

European Internet Foundation

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Alcatel's Digital Bridge Initiative

Speech by Thierry Albrand

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Dear Members of the European Parliament, Mr. Secretary General of the ITU, Dear members of the European Internet Foundation, Ladies and Gentlemen, good evening.

It is a pleasure to be here this evening to present Alcatel's Digital Bridge Initiative.

Alcatel's Digital Bridge Initiative was launched with the underlying belief that ICT's are levers for economic development and a win-win opportunity for all involved stakeholders be they telecom operators, local partners, equipment manufacturers, national and local public authorities, and most importantly, the people living in emerging countries.

Today, almost three billion people around the world have telecom access, including 2.3 billion using mobile phones. In less than 10 years, hundreds of millions of people in emerging countries have obtained access to the internet even though broadband connections in those areas are limited.

Despite those achievements which, by the way, have helped the economic player to earn money in these countries, there are still two main challenges !

Firstly, the achievements outlined above concern predominantly urban and suburban areas and upper income populations. For instance, the average mobile penetration rate in sub-Saharan Africa is only 10%, far below the 80% penetration rate in developed countries. Consequently, the first challenge is to address the lowest revenue population and reach out to rural and isolated areas of such countries.

Secondly, in many emerging countries access to the internet is still expensive, compared to developed countries. This is due to the high cost of access to internet backbones and the absence of good quality fixed line networks to develop wire line and wireless access for end-users. More importantly however,

there is a lack of sufficient relevant local content and applications that might pull the development of internet from a niche to a mass-market phenomenon.

It's clear that access, must become less expensive. How? By developing more regional and national backbones and by leapfrogging to innovative new wireless access technologies. This infrastructure development should also favor content and application development that fits local needs and capitalizes on the many possibilities offered by broadband access. A host of new applications in things like education, health, commerce, and governance can be developed and offered thanks to generalized broadband access.

I'm talking about a "broadband for all" vision for emerging countries. The goal of Alcatel's Digital Bridge Initiative is to make this vision a reality by working on two types of activities:

First, develop pilot projects to showcase innovative access to data and voice services for rural and underserved areas of emerging countries. For these projects we work with local actors who develop local applications and content and work with telecom operators who will deploy the technologies. This helps them to see for themselves the potential economic benefits of these project so they will later invest in large scale and sustainable deployments of their own.

What is the formula for success ?

- A good mixture of innovative services that fulfill local needs in social areas like health, education, governance, and economic areas like building transparent virtual market place, and improved contact with remote customers and providers,
- Appropriate economic models for end-users for the purchasing of equipment and services,
- Making benefits from the latest advanced technologies, like WiMAX for wireless broadband access,
- Large scale deployment of established technologies (GSM) in order to offer access at the best performance and lowest possible cost.

The second main item of our action plan is the supply of appropriate local applications and services for end-users. For this, Alcatel has set up "partnership centers" in emerging countries where local partners seeking to develop applications and services for the local market can come work on them. Two such centers are already operational on Alcatel premises in Tunis and Cairo and we will create three more by 2008. Our partnership centers are built around a platform developing innovative communication applications and services designed for mobile networks, but they are also suitable for internet access providers. To be relevant, such services must respond to local needs and meet the constraints imposed by the local environment.

Partners are selected on the following set of criteria in order of priority:

- the relevance of the innovative idea in terms of communication services,
- the credibility of the project as a whole,

- the technical and methodological competencies.

At the end of the selection period, which generally lasts 6 months, the chosen partners are certified by Alcatel which will offer them closer cooperation. This might, for example, consist in designing joint product offerings for local communication networks and service operators, or for export, or even for companies and government agencies. In all cases, the partners remain the owners of their ideas and responsible for the applications they have developed.

I would also like to point out that when working to bridge the digital divide we are seeking to implement public-private partnerships with agencies that have good knowledge of local needs. For example, we work with UN agencies like the UNCDF (UN Capital Development Fund) and ESCWA (Economic and Social Commission for Western Asia), or the Canadian state agency IDRC (International Development Research Centre) and infoDev of the World Bank group. As a matter of fact, at last year's WSIS in Tunis Alcatel and InfoDev jointly released a report to promote innovation and investment from the private sector in sub-Saharan countries. Copies of this report are available in this room. In addition, Alcatel is a founding partner of the ITU "Connect the World" initiative launched in June last year aimed at connecting all communities in the world by 2015. In that respect, Alcatel looks forward working with ITU and other members of this initiative to build partnerships to reach this objective.

The reason why we are working with agencies of this kind is simple: the development of applications and services fitting local needs is key to the success of our pilot projects. And this can only be offered by partners who have close relationships with the concerned populations.

To conclude, I would like to draw your attention to two recent EC initiatives and urge you, in your role as Member of the European Parliament, to closely watch their implementation particularly regarding what I am about to tell you:

- in October 2005, the EC adopted a landmark "European Union Strategy for Africa". This document contains a proposal to "establish an EU-Africa partnership on infrastructure" that encompass "ground-based and space-based electronic communications infrastructure and services". Please be aware that more emphasis needs to be put on assisting African countries to develop national, inter-regional and international ICT backbones. These backbones are essential to developing universal and affordable access to ICTs, but you must keep in mind that their return on investment is longer than for mobile networks for example, hence less attractive to private investors,
- in April 2006, the EC issued a communication on the follow-up to the Tunis phase of the WSIS. This document contains a very interesting reminder of the EU's internal experience among others in bridging the broadband gap. EU can play a key role in assisting emerging countries to build a transparent telecom regulatory framework that will have a

very positive impact on the development of competition and on offering ICT services at affordable costs to all.

Let me finish with a positive perspective: bridging the digital divide is a challenge but is, first and foremost, a growth opportunity for emerging countries. While private sector players like Alcatel will play their role, we are not charity or philanthropic organizations, this endeavor could and should be a win-win game for all stakeholders. Public authorities of emerging countries, including with the assistance of the EU, must play their role in building, when needed, national and regional backbones and establishing transparent regulatory frameworks.

Thank you very much for your kind attention.