

THE SEE ICT Private Sector FORUM

A private sector initiative supported by the Business Advisory Council for South East Europe

ICT is a fascinating area of business opportunity, in which SE Europe could become more actively involved. ICTs provide us with the opportunity to build a more just and equitable information society. In this new economy, SE Europe is given a chance for the first time to catch up with the rest of the world, mitigating the effect of handicaps such as the lack of industrialization.

The digital divide poses several challenges for our countries, since Governments' are being forced to choose between many competing objectives while planning development strategies and repeatedly need to find a balance between the demand for development funds and the availability of only limited resources. Bridging the digital divide requires adequate and sustainable investments in ICT infrastructure and services, capacity building, and transfer of technology over the years to come.

Financing digital development needs to be placed in the context of the growing importance of ICTs, not only as a medium of communication, but also as a development enabler, and as a tool for the achievement of the internationally-agreed development goals and objectives.

Until now, financing ICT infrastructure in the region has been mainly based on public investment. Lately, a significant influx of investment has taken place, where private sector participation has been encouraged, particularly where public policies have been implemented that aim at bridging the digital divide.

Advances in communications technology and high-speed data networks are continuously increasing the possibilities for countries with economies in transition, to participate in the global-market for ICT-enabled services on the basis of their comparative advantage. These emerging opportunities are providing a powerful commercial basis for ICT infrastructural investment.

Therefore, it is quintessential that Governments continue to take action, in the framework of national ICT policies, in order to support an enabling and competitive environment for the necessary investment in ICT infrastructure and for the development of new services. Such an environment includes good governance on all levels and the existence of a supportive, transparent and pro-competitive policy and regulatory framework that does not fail to reflect also national realities.

With the ICT sector in South East Europe becoming increasingly dynamic, the Business Advisory Council for South Eastern Europe (BAC for SEE) decided during its June 15 meeting in Tirana to establish a BAC-led ICT Forum of the Private Sector for Southeastern Europe in order to create an active link between the Private Sector (multinational and local ICT companies and associations) and the Public Sector (the Governments of the region participating in the Stability Pact's electronic South East Europe - eSEE and broadband South East Europe – bSEE initiatives). This ICT Forum will be co-chaired by BAC members Dr. Vassili N. Takas, President of the Southeastern Europe Telecommunications & Informatics Research Institute (INA) and Mr. Goran Radman, Chairman of Microsoft South-East Europe, in collaboration with Stability Pact Deputy Special Co-ordinator, Mr. Michael Mozur.

The aim of the ICT Forum is to establish a permanent dialogue between the broader private sector ICT community and the Stability Pact's regional initiatives. Focusing on the enabling policy and regulatory environment and seeking to promote eGovernment programs, the eSEE initiative, has been working since 2000 and has effectively energized regional co-operation on the ICT agenda. Signed in July 2005 by the region's Ministers of Communications, the bSEE initiative, through its task force, is currently developing an action plan to promote the development of a regional broadband market. Both initiatives strive to ensure that development of regional telecommunications, eGovernment and eBusiness activities enhance the region's overall infrastructure and attractiveness for investment, both domestic and international.

The BAC-led ICT Forum today is launched at this inaugural meeting and we hope that it will provide a significant input to the agenda of the eSEE and bSEE working groups and will enhance the cooperation with the BAC, through its two co-chairs, on its activities for the development of the ICT Sector in the region.

This ICT forum aims to forge a closer alliance between the Governments of the region and the private sector community that will have the capacity to improve the ICT related business environment and provide valuable input to the eSEE and bSEE initiatives.

The ICT Forum aims to:

- Organize regular fora to bring the private sector close to the issues of the information society, to increase their capacity, to stimulate communication between public and private stakeholders and broaden the network of collaborations

- Participate in the long term process of investment in human resources for the digital era
- Participate in the development of policies and programmes within the framework of national ICT strategies and regional initiatives (eSEE, bSEE)
- Link up to multinational private sector networks in order to facilitate ICT development and attract private sector investments

Concrete Steps

The launch of the BAC-led ICT Forum will become part of the agenda of the eSEE and bSEE working groups. The BAC-led ICT forum, through its two co-chairs, will report to BAC on its activities. The following actions may constitute the first concrete steps that implement the objectives of this ICT Forum, which aims to:

- **Formulate and codify main private sector concerns and priorities** for ICT development in the SEE region and establish communication links with the governments of the region
- **Propose specific PPP models for successful project implementation** to be used by the eSEE/bSEE representatives on a regional or national level. Contribute to the formulation of project implementation studies covering costs, revenue streams and phasing, initial business plans, etc.
- **Initiate periodic (semi-annual) exchanges of the eSEE/bSEE initiatives with the BAC-led ICT Forum** and promote joint activities including the re-enforcement of the educational role of INA Academy and its SEE nodes (endorsed by BAC during its establishment) and also explore such possibilities as a regional eGovernment Academy created on a public-private partnership basis.
- **Stimulate the creation of country specific dialogues on Information Society (IS) and ICT issues**, whereby the Stability Pact's eSEE and bSEE team coordinate periodic meetings under the Stability Pact umbrella to bring together in capitals all of the government agencies working on IS issues (i.e. Transport and Communications, Economy, Finance, Interior, Justice and Prime Ministerial offices), together with local participants in the BAC-led ICT Forum and donor government representatives to coordinate actions and programs in individual countries, and also regionally.

- **Establish a high level component to the dialogue by including a private sector element in the eSEE/bSEE Ministerial meeting**, to be held in late November in Bosnia-Herzegovina on the basis of a unified presentation by BAC-led ICT Forum representatives, including the BAC co-chairs, and complemented by representatives of regional ICT business associations and the telecoms sector presenting success stories.

Further considerations

The ICT Forum may also proceed to make some further considerations, which may be viewed as future steps that will reinforce its effect in regional development. The Forum may:

- Consider publishing periodical summary reports on competitiveness in the ICT sector in SEE countries. The modality and timetable of these activities will be jointly coordinated by the BAC-led ICT Forum in consultation with eSEE/bSEE representatives and will take into consideration relative reports already available (SEE Observatory, INA SEE ICT Monitoring Review, NRA reports, etc). The BAC-led ICT Forum can also identify obstacles to market development and open questions related to regulatory reforms.
- Establish national contact points (by selecting willing representatives among participants) that will be responsible for providing links for private sector associations and Fora in their countries to be used by this ICT Forum.
- Distribute a short questionnaire to selected private sector representatives in order to collect information about successful experience on PPPs, as well as on major barriers to be overcome. The provided input may be used to compile a concrete private sector view of the ICT development process in SE Europe.
- Present the private sector views and experience on PPPs in SE Europe to Governmental representatives in the eSEE/bSEE Ministerial meeting in late 2006.
- Organise of regional PPP workshop in Spring 2007

Conclusion

The ICT sector in SE Europe is both a challenge and an opportunity for the business community. The ICT industry, through the ICT Forum has the opportunity to act

collectively to boost its influence in fora to define the pathways and assist in the policies that will shape the way in ICT development in our region in a concrete and coherent manner.

It is clear that this initiative, the BAC-led private sector ICT Forum for SE Europe, is aiming to define a clear relationship with the Governments of the region based on mutual interest and openness. It indicates that the private sector can support the policy makers to put SE Europe into a position in the digital economy.

The growing demand for more reliable ICT infrastructure, products and services, and the technological and economic forces affecting the sector create a huge opportunity for new breakthroughs. Failure to seize this opportunity would mean that our industry and society could lose the critical capability to develop, which is essential for creating the markets that sustain competitiveness and prosperity. This ICT Forum should provide such a platform to capture this opportunity, and hence to reinforce ICT growth in SE Europe.