy and regulation.

Through the development of an Africa-wide research network, RIA aims to build an African knowledge base in support of ICT policy and regulatory processes, and to monitor and review policy and regulatory developments on the continent in terms of public policy objectives. The primary focus in this past phase (2008–2010) has been on the supply side of the supply and demand research cycle. In this phase RIA conducted ICT sector performance review and the telecommunications regulatory environment surveys in 17 African countries and analysed them comparatively. In addition, a number of case studies identified important developments or innovations within the ICT sector requiring documentation and analysis.

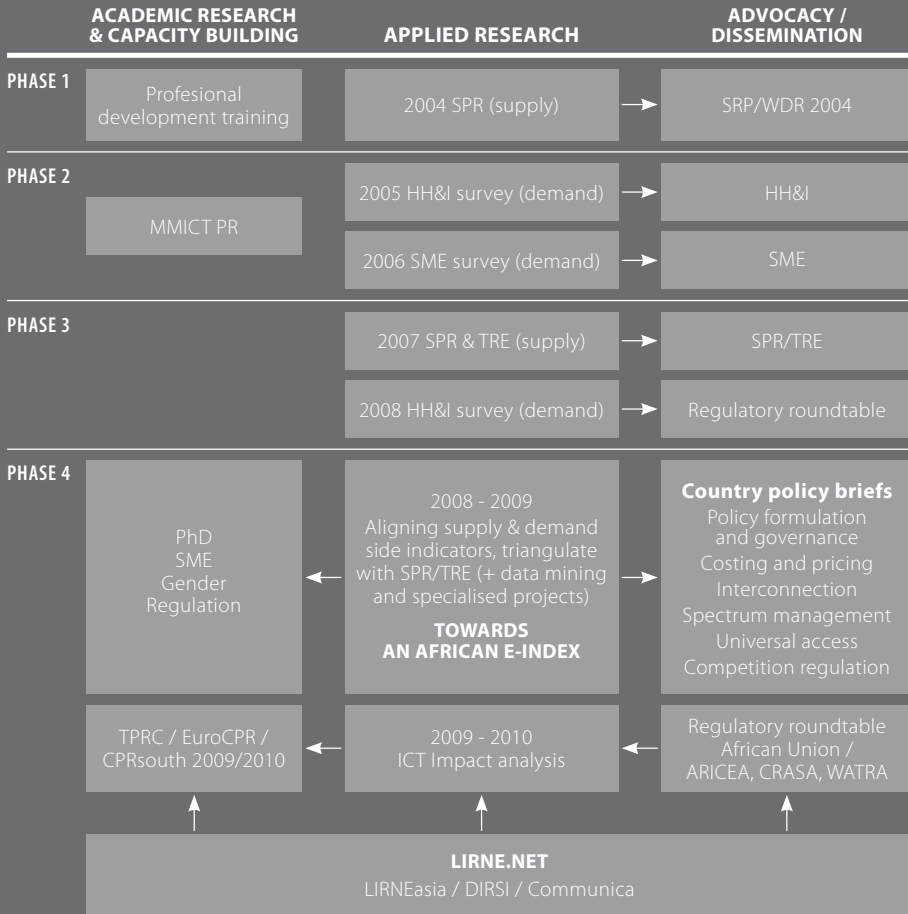
# Objectives

## ***RIA's research objectives are:***

- to conduct public-interest research on the state of ICT to respond to national, regional and continental needs;
- to develop indicators to assess policy and regulatory outcomes; and
- to work with state agencies to gather the necessary data and information required to conduct the research and analyses mentioned above.

We continued to develop and consolidate the applied research that underpinned the network's development over the last five years. Core research was developed through two parallel thrusts. The one was to prioritise and refine the dissemination strategy, through more targeted interventions in the policy and regulatory processes within countries, and at regional, continent and international meetings, in order to optimise the rich research findings of the core research programme as it matured.

At the same time the integrity and credibility of the core programme depends on the recognition of the research being undertaken in peer-reviewed publications and conferences, and on a sustainable source of research capacity being developed to undertake such activities.



## Alternative Regulatory Strategies

While such longer-term projects contribute to capacity development on the continent, funds were also set aside for short-term, rapid-response technical assistance to regulators or policy makers or to institutions wishing to participate in public processes in the country. While a large portion of this was originally budgeted for Namibia, the Namibian Communications Commission ultimately funded the technical assistance provided by RIA, thus leaving a considerable budget for use by others. Unfortunately only a small project reviewing Rwandan ICT policy was undertaken for our RIA nodal partner to contribute to the public policy process, since no other countries responded to the call for expressions of interest in accessing technical assistance. The website and publications continue to be a widely used source of ICT developments on the continent and the development of a separate public domain database has spurred considerable interest in different aspects of research.

The research problem that unites the various projects relates to determining the effectiveness of policy and regulatory interventions. This is done by examining the current status of the ICT sector in terms of the progress made in realising universal public policy objectives. These include: affordable access to information and communication; the penetration of ICTs to increase productivity in the economy and reduce costly transaction costs; and as a vital input cost into other businesses and enterprises and government services. The various projects seek to gather current indicators on this dynamic sector, identify the underlying drivers of stronger performance and innovation on the continent, and establish any linkages between policy and regulatory environments and improved performance as indicators of policy outcomes.

## Capacity Building

One of the strategies to enhance the quality of research and increase the contribution to public policy and regulatory processes has been to stimulate the very low levels of original high-level research being conducted in the area of ICT policy and regulation. A two-pronged approach to this was adopted. The one was to nurture PhD candidates in this area at African universities. The other was to create a regular forum for academic engagement in the area of ICT policy and regulation in which African researchers could collaborate and test and develop their research.

- ***CPRafrica***

RIA organised and hosted the first Communications Policy Research Africa Conference in April 2010 (CPRafrica 2010). The review panel consisted of: Alison Gillwald, Rohan Samarajiva, William Melody, Keith Weeks, Helani Galpaya, Kammy Naidoo, Arsene Kouadio, Laura Recuero Virto, Heloise Emdon, Leo van Audenhove, Willie Currie, Khaled Fourati, Andrew Rens, Roxana Barrantes and Lishan Adam.

The young scholar seminar and conference took place over four days in Cape Town, South Africa. The conference welcomed 52 people over these four days. The countries represented at the conference included Nigeria, Kenya, Ghana, Benin, Senegal, Sri Lanka, Bangladesh, Peru, Swaziland, Cote d'Ivoire, the United States of America, Malawi and the Democratic Republic of Congo.

The top ten evaluated papers were submitted for review to the journal *Info* for a special Africa issue, eight of which will be published in the first quarter of 2011.

- ***Training***

In April 2009 and 2010 RIA, together with its LIRNE.net partners, ran its now annual regulatory training (through the University of Cape Town Graduate School of Business Management of Infrastructure Reform and Regulation Programme) on 'Alternative Regulatory Strategies'. The programme was combined with the IDRC sponsored programme for Asian regulators conducted by LIRNEasia, and a very animated discussion took place between African and Asian regulators and journalists.

Drawing on South Africa's resources and data and on the relationship with the University of Cape Town's Graduate School of Business, RIA was commissioned by the head of South Africa's parliamentary Portfolio Committee on Communication, Ismael Vadi (MP) to conduct training for the new Parliamentary Portfolio Committee on Communications of South Africa sponsored by operators and service providers in November 2009. Of the 15 members in the committee, 14 attended and 13 of them attended 100% of the course, often staying late into the evening. The benefits of the course were immediately evident in the rigorous way MPs took up issues in parliament and have continued to do so.

Dr Alison Gillwald, together with RIA's Ethiopian partner, Dr Lishan Adam, also provided training for the new board of the Communications Regulatory Authority of Namibia, organised by Dr Tusu Tsubira, RIA's Uganda partner, in March 2010.

- ***Scholarships and Bursaries***

As part of the initiative to build African ICT policy skills, and in remembrance of RIA partner Amy Mahan, seven students were awarded scholarships to undertake PhDs in the area of ICT policy and regulation or indicators.

## Building a knowledge base and repository of information

### ***The intention of this component of the project was to:***

- establish a repository of information for further research and policy formulation;
- build a knowledge base and repository for the members and disseminate a information for policy formulation, effective regulation and further research; and
- filter, process and manage knowledge for the members, and disseminate it via its website.

The website and publications continue to be a widely used source of ICT developments on the continent, and the development of a separate database has spurred considerable interest in different aspects of research. In the Namibian and South African media, RIA staff are regularly quoted, and RIA research findings regularly referred to.

Research ICT Africa's website is at the core of its operations. The website had an average of 2,340 visits, 1,280 of which were unique, during the period analysed, with 47.44 percent of them returning.

The Research ICT Africa website is the first hit when searching Google for 'Africa ICT'. The website takes second position with the key words 'Africa ICT policy and regulation', after 'infodev.org'.

## Policy and Regulatory Influence

An external evaluation confirms that the outputs of the country studies are uneven. From the outcome mapping it is clear that there is little correlation between the assessed quality of the report and the influence on policy makers. Far more important it seems is, firstly, the 'embeddedness' of the in-country member or members in the policy and regulatory processes within the country, and secondly, the receptiveness of decision-makers (sometime as a result of a policy and regulatory vacuum) in the country. Of course, having the data collected and a report written enables those members to exploit their position better and to have a basis for their interventions.

Though it is clear from the outcomes recorded below that there have been gains in Kenya and Ghana, tracking policy influence has only been undertaken by the southern African regional coordinators.

- ***Botswana***

There is little evidence of influence and the 'embeddedness' of the Botswana research partners in the policy and regulatory process. The research is undertaken by the university in a competent manner, but there is little evidence of it being used as a reference point by the regulator and policy maker. There is probably more engagement externally with regulators/parliamentarians/permanent secretaries through CRASA and other SADC and ITU fora than within the country.

- ***Mozambique***

With the regional co-ordinator for southern Africa appointed to head up the Mozambiquan regulator the network lost this function, but gained an important

foothold in Mozambiquan policy and regulatory circles through the appointment of someone with a personal experience of the important role of research in evidence-based policy formulation. He has a fine understanding of the regulatory bottlenecks in Mozambique and was able to lend weight to the workshop, organised by Francisco Mabila with senior decision makers, that launched the Mozambiquan SPR.

- ***Namibia***

Availability of RIA indicators and research and extensive media exposure allowed Namibian nodal partner Christoph Stork to conduct press briefings and engage the Ministry and regulator (NCC) on high prices over a number of years. This led to the NCC engaging RIA to conduct a termination rate benchmarking study. Other African regulators that had conducted termination rate studies were approach for data and support. The policy and legal vacuum in the country was exploited to provide Namibia with a method of setting termination rates outside of a full-blown LRIC costing process, and alternative regulatory strategies were deployed to reach agreement amongst operators. The results saw a dramatic drop in termination rates in Namibia with a knock-on effect in South Africa.

- ***Rwanda***

Nodal partner in Rwanda, Albert Nsingyemvu, was one the only one to use the rapid-response facility to provide technical assistance to countries. He requested a legal review of the proposed Information Communications Technology Act. A RIA submission was subsequently made into the public process, identifying some weakness and contradictions in the process, that was well received by the government. However, as no Sector Performance Review had been done for Rwanda, these gains could not be optimally leveraged.

- ***South Africa***

The new Parliamentary Committee on Communications in the South African parliament demanded that South Africa's rates be dropped to the same level. This coincided with a training programme conducted for the Portfolio Committee by RIA with a special session on interconnection, in which RIA was asked to make a concluding presentation. The committee called a public hearing on the matter in which it was able to engage authoritatively, demanding that regulation resolve the drawn-out costing of termination rates. This led the Ministry to take up the issue, reaching a gentlemen's agreement on a reduction. As this was known to all to be way above cost, ICASA continued to conduct its cost study and finally made a determination, amidst much dissent from operators. RIA supported the regulatory process by commenting in the media in support of cost-based pricing and the positive effects it would have on the market, using the RIA data that had been collected for the pricing portal.

In South Africa, commentary in the influential business and weekly press has also been used to analyse policy developments and court rulings to positive effect. RIA has been asked to participate in the infrastructure committee (material conditions) of the National Planning Commission, and to advise the new Minister in support of evidence-based policy formulation. The courts also ruled in favour of the Competition Commission in an appeal by Telkom SA against a finding of anti-competitive practice against Telkom, in which the RIA director was the technical advisor together with Prof Melody. Telkom based part of their case of prejudice on what they claimed was Alison Gillwald's prejudice towards them. The court ruled that while the research drew negative conclusions about Telkom's practice it was not prejudicial. Resolution of this matter will now allow the Commission to present to the Competition Tribunal its case that Telkom has acted anti-competitively and should receive the maximum penalty of 10% of revenues.



**PAY  
PHONE**

**AIR TIME**

**CARDS**

**UTL 300**

**MTN 300**

**MGI 300**

**CTL 400**

**EA 1000**

**INTER  
1500**

## Impact

With the objective of providing African decision-makers with the information and analysis required to develop innovative and appropriate ICT policies, and engaging policy makers and others at a national and regional level, RIA has been engaging with multilateral agencies on the use of our data in their reports. These epistemic communities are the primary framers of global policy and research agendas. Influencing them both in terms of the relevant research and the policy agenda can be more effective than attempting to influence hamstrung or politically unreceptive policy makers. This has probably been most successful with OECD, whose 2009 African Communications Outlook references RIA household survey data and arising analyses extensively. RIA also collaborated with UNCTAD on providing an expert roundtable to review the draft of their Information Economy Report (<http://www.unctad.org/Templates/Page.asp?intItemID=3594&lang=>) before it was finalised. The CPRAfrica resource people from the global South networks and some European partners of LIRNE.net and other multilateral agencies remained after the conference for a day of review, which was generously acknowledged (and RIA research cited) in the final text.

In July 2010 the RIA director was invited to Korea to present RIA research to a regional panel at the International Seminar on Information and Communication Technology Statistics, organised by UNSD, ITU and UNCTAD in cooperation with the Partnership on Measuring ICT for Development. Costs of participation were borne by the Korean Government. She was invited to be panellist at the ITU Tunisian Government workshop on ICT indicators at the ICT4 All WSIS +5 meeting in Tunis in November. The cost of accommodation was covered by the Tunisian government. She was also invited to present two sessions to the African Development Bank OECD meeting on Open

Access in Tunis in November. RIA senior researcher Dr Christoph Stork will attend the ITU annual Indicators meeting in Geneva at the end of November.

Several RIA staff have also participated in a number of regional ICT policy and regulatory research for the EuroCPR in Brussels; the Telecommunications Policy and Regulatory Conference in the US in Washington; DIRSI at ACORN-Redecom in Latin America; and at LIRNEasia's CPRsouth meeting held in China and Sri Lanka. Dr Stork presented RIA research at the EuroCPR regional panel after Dr Adam failed to secure a visa in time to participate. Two papers by Dr Gillwald and Dr Stork were accepted for the International Telecommunications Society conference in Tokyo this year. This has contributed to the academic rigour of the RIA research and enhanced its credibility through international peer review and engagement.

### ***International engagement:***

- RIA is regularly invited to attend ICT indicator meetings of the ITU.
- OECD African Communication outlook widely referenced RIA research.
- UNCTAD Information Economy Report 2010 widely referenced RIA research.
- Regulatory chapter in BMI Tech Africa handbook 2010 written by RIA, citing country policy papers.
- RIA is an invited partner of WSIS stocking portal (see <http://groups.itu.int/Default.aspx?tabid=1406>).
- RIA commissioned to prepare ICT Handbook for Parliamentarians by UNDESA.

## Institutional capacity building and technical assistance

While much of the impact of RIA research is indirect, there have been a number of interventions drawing on the research which have had a direct impact. As a result of RIA research previously conducted in Namibia, RIA was commissioned to work with the small staff at the then Namibian Communications Commission in 2009 to provide technical assistance on mobile termination rates. The benchmarking exercise, led by Dr Christoph Stork, resulted in a close to 50% termination price reduction. The regulator adopted these proposals, with the determination having a dramatic knock-on effect in South Africa.

The South African Department of Communications requested the NCC, together with Dr Stork, to be their guests at the interconnection public hearings held by the Parliamentary Portfolio Committee in South Africa, which itself followed the week-long parliamentary training programme for the new South African Parliamentary Portfolio Committee on Communication conducted by RIA in late 2009. The effects of this were immediate with the head of the South African portfolio committee acknowledging how significant the training had been to the quality of the hearings and probing by MPs. The outcome of the Namibian price cuts and the training was that termination rates were placed squarely on the national agenda, with parliament demanding that ICASA ensure the immediate reductions of rates by operators. It also supported the training of the new Communication Regulatory Authority of Namibia (CRAN).

A significant development with regard to multilateral agency relationships has been the work done with UNDESA on building the capacity of parliamentarians responsible for ICTs. The RIA director was appointed as technical advisor to the Kigali meeting of African parliamentary communication committee MPs, where RIA research was used extensively to demonstrate the importance of evidence-based policy and law and in the monitoring of performance by Parliaments. She also supported UNDESA at a SADC workshop for parliamentarians. The work with parliamentarians and regional associations such as the Communications Regulatory Association of South Africa (CRASA) and the African Union has provided opportunities for policy influence.

RIA has also provided technical advice to the ITU HIPSSA project for harmonisation of policies in southern Africa, which has drawn extensively on RIA data and particularly the new database, and was extended to cover all SADC countries in addition to network countries. The director also participated in the CRASA workshop on roaming charges in SADC countries, and presented its case study on the end of roaming charges in East Africa. She was also appointed by the African Development Bank to conduct a review for the Mauritian Government of their national ICT strategy, which included forward planning, institutional review and the outline for a broadband and open access policy.

## Board members

RIA Board includes executive director, ***Alison Gillwald*** and:

- ***Lishan Adam (Ethiopia)*** is an independent consultant and researcher specializing in ICTs applications in development and ICT policies and regulations with special focus on developing countries. He has worked at the United Nations Economic Commission for Africa in Addis Ababa and been a Hewlett Fellow of Information Technology at the Centre of International Development and Conflict Management of the University of Maryland. He has served as a visiting associate professor at the the University of Witswatersrand and at the University of Stellenbosch, South Africa.
- ***Nadia Bulbulia (South Africa)*** has held various executive roles in the telecoms industry and has been immersed in the regulation of broadcasting and telecommunications since 1994 having served on the councils of the Independent Broadcasting Authority and the converged regulator ICASA. She was also appointed to the Council of the National Film and Video Foundation (NFVF) and has served as a member of the Broadcasting Monitoring and Complaints Committee and on the board of the South African Broadcasting Corporation and the Media Development and Diversity Agency.
- ***Anton Eberhard (South Africa)*** is Professor the University of Cape Town where he directs the Management Programme in Infrastructure Reform and Regulation (MIR) at the Graduate School of Business. Prof Eberhard has worked in the energy sector for more than 30 years and was the founding director of the Energy and Development Research Centre. He serves on the South Africa's National Planning Commission and has previously served on the board of the National Electricity Regulation of South Africa. He has written more than 100 peer reviewed publications undertaken dozens of assignments for governments, utilities, regulatory authorities and multilateral agencies.

- **Mandla Langa (South Africa)** is an internationally acclaimed author and former chairperson of the Independent Broadcasting Authority and subsequently the merged telecom and broadcasting regulator, the Independent Communications Authority of South Africa (ICASA). He was Chairman of Board at MultiChoice South Africa and is now a strategic consultant focusing on innovation for corporate social investment. With a number of literary awards under his belt in 2009 he won the Commonwealth Writers Prize in Africa for his novel *The Lost Colours of the Chameleon*.
- **David Lewis (South Africa)** is extraordinary professor at the University of Pretoria's Gordon Institute of Business Science, and founding chair of the South African Competition Tribunal where he sat as chair for 10 years. He chaired the Presidential Enquiry into Labour Market Policy and served as Chairman of the International Competition Network (ICN) and Deputy Chairman of the Board of Directors of the Industrial Development Corporation. He has also served on the Board of the National Research Foundation and currently serves on the board of South African Airways.
- **Rohan Samarajiva (Sri Lanka)** is founding Chair and CEO of LIRNEasia, an ICT policy and regulation think-tank active across 12 emerging Asian economies and on the board of CPRsouth. Dr Samarajiva was Team Leader at the Sri Lanka Ministry for Economic Reform, Science and Technology, responsible for infrastructure reforms and prior to that Director General of Telecommunications in Sri Lanka. He was a founder director of the ICT Agency of Sri Lanka and has served as professor at the University of Moratuwa in Sri Lanka, at the Delft University of Technology in the Netherland and Associate Professor of Communication and Public Policy at the Ohio State University.

## Staff

- **Alison Gillwald (Executive Director)** is Adjunct Professor at the University of Cape Town's Graduate School of Business, Management of Infrastructure Reform and Regulation programme. Prior to this Dr Gillwald was Associate Professor at the Wits Graduate School of Public and Development Management, where she founded the Learning Information Networking and Knowledge (LINK) Centre in 1999. She was appointed to the founding Council of the South African Telecommunications Regulatory Authority (SATRA) in 1996 and before that established the Independent Broadcasting Authority's Policy Department. In 2002 she chaired the National Digital Advisory Body and has served on the board of the South African Broadcasting Corporation, Womensnet and Media Monitoring Project. She has consulted to infoDev, African Development Bank, International Telecommunications Union, Commonwealth Telecommunications Organisation, United Nations Department of Economic and Social Affairs, the South African Presidency, Treasury, Department of Trade and Industry, Competition Commission. She was founding editor of the Southern African Journal of Information and Communication.
- **Christoph Stork (Senior Researcher)** holds a PhD in financial economics from London Guildhall University, UK, a Diplom Kaufmann (MA) from the University of Paderborn, Germany, and a BA Economics from the Nottingham Trent University, UK. He has led continent wide household and small business surveys, providing the only multi- country demand side data and analysis of ICT access and usage on the continent, for use by regulators, policy makers and multilateral agencies such as the OECD and the ITU. His research has informed policies, laws and regulations in the ICT field, specifically in Namibia where he has provided technical advice to the Namibian Communications Commission and Namibian Government on ICT policy and regulation.

- ***Mpho Moyo (Researcher)*** worked as a Senior ICT Research Analyst at Frost & Sullivan, South Africa, prior to joining Research ICT Africa. She was a lead analyst on a project that examined CAPEX and OPEX trends across the continent's mobile markets and a project on the Business Process Outsourcing Market in South Africa. She was engaged in studies that look at mobile and broadband markets in Africa and business process outsourcing trends. She holds a Master degree in International Relations from the University of Cape Town, South Africa, an Honours in Social Science and a Bachelor of Social Science in the field of Politics, Philosophy and Economics. She gained extensive experience in the sub-Saharan African ICT market.
- ***Enrico Calandro (Research Fellow)*** is a PhD Candidate at the Graduate School of Business, University of Cape Town, programme in Managing Infrastructure Reform and Regulation. He has worked as a technical advisor for the ICT programme of the SADC Parliamentary Forum in Namibia, within the UN technical cooperation framework. He has experience in the ICT private sector as a business developer. He worked for the European Commission, Information Society and Media DG as a trainee after completing his Master degree in Communications' sciences from the University of Perugia, Italy, and has a certificate in software design and development from the University of Florence.
- ***Hendrika Dreyer (Financial Officer)*** started her career by completing her articles with Vickers and Joseph in Nelspruit, whilst studying B Com Accounting through Unisa. She has specialised in supporting NGOs in the setting up or auditable financial systems with strong endorsement from donors and is responsible for the financial reporting, accounting systems, cash flow and payroll management at RIA.
- ***Alexandra Allem (Network Coordinator and Office Manager)*** was previously working in the advertising industry on a number of blue-chip South African brands in the account management department. She has a BA Honours in History and French at the University of Cape Town and a post-graduate diploma in business management from UCT.



*BACK ROW: Hendrika Dreyer, Christoph Stork, Alison Gillwald, Mpho Moyo, Alexandra Allem  
FRONT ROW: Thandi Sijiyo, Enrico Calandro*



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FINANCIALS & PROJECTS  
2010 / 2011

# Financials

FOR AFRICAN COMMUNICATION RESEARCH INSTITUTE TRADING AS RESEARCH ICT AFRICA  
(REGISTRATION NUMBER 2009/017831/08)

## **RIA III BUDGET VS. ACTUAL**

**September 2008 through November 2010**

	<b>BUDGET</b>	<b>TOTAL SPENT Y1+Y2</b>	<b>REMAINING</b>
IDRC Income	15,148,475	12,671,737	2,476,738
Interest income	0	265,440	-265,440
	15,148,475	12,937,177	2,211,298
<b>EXPENSES:</b>			
Personnel	3,281,250	3,281,250	0
Consultants	600,000	260,131	339,869
Evaluation	120,000	50,192	69,808
Equipment	211,400	211,217	182
In-country research	611,100	0	611,100
Networking	774,500	612,069	162,431
CPR Africa Workshop	1,298,900	772,668	526,232
Research planning workshop	87,000	86,719	281
Case Studies	550,000	426,351	123,649

(continued)	TOTAL SPENT		
	BUDGET	Y1+Y2	REMAINING
Regional coordinators	525,000	335,630	189,370
Integrated ICT Country Studies	2,895,000	2,591,682	303,318
Website design and maintenance	92,400	56,258	36,142
Translation	324,000	310,604	13,396
Editing & DTP	893,500	313,531	579,969
Print French book/RIA	200,000	0	200,000
Print (translation & DTP sheet)	500,000	234,404	265,596
Books for RIA countries	126,000	64,943	61,057
PhD fees support	315,000	185,242	129,758
Indirect costs	1,718,425	1,273,195	445,230
	15,123,475	11,066,086	4,057,388
Income less expenditure	25,000	1,871,091	-1,846,090
Difference in transfer of budget from Edge to RIA		3,244	
Cash still on hand in the books of ACRI		1,871,091	
Balance on books		1,874,334	
<b>Total unspent budget</b>			<b>4,057,388</b>

## **INCOME STATEMENT FOR RESTRICTED FUNDS**

*Financial statements for the year ended 28 February 2011*

<b>RESTRICTED INCOME</b>	<b>RESTRICTED FUNDS IDRC</b>	<b>RESTRICTED FUNDS OSI</b>	<b>TOTAL</b>
Opening balances	2 452 327	-	<b>2 452 327</b>
Grants received	9 376 793	282 148	9 658 941
Total restricted income	11 829 120	282 148	12 111 268
<b>OPERATING EXPENSES</b>			
Personnel	(1 494 765)	(69 600)	<b>(1 564 365)</b>
Consultants	(260 132)	-	<b>(260 132)</b>
Evaluation	(50 193)	-	<b>(50 193)</b>
Equipment	(63 878)	-	<b>(63 878)</b>
Travel	(198 936)	-	<b>(198 936)</b>
Research expenses	(2 845 684)	-	<b>(2 845 684)</b>
Training	(138 376)	-	<b>(138 376)</b>
Indirect cost	(581 221)	(6 583)	<b>(587 804)</b>
Bad debts	(386 080)	-	<b>(386 080)</b>
Other expenses - currency loss (CAD/ZAR)	(80 980)	-	<b>(80 980)</b>
Other income - Interest received	127 885	-	<b>127 885</b>
<b>Total operating expenses</b>	<b>(5 972 360)</b>	<b>(76 183)</b>	<b>(6 048 543)</b>
<b>Transfer to deffered income</b>	<b>5 856 760</b>	<b>205 965</b>	<b>6 062 725</b>

<b>GRANTS RECEIVED</b>	<b>IDRC</b>	<b>OSI</b>	<b>TOTAL</b>
Restricted income	11 829 120	282 148	12 111 268
Less: Transfer to deferred income	(5 856 761)	(205 965)	(6 062 726)
<b>Grants received - Restricted funds</b>	<b>5 972 359</b>	<b>76 183</b>	<b>6 048 542</b>

### **INCOME STATEMENT**

*Financial statements for the year ended 28 February 2011*

	<b>NOTE</b>	<b>2011 R</b>	<b>2010 R</b>
Revenue	8	7 373 578	1 679 578
Other income		8 000	-
Operating expenses		(6 963 028)	(1 704 717)
<b>Operating surplus (deficit)</b>	<b>9</b>	<b>418 550</b>	<b>(25 139)</b>
Investment revenue	10	24 000	25 139
Unrestricted deferred income - note 6		(442 550)	-
<b>Surplus (deficit) for the year</b>			

mobile ACCESSORY  
chargers, mobile  
e/body covers  
scratch card  
DEALERS IN.  
mobile repair  
phone charging

## Project Outputs and Key Findings

Title, Series & Author	Key Finding
<p data-bbox="109 314 185 337"><b>E-Skills</b></p> <p data-bbox="109 370 477 423"><i>Towards Evidence Based Policy, Volume 1 2008 Policy Paper 3</i></p> <p data-bbox="109 456 471 479">Jan Philipp Schmidt &amp; Christoph Stork</p>	<p data-bbox="527 314 1011 535">Research found that the number of citizens having completed secondary and tertiary education is the best indicator for e-skills, rather than secondary and tertiary enrolment or adult literacy, and proposes that it replace the indicators used by the International Telecommunication Union (ITU) and other United Nations bodies to capture e-skills within the population.</p>
<p data-bbox="109 568 449 621"><b>Gender Assessment of ICT Access and Usage in Africa</b></p> <p data-bbox="109 655 473 707"><i>Towards Evidence Based Policy Volume 1 2009 Policy Paper 5</i></p> <p data-bbox="109 741 368 794">Alison Gillwald, Anne Milek &amp; Christoph Stork</p>	<p data-bbox="527 568 1006 819">The Household and Individual survey confirmed in many countries the widely-held belief that men have greater access to ICTs than women, though in some instances, such as in South Africa and Mozambique, more women than men owned mobile phones. Significantly, when women have similar income, education and employment status they have comparable access to ICTs as their male counterparts.</p> <p data-bbox="527 853 863 875"><i>(To be presented ICTD, London, 2010)</i></p>

Title, Series & Author	Key Finding
<p data-bbox="109 232 501 341"><b>Regulatory Intervention or Disruptive Competition? Lessons from East Africa on the End of International Mobile Roaming Charges</b></p> <p data-bbox="109 375 479 425"><i>Towards Evidence Based Policy, Volume 2 2010 Policy Paper 1</i></p> <p data-bbox="109 459 431 481">Alison Gillwald &amp; Muriuki Mureithi</p>	<p data-bbox="543 232 994 341">The removal of regulatory bottlenecks to competition drives innovation, encourages competition, and facilitates regional integration in the form of regional roaming in Africa.</p> <p data-bbox="543 375 1002 425"><i>(Presented: EuroCPR 2009, CPRAfrica 2010, ITS 2010, accepted for publication Info 2011)</i></p>
<p data-bbox="109 515 470 565"><b>Benchmarking National Regulatory Authority Websites</b></p> <p data-bbox="109 599 476 649"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 2</i></p> <p data-bbox="109 683 448 733">Monica Kerretts-Makau with Farouk Kamoun &amp; Robertine Tankeu</p>	<p data-bbox="543 515 994 873">The benchmarking results show marked differences across countries and regions. While ranking per se was not the major focus of the analysis, ranking provides some comparative basis across countries. Egypt received the highest score and performed well across all categories. Nigeria, Mauritius, Kenya and South Africa were ranked in the top five. Following closely are Uganda, Algeria, Senegal and Tanzania. The top ten NRAs were considered to have had adequate content in support of users being informed and being able to participate in regulatory processes.</p> <p data-bbox="543 907 739 929"><i>(Presented: CPRAfrica)</i></p>

Title, Series & Author	Key Finding
<p data-bbox="109 232 471 284"><b>Mobile Termination Benchmarking: The Case of Namibia</b></p> <p data-bbox="109 318 474 369"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 3</i></p> <p data-bbox="109 400 258 426">Christoph Stork</p>	<p data-bbox="542 232 986 311">Introduction of cost-based termination rates lead to lower prices while boosting profits and investment at the same time.</p> <p data-bbox="542 344 925 370"><i>(Presented: CPRsouth, CPRafrica. ITS 2010.)</i></p>
<p data-bbox="109 460 415 511"><b>Interconnection trends in five African countries.</b></p> <p data-bbox="109 545 474 596"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 4</i></p> <p data-bbox="109 628 258 654">Christoph Stork</p>	<p data-bbox="542 460 986 706">Research challenges operators' claims of termination and origination markets being two-sided markets, and the waterbed effect, which would see an increase in origination (retail) prices if there was a cut in termination (wholesale) prices. Termination rate determination rates across Africa have resulted in a drop in retail rates and generally sustained or improved profitability for operators.</p> <p data-bbox="542 740 863 766"><i>(To be presented at CPRafrica 2011)</i></p>

Title, Series & Author	Key Finding
<p data-bbox="109 232 437 286"><b>ICT Sector Performance Review: Africa - Comparative Analysis</b></p> <p data-bbox="109 318 477 371"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 5</i></p> <p data-bbox="109 403 415 456">Enrico Calandro, Alison Gillwald, Mpho Moyo &amp; Christoph Stork</p>	<p data-bbox="542 232 1005 483">Although Africa has experienced significant growth levels particularly in the mobile segment, access figures remain sub-optimal in comparison to other regions. A number of regulatory bottlenecks have stifled competition and investment hence the regulatory perception of the telecommunications environment across the 16 countries surveyed is predominantly negative.</p> <p data-bbox="542 515 1001 568"><i>(Presented; UNCTAD, ITU, International Seminar on ICT indicators, Korea, 2010, ICT4All, Tunisia 2010)</i></p>
<p data-bbox="109 600 460 654"><b>South African Sector Performance Review</b></p> <p data-bbox="109 685 477 739"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 6</i></p> <p data-bbox="109 770 482 824">Alex Comninos, Steve Esselaar, Alison Gillwald, Mpho Moyo &amp; Kammy Naidoo</p>	<p data-bbox="542 600 1001 792">Despite overall growth of the ICT sector, performance has been suboptimal, with a series of unintended policy outcomes including high prices, lagging Internet and broadband penetration rates as a result of entrenched market dominance in the fixed and mobile oice markets.</p> <p data-bbox="542 824 986 936"><i>(Presented to i-week 2009, National Planning Commission October 2010, Ministry of Communication 10 December 2011. i-week 2009, Johannesburg, ICC May 2010, Cape Town.)</i></p>

Title, Series & Author	Key Finding
<p data-bbox="109 232 496 255"><b>Namibian Sector Performance Review</b></p> <p data-bbox="109 288 476 342"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 7</i></p> <p data-bbox="109 372 456 395">Robin Sherbourne &amp; Christoph Stork</p>	<p data-bbox="542 232 983 311">Liberalisation and fairer competition through regulation of interconnection led to a boost in sector performance.</p> <p data-bbox="542 344 975 367"><i>(Media launch in September 2010 in Windhoek.)</i></p>
<p data-bbox="109 432 463 454"><b>Ghana Sector Performance Review</b></p> <p data-bbox="109 488 476 542"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 8</i></p> <p data-bbox="109 572 292 594">Godfred Frempong</p>	<p data-bbox="542 432 992 566">Ghana has experienced a dramatic drop in tariffs following the successful implementation of a cost-based interconnection determination. This has resulted in significant growth in mobile access.</p>
<p data-bbox="109 628 482 650"><b>Ethiopia Sector Performance Review</b></p> <p data-bbox="109 684 476 738"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 9</i></p> <p data-bbox="109 768 232 790">Lishan Adam</p>	<p data-bbox="542 628 994 762">Lack of liberalisation of the Ethiopian telecommunications sector has resulted in low service penetration, poor quality of service, and excessive broadband and international call pricing.</p>

Title, Series & Author	Key Finding
<p><b>Kenya Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 10</i></p> <p>Timothy Waema, Catherine Adeya &amp; Margaret Nyabura N'dungu</p>	<p>Kenya has made progress in its telecommunications sector. However ICT policy is poorly implemented, The market environment remains restrictive to competition. Dominant operators with significant market share are not effectively regulated resulting in issues around anti-competitive behaviour.</p> <p><i>(Launch workshop: Nairobi Nov 2010.)</i></p>
<p><b>Tanzania Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 11</i></p> <p>Mary Materu-Behitsa &amp; Bitrina D. Diyamett</p>	<p>Tanzania has one of the highest tariffs out of the countries surveyed, despite the reduction in call termination rates. Call costs have been driven up by taxation on imported equipment (20%), 20% VAT and 7% tax levies on mobile airtime.</p>
<p><b>Tunisia Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 12</i></p> <p>Farouk Kamoun, Jamil Chaabouni, Sammi Tabbane &amp; Asma Ben Letaifa</p>	<p>Tunisia has the highest access figures across all the countries surveyed due to high per capita income. This is coupled with a highly developed backbone infrastructure.</p>

Title, Series & Author	Key Finding
<p data-bbox="112 232 477 255"><b>Uganda Sector Performance Review</b></p> <p data-bbox="112 288 477 339"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 13</i></p> <p data-bbox="112 372 423 423">Nora Mulira, Apolo Kyeyune &amp; Ali Ndiwalana</p>	<p data-bbox="544 232 1012 596">The new ICT Ministry and the regulator set up the necessary environment to foster competition. Among the measures is the establishment of cost based interconnection rates. Rewards from the increased competition are visible through growth in the number of subscribers and price reductions. However, market dominance both in the mobile and fixed segment has not changed. The backbone is still predominantly microwave based. However, initiatives such as the national data backbone infrastructure and backhaul connection for submarine cable access promise a change in this.</p>
<p data-bbox="112 630 497 652"><b>Botswana Sector Performance Review</b></p> <p data-bbox="112 686 477 736"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 14</i></p> <p data-bbox="112 770 474 792">Patricia Makepe &amp; Onkokame Mothobi</p>	<p data-bbox="544 630 1012 932">The liberalisation of the market in 2006 opened up the backbone and international gateway markets to new players. In 2007 a new service-neutral licensing structure allowed traditional providers to broaden the scope of their provision towards convergence. Interconnection fees are regulated (LRIC) and operators are allowed to enter into commercial negotiations for rates. Termination rates are asymmetrical. While fixed-line teledensity remained stagnant at 8% from 1997–2009, mobile phone teledensity reached</p>

Title, Series & Author	Key Finding
	<p>105% in 2009 according to BTA. Although the Internet market is highly competitive, penetration rates are still very low, the QoS is poor and broadband is almost absent.</p>
<p><b>Ivory Coast Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 15</i></p> <p>Arsene Kouadio with Yakaria Dosso</p>	<p>From 1997 to 2008, 820 billion CFA francs have been invested by the mobile operators for network roll-out and extension. The ICT industry generates about 70 billion CFA francs annually. The competitive ICT market structure has five mobile operators plus another two licensed but not yet operating. In 2008, there were 10,449,036 mobile phone subscribers. There were 356,502 fixed-line subscribers in 2008 with a lower penetration in rural areas. Thirty Internet authorisations have been issued.</p>
<p><b>Mozambique Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 16</i></p> <p>Francisco Mabila, Jose Mario Nhabinda Mboane &amp; Avelino I Mondlane</p>	<p>The sector experienced growth during the past five years, particularly in the VAS segment. Poor QoS, limited geographic network coverage, and the need for more competition have influenced the government's decision to launch the third mobile licence in April 2010. While the mobile market is showing growth, the end of the incumbent's exclusivity period has not yet caused any changes in the market</p>

Title, Series & Author	Key Finding
	<p>structure, with TDM still the only fixed operator. Despite the emerging regional and international connectivity projects, business models adopted by the local operators do not help much in dropping prices. Therefore, Internet access is low. The current interconnection rates, based on a LRIC costing model, are generally perceived by the users as being too high.</p> <p><i>(Launch workshop: Maputo October 2010)</i></p>
<p><b>Zambia Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 17</i></p> <p>Shuller Habeenzu</p>	<p>Building on the 1994 reforms the sector has experienced rapid growth. However, low penetration rates and high prices prevailing in the market place suggest that the market is still largely underdeveloped. In the period 2009 to 2010, the government has undertaken major reform initiatives. These measures include the development of a national ICT policy, enactment of the ICT Act in 2009, partial privatisation of the loss-making incumbent ZAMTEL, and liberalisation of the international gateway. However, the much-anticipated further market opening is unlikely to happen soon. In the wake of the decision to privatise Zamtel, the decision to allocate a substantial capacity of ZESCO</p>

Title, Series & Author	Key Finding
	<p>optic fibre network to ZAMTEL to make it more attractive to potential investors gives Zamtel significant dominance in the provision of broadband services.</p>
<p><b>Benin Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 18</i></p> <p>Augustin Chabossou</p>	<p>Despite a policy and regulatory framework aimed at liberalising the telecommunications sector, fixed-line and fixed-mobile telephony remain public monopolies. Yet, in spite of its monopoly and enormous investment efforts made by the country, the public company Benin Telecom SA is unable to properly extend its network in the country</p>
<p><b>Burkina Faso Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 19</i></p> <p>Pam Zahonogo</p>	<p>Burkina has the highest relative costs in telecommunications compared to those of the UEMOA region. The ICT policy did not achieve the objectives stated in 2005 with regards to fixed telephony, with a teledensity of one line per 100 inhabitants. With regards to mobile teledensity, in 2005 it achieved only 5.4 lines per 100 inhabitants. 70% of users, including fixed-lines, mobile and internet are concentrated in the capital. Remaining deficiencies include: inadequacy of existing infrastructure; low level of investment for the deployment of fixed</p>

Title, Series & Author	Key Finding
	<p>and mobile networks; very low participation of national businesses to investments in the sector; the virtual absence of content and services tailored to local needs; and low level of development of local ICT expertise.</p>
<p><b>Senegal Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 20</i></p> <p>Mamadou Alhaji Ly</p>	<p>The market was effectively liberalised in 2004 with the entry of two mobile operators. However, the absence of an overall strategy hampers the sector's contribution to economic growth. Efforts in establishing a legal framework have been delayed by log processes at the National Assembly and the Senate level and afterwards by a series of decrees accompanying the framework.</p>
<p><b>Cameroon Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 21</i></p> <p>Olivier Nana Nzepa &amp; Robertine Tankeu Keutchankeu</p>	<p>The national objectives of achieving universal and affordable access have been hampered by a power struggle between the Ministry of P&amp;T and the Telecommunication Regulatory Board over who should manage the money. A duopoly has replaced the previous monopoly. Consequently, prices remain high. Mobile penetration is rendering the fixed-line network redundant with the penetration rate a mere 1%. Internet penetration is below 2%.</p>

Title, Series & Author	Key Finding
	<p>The Ministry of Post &amp; Telecom has committed the country to extensive fibre optic networking. The completion of this could create other problems such as a conflict of interest in the competitive environment. Replacing copper with wireless infrastructures such as WI-FI, WiMAX or CDMA will not meet the long term need for high speed bandwidth.</p>
<p><b>Rwanda Sector Performance Review</b></p> <p><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 22</i></p> <p>Louise Karamage and Albert Nsengiyumva</p>	<p>Over the last two years, access to ICT, particularly for mobile services, has improved with the introduction of the second and third mobile service providers. The current market structure, particularly in mobile and Internet services, provides a great opportunity for competition, which ultimately implies improvement of QoS and affordability. There is still a need for improved access, particularly in remote areas. Access to and affordability of Internet services remain challenges.</p>

Title, Series & Author	Key Finding
<p data-bbox="109 232 471 258"><b>Nigeria Sector Performance Review</b></p> <p data-bbox="109 288 474 342"><i>Towards Evidence Based Policy Volume 2 2010 Policy Paper 23</i></p> <p data-bbox="109 374 221 396">Ike Mowete</p>	<p data-bbox="542 232 740 258">No report submitted</p>
<p data-bbox="109 432 505 510"><b>Comparative Analysis of Infrastructure extension and Investment Strategies in 5 African Countries</b></p> <p data-bbox="109 544 474 598"><i>Towards Evidence Based Policy Volume 2 2010 Paper 24</i></p> <p data-bbox="109 628 501 682">Alison Gillwald with Mpho Moyo &amp; Enrico Calandro</p>	<p data-bbox="542 432 1005 850">In most African countries public interventions in broadband backbone roll-out through universal access funds have proved to be ineffective in creating a favourable investment environment in perceived uneconomic areas. The development of national backbone networks has been identified as a national objective in many African countries and governments are increasingly playing a lead role in their rollout. In only a few cases is the government working in partnership with the private sector. In the majority of countries, the state deploys a national backbone through state-owned companies. A regulatory framework based on open access does not always accompany this public intervention.</p> <p data-bbox="542 880 837 906"><i>(To be presented CPRafrica 2011)</i></p>

## Way ahead 2011 - 2013

In the next phase, made possible by the ongoing support of the IDRC, the focus will be on enhancing the quality of the data and analysis within those countries which have the best combination of local research network capacity, understanding and involvement in the policy and regulatory processes and the political will or receptiveness of institutions to improve performance. This, together with the anticipated funding constraints, means that only ten countries will be surveyed for the 2011–2012 Access and Usage study. The Household and Individual survey will include a survey of SMEs and public institutions. For an update on this survey and the funded projects, including social networking for mobilisation and the development of mobile banking, see our website: [www.reseachictafrica.net](http://www.reseachictafrica.net). This includes the new RIA portal with up-to-date data on mobile pricing index, regulations on wholesale prices and termination rates and *Open Society Institute* supported Fair Mobile Index.



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PHONE CHARGING