

TELECOMMUNICATIONS INFRASTRUCTURE

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Given the need of the region for a driving force to eliminate the digital divide between SEE, the EU, but also other developing parts of the world, and building on the Stability Pact e-SEE initiative, broadband communications can be used as an accelerator of economic development, increasing worker productivity and demanding the creation of jobs. Therefore, widespread availability of open-access, affordable, always-on broadband infrastructure and services for businesses and citizens is critical and should be made a key policy priority for the Governments of the SEE region. Furthermore, the European Union should invest politically and economically in this process, since it will benefit from the establishment of a gradually unified ICT environment in SEE, which is geographically surrounded by EU member states.

THE NEED FOR ICT DEVELOPMENT WITHIN SEE

Focusing on the South Eastern part of Europe, much remains to be done with regards to ICT development. The main reason for this lack of substantial development for the Information Society is the long-lasting periods of political, economical and social instabilities in the region.

A brief estimate of the situation in the countries of South East Europe (SEE) would undoubtedly include the following key observations:

- **mobile penetration** is still fairly low, although it may be considered by far as the leading factor of ICT development in SEE;
- **internet penetration (narrowband)** is very low, while broadband access is still in its infancy, if at all present;
- **costs of available services** are high compared to the EU average; a fact that is aggravated by the limited income potential of consumers and users of such services;
- **independence of the Telecommunications Regulatory Authorities** has not been fully achieved yet;
- **investment interest in the ICT sector** is moderate, due to the absence of a genuinely competitive environment.

The region is in need of a driving force that will assist it in utilizing the leapfrogging potential of electronic communication services for countries under development. For SEE countries development according to the EU standards is the only way through.

THE eSEE (ELECTRONIC SOUTHEAST EUROPE) INITIATIVE

This realization motivated regional governments and international organizations **to take specific action towards the goal of eliminating the digital divide in SEE** and achieving equal participation in the European Development/Connectivity for the region.

The most significant expression of this intent originated from the Stability Pact for the South Eastern Europe. The **eSEE (electronic South East Europe)** Working Group, established under Working Table II, deals with relevant issues. The ‘eSEE Agenda for the Development of Information Society’ was adopted by the regional Governments (Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Montenegro, Serbia and FR Yugoslavia), in Belgrade during October 2002. The corresponding action plan aims at facilitating ICT development in the signatory countries. A large number of parties are acting as advisors/facilitators in the different stages of eSEE implementation, such as the United Nations Development Programme (UNDP), the World Bank Group, the South East European Research Telecommunications and Informatics Institute (INA), countries like Hungary, Slovenia, Sweden, UK, and US, as well as the United Nations Economic Commission for Europe (UNECE).

Progress has already been reported, but it is a common conclusion that **more decisive steps have to be taken by the regional authorities and the international community, for SEE countries to avoid falling so far behind, that the process becomes irreversible.** Currently an updated eSEE Agenda+ is under preparation to follow the completion of the original eSEE Agenda and will be presented to the next regional Ministerial Conference in the course of 2006.

BROADBAND COMMUNICATIONS AS THE LEADING FORCE

The creation and nurturing of a knowledge-based society in SEE is essential in order to enhance and maintain the region’s international competitiveness. A key factor of realizing this auspicious venture is the provision of competitive, high-quality infrastructure and services. **Broadband Communications can be used as an accelerator of economic development, increasing worker productivity and demanding the creation of jobs.** In other words, Broadband creates opportunities for bundling services together and enables operators to offer more services to consumers at lower prices, creating added efficiencies in both time and money. New or offshoot industries are created and as penetration rates grow, the demand for computer, home networking equipment, wireless handheld devices and apparatus that facilitate broadband use rises. Economic benefits are also attributed to **indirect factors**, including increased e-commerce, reductions in commuting, increased consumption of entertainment, Internet telephony and savings in healthcare as a result of sophisticated telemedicine. For the enterprise sector, economic benefits result from efficiencies in the distribution of goods, services and information, while economic growth is also driven by new investment in network infrastructure, Web-based applications, end-user devices and related applications.

Grasping the opportunities afforded by the Information Age and developing communications infrastructure and services is essential, in order to attract and retain inward investment, stimulate job creation and ensure a fully inclusive society. Broadband high-speed always-on connectivity represents the next phase in the evolution of the digital era and underpins the information society.

Therefore, **widespread availability of open-access, affordable, always-on broadband infrastructure and services for businesses and citizens is critical and should be made a key policy priority for the Governments of the SEE region.** Furthermore, **the European Union should invest politically and economically in this process, since it will benefit from the establishment of a gradually unified ICT environment in SEE,** which is geographically surrounded by EU member states. Consequently, deploying broadband communications infrastructure and services in SEE countries could make a reality of the leapfrogging effect, which is needed to realize the much desired convergence of the region to the European socio-economic standards.

Considering the above, INA suggested taking affirmative action, focused on the development of a unified broadband market in SEE that will be interconnected with the European and Global networks. **In this context, the Initiative for ‘bSEE’ (broadband South Eastern Europe) development was conceived** and its initial conceptual description was included in the main conclusions of the Workshop on Telecommunications at the 10th Thessaloniki Forum, 24-25 of May 2004, which takes into account the guidelines of the European Union and the Stability Pact. A corresponding Memorandum of Understanding (MoU) between the targeted SEE Governments was drafted and finally signed at the Regional Ministerial Meeting that was organized by the Stability Pact, UNECE and INA, under the auspices of the Greek authorities, in June 2005 in Thessaloniki. This Ministerial Meeting also served the purpose of assessing the progress achieved under the framework of the eSEE action plan and preparing the SE Europe input to WSIS-2.

THE ‘bSEE’ ACTION PLAN

The ‘bSEE’ initiative is motivated by the consideration that all countries of South East Europe, would benefit in various ways from building up partnerships in the electronic communications sector. All involved parties recognize the potential for extensive trade between the countries of the region enabled by electronic communications and need to tap the capabilities and opportunities in a more focused and comprehensive manner. They also acknowledge the need to promote integral links between the SEE countries with a view to leverage capabilities and opportunities in the Electronic Communications sector. The countries of South East Europe have a common interest in advancing the growth of investments, in forming joint ventures and initiatives, in nurturing technology development and Telecom market evolution. Therefore, they intend to take decisive action at a governmental level, which will facilitate the development of a unified broadband market, fully interfaced with the European and Global networks that will support the implementation of a technology and industry co-operation programme aimed at fostering business partnerships between countries of South East Europe.

BUSINESS RECOMMENDATIONS

The ‘bSEE’ initiative will take action on two fundamental levels related to broadband communications development in the SEE region:

- **the coordination of policies**, which involves evaluating and suggesting best practices gathered from international experience and tailoring the various strategic options to the SEE region’s broadband environment;
- **the homogeneous development of regional networks** for the deployment of Broadband services in a manner coherent to the European Union standards.

In order to identify and facilitate the implementation of the ‘bSEE’ action plan, the following key activities will be on focus:

- **setting statutory and regulatory objectives and frameworks** with respect to European Union Directives and global standards;
- **aggregating demand** leading to broadband development;
- **evaluating broadband technologies and international best practices**;
- **developing skills** through exchange programs, joint sponsorship of conferences, training programs and seminars in the field of Broadband technologies;

- **prompting planned activities regarding broadband investment** that would result in building awareness, increasing level of public interest and empowering SME's to participate in such initiatives;
- **addressing market failures** that are beyond the reach of policy tools;
- **providing incentives to the private sector** for broadband development, especially in rural and remote areas;
- **monitoring progress** and producing timely reports.