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**ECONOMIC COMMISSION FOR AFRICA**

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**Terms of Reference**

**ATAC Subcommittee on Policy and enabling Environment**

## **Background**

Access to information and communications technologies is critical for effective participation in the global information economy. Government policy should focus on reducing the cost of information technology to the end user as rapidly as possible. The role of government is to provide a vision and strategy, within a legal and regulatory framework that will promote the development of the Information Society and to ensure that all sectors of society can benefit from it.

Inadequate regulation has been one of the limiting factor constraining e-economy and information society development. This does not simply entail the removal of regulations or eliminating regulators but implementing sound regulatory foundations as a prerequisite to attracting investment, fostering applications of new technologies and developing new services.

The speed of regulatory reforms must increase and be directed to stimulating investment in the infrastructure foundation for Information Societies.

The countries' own regulatory policies can have a marked impact on the digital divide and the major challenges revolve around the development and implementation of policies that create a favourable climate for stability, predictability and fair competition in order to attract private investment for ICT infrastructure development and the meeting of universal service obligations in disadvantaged areas. The "New Economy" is capable of faster growth without inflation because of productivity gains from affordable and effective access, globalization, deregulation and innovation support from capital markets.

Government must provide an enabling environment to foster the growth of technology and technology related industries in the economies of Africa. It is clear that there is no "one-size-fits-all" solution to enter the Information Society. National policy formulation must be specifically tailored to meet clearly defined national objectives, based upon local realities, constraints and needs. However there are some identifiable common principles, and African decision-makers should actively pursue the vigorous debate around these principles at all levels.

Any efforts to prepare the continent for an era of accelerated structural change must encompass policies to address basic needs and ensure an environment that is conducive to creating the necessary conditions for the information economy to flourish.

Governments can also fuel demand for ICTs by being a visible user of the technology which can lead to increased government efficiency.

Further, liberalization and privatization in the telecommunications industry in Africa should be undertaken as rapidly as possible. To facilitate the implementation of the AISI, governments will need to ensure the establishment of adequate communication infrastructure through encouraging the liberalization of services. This can be accomplished by providing enabling legislation and incentives for private sector collaboration in infrastructure development as well as setting up of strong independent body to regulate public/private partnerships.

Liberalization and privatization will also lead to lowering of prices, advanced services and network expansion to meet universal access objectives.

Government strategic policy goals should include the following:

- To create an enabling environment for the use and development of ICT in support of modernization;
- To ensue widespread and efficient use of ICT in all sectors;
- To develop NICI strategies and plans;
- To develop human resources to support the use and development of ICT; and
- To develop the ICT industry as a lead economic sector with an increased contribution to GDP growth

### **The Private sector**

The private sector, including the domestic private sector, must pursue a more proactive role in the formulation of public policy and national strategies to promote the Knowledge economy. Development of the information infrastructure will be driven by the private sector as it mobilizes the private capital required to build the infrastructure and the related technological innovations. Indeed, the private sector has the drive and the resources to push forward the development and application of various ICT applications.

Developing Africa's ICT infrastructure and related applications can be achieved by bringing together dynamic and socially aware private sector actors to improve the business climate in the region, participate in public/private dialogue, develop trade and investment in African countries, and participate in promotion of regional economic integration. Focusing in a selective/sectoral approach is required in order to attract a private sector which is not only driven by profit but by social obligations.

### **Objectives of the Sub-committee**

A Sub-committee on "Policy and the enabling environment" has been established by ECA as part of ATAC to provide the secretariat with strategic advise in the context of, but not limited to, e-strategy formulation and implementation, policy and regulatory issues, providing technical support, organizing workshops and coordinating discussion forums on policy issues.

### **Elements for consideration**

Members of the Sub-committee should consider some of the following elements within the context of the advice on policy and the enabling environment:

- The role of governments in the promotion of the development of the Information Society to ensure equal access.
- Enabling environments for investor attraction and the development of national information and communication infrastructure
- Establishment of the legal framework at national and sub regional levels for to enable ICT diffusion
- Su-regional policy harmonization

### **The Way forward**

Under the leadership of its coordinator, the Sub-committee is expected to deliberate on the above issues and prepare a one-year work programme of implementation within the framework of ATAC and upon consultations with the ECA secretariat.