Telecommunications Policy Review Report, for the Department of Communications

by BMI-TechKnowledge

Inception Report

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Report abstract:

REVIEW AND EVALUATE TELECOMMUNICATION POLICIES AND PRODUCE A POLICY REVIEW REPORT WITH RECOMMENDATIONS TO BE CONSIDERED BY THE TELECOMS POLICY REVIEW PANEL OF EXPERTS

The report is the foundation document for the Department of Communications' review and evaluation of Telecommunications Policies to produce a policy review report with recommendations to be considered by the Telecoms Policy Review Panel of Experts.

This document details the background, description, methodology, assumptions and desired outcomes for the project. Furthermore, this document details the project organisation and management, roles and responsibilities, project meeting scope, communication plan, project activity plan and timetable required to complete this project.

The project was awarded to BMI-T through open tender DOC/17/2012/13/P in June 2013.

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Change History:

Version	Date	Comments	Author	Edits
V1.0	05 July 2013	First draft issue to DOC	Denis and Tertia Smit	Proposed edits submitted by the Telecoms Policy Review Panel of Experts on the 16th July 2013, incorporated
V1.1	17 July 2013	Final	Tertia Smit	

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1. EXECUTIVE SUMMARY

Introduction and outline

This document is the Inception Report for the project 'Review and evaluate telecommunications policies and produce a policy review report with recommendations to be considered by the Telecoms Policy Review Panel of Experts. This is also the first deliverable for this project.

This project was awarded to BMI-TechKnowledge (BMI-T) by the Department of Communications (DOC) via an open tender process for Tender DOC/17/2012/13/P in June 2013.

Purpose and objectives

The DOC requires a service provider to identify policy objectives in the telecommunication subsector, as well as review and analyse them, and then provide recommendations. The service provider is to undertake research and analysis and make recommendations to the Telecoms Policy Review Panel of Experts in terms of:

- attracting investment in the telecoms sector;
- expanding telecoms infrastructure and access, especially into under-serviced areas, to reach the rural and poor;
- visible and sustainable transformation of the sector;
- supporting skills development;
- stimulation of the economy; and
- ensuring that associated legislation, policies, regulations, frameworks and institutional arrangements support and promote these objectives.

Project deliverables

BMI-T will provide a Policy Review Report within 4 months with the Department which includes the following activities and deliverables, presented so as to meet the purpose and objectives set out above:

- conduct an analysis on successes and challenges in the implementation of Telecommunications policies and legislation since 1994;
- conduct a status analysis of South African Telecommunications sector and identify major trends and future developments;
- transformation analysis of the Telecommunications sector since 1994;
- conduct a performance analysis of government particularly on ICT initiatives;
- review of government initiatives to expand access and recommendations on government initiatives for Telecommunications Policies.

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- market reviews and developments options for the Telecommunications sector;
- review any other factors that have either contributed or inhibited progress within the Telecommunications sector.
- conduct an international benchmark research on Telecommunications sector policies, best practices and identified gaps internationally;
- conduct gap analysis identifying major future challenges;
- recommendations on possible policy and regulatory changes to the Telecommunications policies

Project outline

BMI-T proposes to divide the project into 3 phases which in turn consist of 6 steps as shown in Table 1 below:

Table 1
Summary project approach

Steps	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Phases and timing	Phase 1: Month 1 (from contract signature)		Phase 2: Months 2 & 3			Phase 3: Month 4
Project flow	'As is': RSA market and associated policy review 1994 - current	International policy benchmarking review	Synthesis	'To be': Future integrated converged Telecoms environment	Gap analysis and closing	Recommendations: Telecoms Policy Review Report
Kick off meeting	Monthly reporting with at least 1 meeting and 1 workshop is required with the Project Team to discuss findings to date.		Monthly reporting with at least 2 meetings and 1 workshop is required with the Project Team to discuss findings to date, consider priorities, key findings and preferred direction for targets.			1 draft and 1 final report to be delivered, 1 workshop covering the final report.

Source: BMI-T, 2013

Payment milestones, target dates payment splits and deliverables

Table 2 below summarises the payment milestones, target dates payment splits and deliverables.

Table 2
Schedule, deliverables and payment milestones

Project milestones: completion of	Target Date	Payment Split	Deliverables
Inception Report	July 2013	20%	Inception Report
Steps 1 and 2 'As is'	July 2013	20%	As is, Historical Review, Transformation, International Benchmarking Reports
Step 3 and 4 'To Be'	August 2013	20%	To-be Report
Step 5 'Gap Closing'	September 2013	20%	Gap Closing Report
Step 6 'Final Report'	October 2013	20%	Recommendations and Final Report

Source: BMI-T, 2013

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2. BACKGROUND TO THE INCEPTION REPORT

The need for this document

A project plan, according to the Project Management Body of Knowledge, is:

"...a formal, approved document used to guide both project execution and project control. The primary uses of the project plan are to document planning assumptions and decisions, facilitate communication among stakeholders, and document approved scope, cost, and schedule baselines."

Similarly, the PRINCE2 methodology defines project plan as:

"...a statement of how and when a project's objectives are to be achieved, by showing the major products, milestones, activities and resources required on the project."

At a minimum, a project plan answers the following basic questions about the project:

- Why? - What is the problem or value proposition addressed by the project? Why is it being sponsored?
- What? - What is the work that will be performed on the project? What are the major products/deliverables?
- Who? - Who will be involved and what will be their responsibilities within the project? How will they be organized?
- When? - What is the project timeline and when will particularly meaningful points (milestones) be complete?

This document, termed an 'Inception Report', sets out to satisfy the above for the DOC Policy Review Project.

3. INTRODUCTION AND BACKGROUND: TOWARDS A TELECOMS POLICY

The nature of policy

A policy document has several characteristics which make it different from a law or a regulation. It is be important to note these characteristics when executing this project. The notable characteristics of a policy document are:

- it should contain a set of objectives determined by Government for a particular sector;
- it should provide guidance for decision-making to achieve those objectives;
- it is not the same as process – the steps to be taken to fulfil a policy can be set out in broad terms in the policy but are generally addressed in laws and regulations;
- the need to take account of technical, social and economic imperatives which operate on the sector;
- policy can indicate where certain responsibilities should lie and what expectations exist in this regard; and
- policy can also direct those responsible to address areas within a sector that have not previously been considered.

The role of the Department of Communications

The Department has certain core functions, many of which are expressed in the TOR and other Departmental publications. The Electronic Communications Act of 2005 (ECA) also defines these core functions in section 3, Policy and Policy Directions, namely:

- To develop Telecoms policies and legislation that create conditions for an accelerated and shared growth of the South African economy, which positively impacts on the wellbeing of all our people and is sustainable;
- To ensure the development of robust, reliable, secure and affordable Telecoms infrastructure that supports and enables the provision of a multiplicity of applications and services to meet the needs of the country and its people;
- To contribute to the development of an inclusive information society which is aimed at establishing South Africa as an advanced information based society in which information and Telecoms tools are key drivers of economic and societal development;
- To contribute to e-Skilling the nation for equitable prosperity and global competitiveness;

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- To strengthen the Independent Communications Authority of South Africa (ICASA), in order to enable it to regulate the sector in the public interest and ensure growth and stability in the sector;

- To enhance the capacity of, and exercise oversight over, State Owned Enterprises (SOE's) as the delivery arms of government; and

- To fulfill South Africa's continental and international responsibilities in the Telecoms field.

The Minister of Communications is authorized to make policy and issue policy directions to ICASA under section 3 of the ECA. These powers are fairly wide, enabling the Minister to make policy on:

- Spectrum;

- Universal service and access;

- New technologies for ECS and ECNS;

- Guidelines for determination by ICASA of licence fees including incentives that may apply to individual licences where the applicant makes binding commitments to construct electronic communications networks and provide ECS in rural and under-serviced areas of South Africa;

- Promoting universal service and ECS in under-serviced areas;

- Mechanisms to promote the participation of SMME's in the Telecoms sector;

- The control, direction and role of SOEs subject to the Sentech Act, the Broadband Infraco Act, the Companies Act and Broadcasting Acts; and

- Any other policy which may be necessary for the application of the ECA or the related legislation.

The Minister's authority to determine a Telecoms Policy for the sector flows naturally from the objectives of the ECA set out in section 2, and the specific powers set out above. Once the policy has been finalised by Government it should be published for comment prior to promulgation in the GG.

Identifying the need for a Telecoms Policy

The starting point for the development of a legal and regulatory framework for the ICT sector is to determine a policy for the sector. The policy will lay down the immediate, medium and long-term objectives of the Government.

This is not a small task. This first step will be a critical one in enabling the drafters of the final ICT Policy to draw on a body of knowledge that is informed by international best practice, South Africa's own history and circumstances, national goals and priorities and the needs of this important sector.

In April 2012, the Minister of Communications, Ms Dina Pule, launched the process to review Information and Communications Technology (ICT) policies. The review was initiated to examine the policy and regulatory frameworks that apply to ICTs, and is

expected to lead to an adoption of a White Paper on Integrated ICT Policy Framework for South Africa. The Department set itself the task of developing a Green Paper on an Integrated ICT Policy Framework. To this end a National ICT Policy Colloquium was held on the 19th and 20th April 2012.

The ICT Colloquium enabled stakeholders to put forward their views on the future of the ICT sector including its various components (one of which is the telecommunications sector). The Department proposes to reformulate policy for the sector which will take on board the outputs of the Colloquium, with a view to encapsulating initiatives that are complementary to the National Development Plan, and the Presidential Infrastructure project.

ICT Policy Review panelists have been appointed and the ICT Policy Review Panel has been constituted and started work.

Minister Pule expects the ICT Policy Review Panel to[1];

- Make recommendations on appropriate Policy and Regulatory frameworks that support the growth and development of the country;
- Make recommendations on implementation plans, options and time frames;
- Determine potential impact of the reform options and their impact on the industry, consumers and the community;
- Determine the principles that will underpin this new vision and policy framework;
- Identify progress and constraints in ICT Research and Development, ICT skills development, investment in ICTs and ICT industrial growth contributions.
- The ICT Policy Review Panel is guided by the terms of reference that provide that the Panel must take account certain parameters, such as:
- The panel should provide a platform for stakeholders and co-ordination of the input by stakeholders
- The Panel must liaise with key stakeholders and agencies and ensure that their views are taken into account in the development of the final report
- The panel must provide a progress report within three months of starting its work and a final report within six months.

She requested the panel to work towards assisting the Department to come up with an ICT Policy White Paper by early next year.

The Panel has established distinct working groups to deal with specific components of ICT Policy. This project serves as input to the Telecoms Policy Review Panel of Experts.

[1] DOC TERMS OF REFERENCE OF ICT POLICY REVIEW PANEL

Outline of the ICT Policy Review Process[2]

An outline of the ICT Policy Review Process was finalised, in consultation with the ICT Policy Review Panel in April 2013.

Table 3
Outline of the ICT Policy Review Process

Milestone	Description	Action Steps and deliverables
Framing Paper issued to initiate the public participation [process] and focused on policy ends.	The Framing Paper will measure the current policy objectives, the extent of their achievement and relevance for the future, thereby assisting the panel in setting new policy objectives for the integrated ICT Policy. Public launch of the Policy review process Outline Document published Framing Paper Published (April 2013)	Review and align current policy objectives to determine their extent of implementation, relevance and usefulness Outline the Policy Review Process Initiate public participation on the Framing document
(a) Framing Paper Submissions	Public submission on key objectives of the ICT sector (April – June 2013)	Public submission on Framing Paper closes
ICT Sector Review Report	ICT Sector Report on Telecommunications, Broadcasting, e-Commerce and Postal Published (August 2013)	ICT Sector Review report launch
ICT Policy Draft Green Paper commences	The Green Paper will lay out policy options; facilitating input and dialogue to obtain greater preference in policy whilst fostering greater public participation in the policy making discourse.	Draft Green Paper Published (October 2013) Draft on key subject matters Framing submissions; Public discussions; Research findings. Finalisation of Draft Green Paper
(a) Public Consultations	Public consultation of Green Paper Collation of public views on key issues; Meeting with public and stakeholders.	
(b) Discussion Paper	Discussion Paper published	Summation/Analysis Documenting and Aligning of key public inputs to framing objectives and Government policies; Presentation of draft discussion document; Presentation of International Benchmarking; Review and finalisation of the discussion document by the Panel; Release of the discussion document by Panel members
ICT White Policy Paper	The White Paper will be futuristic, taking into account greater technology and services convergence mainly for ensuring universal access and universal service to all South Africans	Draft White Paper issued as recommendations to the Minister (March 2014) Consolidating policy documents outlining approaches, choices, model structures and institutions including roles and responsibilities for the development of the Integrated ICT sector in South Africa.

Source: Ellipsis, DOC, 2013

[2] GOVERNMENT GAZETTE NO. 36359, 10 APRIL, 2013

In April 2013 the Minister of Communications published a Proposed ICT Policy Review Framing Paper[3], for public comment, which is intended to set the objectives and principles that should inform any communications sector related policy and legislative framework.

Fourteen principles/objectives were proposed. The Department requested that submissions focus on “ideal principles rather than previous performance”. Subsequent papers and documents will also review performance and outline the “institutional framework, individual activities, programmes and tools necessary to translate those principles into reality”. Submissions will be used to develop a "new" set of principles to guide and frame the approach to the ICT policy review.

The proposed principles are

- South Africans have a right to freedom of expression
- South Africans have a right to access a diverse range of content
- South Africans have a right to access a broad range of information, opinion and news of relevance to their communities and lives
- South Africans have a right to quality communication infrastructure and services which enable economic growth, employment and wealth creation
- South Africans have a right to benefit from the ability of the communications sector to facilitate social development and improve the quality of life for individuals and communities
- South Africans have a right to celebrate their cultural heritage in the language(s) of their choice
- South Africans have a right to equal universal access to communication services and infrastructure
- All sectors of the population have a right to equally enjoy and benefit from communication services
- South Africans are entitled to communication services that reflect, respect and uphold constitutional and community standards and values
- South Africans have a right to privacy and to protection of personal information
- Government has a responsibility to maximise the overall public benefit derived from the use of public resources
- All South Africans are entitled to a quality communication system that facilitates innovation, fair competition and equitable treatment of all role players
- South African citizens and consumers are entitled to maximum transparency in how services are delivered and conditions under which they are delivered

[3] PROPOSED ICT POLICY FRAMING PAPER, GOVERNMENT GAZETTE NO.36408, 24 APRIL 2013

A very important part of the ICT Policy will be the treatment of and objectives for the telecommunications or electronic communications subsector which BMI-T will refer to in the rest of this submission as the 'telecoms sector' and the 'telecoms policy'.

We note that although BMI-T will only advise on this subsector, the advice should be aligned with advice on other subsectors including broadcasting, IT, Infrastructure, e-commerce and associated sub-sectors within ICT.

Key issues for the Telecoms Policy

BMI-T will need to determine what a comprehensive telecoms policy should address in addition to, or separately from, policy that cuts across broadcasting as well as within a converged environment.

The role of the regulatory authority in implementing policy should not be ignored. Without proper implementation, a perfect policy is without value. Where institutional improvements are required the policy could also indicate what steps might be taken to address these. If funding and resource allocation are identified as issues, the policy should outline what steps might be taken to investigate and address these.

Social and economic goals such as improvements in education, health, access to government services, and employment must obviously be taken into account. Likewise the national goals of broad-based black economic empowerment should have a place in the policy. By the same token, the need for investment locally and by foreign investors is critical for sustainability in the long term.

The recommendations that inform the telecoms policy should take account of shareholder interests in commercial enterprises as without shareholder and investor input, the private sector cannot grow, and without private sector involvement, the Telecoms sector may not develop the level of new services and innovation, including in content, that is required of the sector in its contribution to national economic and social growth.

Other supporting legislation will also be reviewed for relevance and cross-cutting effects, such as:

- Electronic Communications Act;
- Promotion of Administrative Justice Act;
- Promotion of Access of Information Act;
- Public Finance Management Act
- Municipal Finance Management Act
- Sentech Act;
- The Competition Act of 1998;
- Regulation of Interception of Communications and Provision of Communication-related Information Act, 2002 (Act No. 70 of 2002) (the RICA Act);
- Broadband Infraco Act;
- National Development Plan;

- ICT Charter;
- President's Infrastructure Plan SIP 15;
- e-skills initiatives;
- Film and Publications Act
- DOC Vision 2020;
- Broadband Policy and the synthesis of the submissions;
- Broadband Strategy and Implementation Plan;
- 2012 ICT colloquium, documentation;
- ICT Policy Framework Document and the synthesis of the submissions; and
- Any other relevant ICT Policy Review Panel documents

Although progress has been made in terms of transformation in the Telecoms sector it has not been as rapid as targeted. BMI-T will take into consideration the policies and regulatory initiatives there have been to optimally support transformation such as:

- the BBBEE Act
- the Electronic Communications Act of 2005 included objectives to promote the empowerment of historically disadvantaged persons, including Black people, with particular attention to women, youth and people with disabilities; and to promote SMMEs in the Telecoms sector.
- ICT Charter
- the ICT sector code of good practice as published by dti.

To track progress BMI-T will also do a review of transformation since 1994 to date in terms of:

- ownership and control of the major telecoms players in all the sectors;
- other initiatives to increase broad based and effective participation of all people in the economy like the USALs, funding and procurement practices; and
- to review any other factors that have either contributed or inhibited progress.

BMI-T also understands that our role is not to write the Policy but it will be most helpful to the drafters if BMI-T can identify areas to address with reasons why, examining the history of policy in each case, and identify where it may still be relevant but require different tools.

4. UNDERSTANDING THE DOC'S REQUIREMENTS

Scope and objectives of this project

The DOC requires BMI-T to identify policy objectives in the telecommunication subsector, review and analyse them, and then provide targets and recommendations in line with the National Development Plan and the 'Vision for Telecoms in 2030'. The end goal as expressed in this plan is "a seamless information infrastructure to meet needs of citizens, business and the public sector providing access to a wide range of services required for effective economic and social participation".

The objectives of the appointment of a service provider to assist in making recommendations for a national ICT policy include the stimulation of the economy and more specifically, the growth of the sector which includes the electronic communications subsector, by:

- attracting investment in the telecoms sector;
- expanding telecoms infrastructure and access, especially into under-serviced areas, to reach the rural and poor;
- visible and sustainable transformation of the sector;
- supporting skills development;
- stimulation of the economy; and
- ensuring that associated legislation, policies, regulations, and frameworks support and promote these objectives.

Project deliverables

BMI-T is required to provide a Policy Review Report within 4 months after entering into a formal contract with the Department which includes the following deliverables. Note that the numbering is per the contract requirement.

- 4.1 conduct an analysis on successes and challenges in the implementation of Telecommunications policies and legislation since 1994;
- 4.2 conduct a status analysis of South African Telecommunications sector and identify major trends and future developments;
- 4.3 conduct gap analysis identifying major future challenges;
- 4.4 conduct an international benchmark research on Telecommunications sector policies, best practices and identified gaps internationally;
- 4.5 conduct a performance analysis of government particularly on ICT initiatives;

- 4.6 review any other factors that have either contributed or inhibited progress within the Telecommunications sector; and
- 4.7 submit a document containing recommendations and explanations on items 4.1 to 4.6, in particular, the following:
  - analysis of successes and challenges for Telecommunications policies and legislations since 1994;
  - transformation analysis of the ICT sector since 1994; Market reviews and developments options for sectors;
  - International best practice policies and initiatives via International benchmark research on ICT policies in selected countries;
  - recommendations on possible policy and regulatory changes to the Telecommunications policies;
  - review of government initiatives to expand access and recommendations on government initiatives for Telecommunications policies.

Approach to the project

The approach to the project that BMI-T will follow is summarised in the table below.

<table>
<tr><th colspan="8">Table 4
Summary approach to the project</th></tr>
<tr><td>Sectors included</td><td>Project Inception</td><td>SA market and associated policy review 1994 - current</td><td>International policy benchmarking review</td><td>Synthesis</td><td>Future integrated converged Telecoms environment</td><td>Gap closing</td><td>Recommendations: Telecoms policy review</td></tr>
<tr><td rowspan="4">Telecoms</td><td rowspan="2">Kick off meeting</td><td>Demand: Access for citizens business and public sector</td><td rowspan="3">India, Malaysia, South Korea, Brazil, Kenya</td><td rowspan="4">Synthesis of international and local reviews: assess and distill key objectives for SA in light of approach in other countries to Telecoms policy reform.</td><td rowspan="2">Anticipate industry/market developments within the next 10 years</td><td rowspan="4">Developing gap-closing strategies (i) to set realistic targets taking into account the SA and international market review; and (ii) to avoid or mitigate historical (in SA) or similar (in other countries) issues, taking account of future view.</td><td rowspan="4">Recommendations for policy and regulatory changes to create a framework for an integrated Telecoms policy with the objective of bringing about growth and development of the telecommunications sector.</td></tr>
<tr><td>Supply: economic investment, skills development, R&D, role-players</td></tr>
<tr><td rowspan="2">Contract signature</td><td>HDI and BEE transformation</td><td rowspan="3">Consider targets to stimulate the Telecoms industry growth; attract investment; encourage and promote skills development, adoption and uptake of services; transformation , and expansion of Telecoms infrastructure into underserved areas</td></tr>
<tr><td>Supportive institutional bodies, Government initiatives, plans and charters</td><td rowspan="2">Other sector-specific best and worst practice examples</td></tr>
<tr><td>Project Inception</td><td>Supportive legislation, policies, regulations, frameworks</td></tr>
<tr><td>Meetings with DOC and deliverables</td><td colspan="3">At least monthly reporting, at least 1 meeting required with DOC Project Team to discuss findings to date. Inception report, SA historical review report and International benchmarking report</td><td colspan="3">At least monthly reporting, at least 2 meetings required with DOC Project Team to discuss findings to date, consider priorities, key findings and preferred direction for targets. Report with integrated CT developments, objectives and targets</td><td>1 draft and 1 final report to be delivered, 1 presentation of final report</td></tr>
<tr><td>Phases and timing</td><td colspan="3">Phase 1: Month 1</td><td colspan="3">Phase 2: Months 2 and 3</td><td>Phase 3: Month 4</td></tr>
</table>

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Key research areas, as advised by the Telecoms Policy Review Panel of Experts

Listed below are the key research areas identified by the Telecoms Policy Review Panel of Experts on 30th June 2013. These will be considered in the execution of the project.

- Adoption and effective use of broadband and ICTs
- Competition
- Content Creation
- Cost to communicate / affordability
- Economic growth/ Job creation
- Government's role in ICT or telecoms
- ICT for development (skilled and relevant people)
- Independence of the regulator
- Infrastructure
- Information society indicators and the monitoring thereof.
- Innovation
- Interconnect / Interoperability
- Internationalization
- Investment
- Market structure / Balanced market
- Spectrum - efficient use of national scarce resource
- Synergising of current state- owned institutions
- Technology neutrality
- The network effects
- Transformation (Ownership and control)
- Universal service and Access

All these factors will be researched and evaluated as part of the whole ICT ecosystem.

5. PROJECT TEAM AND TIMELINES

Team composition

The BMI-T team for this Policy Review Project will comprise resources based in South Africa as well as abroad. The table below identifies the team composition for the project.

Table 5
Policy Review project team composition

Name	Role
Local team members	
Denis Smit Project Director	Contract signature, kick-off meeting, inception report, steps 1 – 6
Tertia Smit, Senior Telecoms Analyst & Project Manager	Steps 1-6
Dominic Cull (Ellipsis) Local Regulatory Expert	Kick-off meeting, inception report, steps 1, 3-6
Brian Neilson, Research Director	Steps 1, 3-6
Tim Parle, Senior Telecoms Consultant	Steps 1, 3-6
Selvie Naicker, Senior Telecoms Analyst	Steps 1 and 3
International team members	
David Rogerson, Senior Telecoms Consultant	Steps 2, 3 – 6
Harm Aben, Senior Telecoms Consultant	Steps 2, 4 – 6
James Holmes, Senior Telecoms Consultant	Steps 2, 4 – 6
Matthew O'Rourke, Senior Telecoms Consultant	Steps 2, 4 – 6

Source: BMI-T, 2013

Detailed project plan

Phase 1: Month 1

Step 1: SA market and associated policy review, 1994 to the present day

As required by the TOR, BMI-T will carry out an analysis of the successes and challenges in the implementation of the telecommunications sector policies and legislation since 1994. In addition, BMI-T will carry out an analysis of transformation in the Telecoms sector since 1994. In order to do this BMI-T will need to separate out the elements of each sub-sector and construct a timeline for that sub-sector, highlighting key elements over time.

BMI-T will also begin with an analysis of the 'as is' position having regard to our definitions below, in order to draw parallels between sub-sectors and elements within sub-sectors, and to collect and arrange the results of our analysis and benchmarking in order to make recommendations.

BMI-T proposes to assess key milestones in this first phase of the project from 1994, taking into account:

- High level demand analysis
- High level supply analysis
- Interventions to promote or require HDI and BEE representation
- Institutional and organizational arrangements during the period

- Legislation, policies and regulatory frameworks applying during the period
- Initiatives to drive transformation in the sector

The following key 'themes' will be looked at in this analysis include the stimulation of the economy and more specifically, the growth of the sector by:

- attracting investment in the telecoms sector;
- expanding telecoms infrastructure and access, especially into under-serviced areas, to reach the rural and poor;
- visible and sustainable transformation of the sector;
- supporting skills development;
- stimulation of the economy and
- ensuring that associated legislation, policies, regulations, and frameworks support and promote these objective.

Step 2: International policy benchmarking review

Our focus in this part will be on understanding the circumstances in which national policies and related plans were adopted and how they were executed, in order to develop lessons that may be relevant and useful for South Africa. It will be important also to understand how the realities of each country shaped the plans and their adoption and adaptation as time passed. BMI-T will endeavor to obtain a range of feedback on the country experience, rather than relying on single sources for evaluation.

As required by the Terms of Reference, the following countries will be benchmarked:

- India
- Brazil
- Malaysia
- South Korea
- Kenya

In addition to these five benchmark countries, BMI-T will look to learn lessons from other countries that have developed 'ICT Plans'

- BMI-T will investigate where policies worked effectively and where they have not, and the reasons why not. We will not undertake a full benchmark analysis (as described below) for these additional countries, but we will focus on areas where they have innovative policy approaches that offer additional insights into best practice. Although the policies with which we are concerned refer generally to ICT the emphasis is on telecommunications and particularly on broadband access.

There are many matters that we need to take into account within South Africa and if the benchmarks are to be helpful they need to cover the same matters in other jurisdictions. The review of South African and benchmark country policies will therefore need to be conducted along the same dimensions – see below.

The proposed structure of the benchmarks is based on the research priority areas identified by the DOC, along with some key statistical data that will allow comparisons to be drawn with South Africa.

Table 6
Benchmarking of statistical measures and policy issues

Statistical measures	Data from the benchmark country
Population	m
GNP per capita	USD.
Urbanisation	%
Literacy	%
Primary school educated	%
Secondary school educated	%.
Fixed services penetration	Per 100 population
Mobile services penetration	Per 100 population
Broadband services penetration	Per 100 population
Fixed incumbent market share	%
Number of mobile operators	x
Policy issue or priority	**How has it been achieved in the benchmark country**
ICT policy	How? By whom? When? With or without Public Consultation?
Policy targets	What are they? SMART? Timescales.
Efficient use of scarce resources	Spectrum management and auctions. Rights of Way.
Network effects	How to ensure benefits across all sectors
Interconnection	Symmetric regulation objectives
Technology neutrality	How to promote services and facility-based services
ICT infrastructure deployment	How national , provincial, municipal laws support passive infrastructure development
Infrastructure sharing	Principles and practice-
Independence of regulator	Structure. Recruitment, staffing, salaries.
State-owned companies	Do they exist? What are their roles? How are they synergised?
Funding Institutional Entities	How do they fund large scale infrastructure. NBN's etc
Market structure	Is there a limit to the number of players? Implications of total liberalisation.
Competition	How to balance promotion of competition with effectiveness
Innovation incentives	How local IP is stimulated and supported to come to market
R&D	How does the government support ICT R& D
Investment	How is investment in the market, including content creation promoted?
Demand stimulation	How does the Government support it, especially in eGovernment, health and education
Affordability	How defined? How universal access is delivered.
Access	How defined? Targets and delivery for universal access, definitions roll out and universal service obligations
Adoption and use of ICTs	Initiatives to support skills-development, adoption and use of ICT
Economic growth	How are ICT jobs created? What support is given?
ICT for development	Support for skills development and training. Links with academic institutions.
Information society indicators	How are ICT developments targets set and monitored?

In our experience the key to successful benchmarking is to balance the desire for consistency of structure and content with the need to allow each benchmark country's story to be heard. This is best achieved by preparing a high-level template for the benchmark reports, but allowing flexibility within that structure so that particular circumstances, objectives, experiences and lessons can be identified.

BMI-T expects that the analytical approach to benchmarking in this study will be largely qualitative as the sample is too small for effective quantified analysis and the policy issues at stake are not conducive to numerical analysis.

Phase 2: Month 2 & 3

Step 3: Synthesis

Bringing it all together will involve a discussion among all team members in a structured workshop. This is in order to ensure BMI-T have identified the key issues that are common to our South African review across all sub-sectors, and taken into account lessons learned from the international benchmarking.

Step 4: "To be" review – Moving to a future integrated and converged Telecoms environment

BMI-T will identify the key trends that will impact the Telecommunications ecosystem for up to 2020.

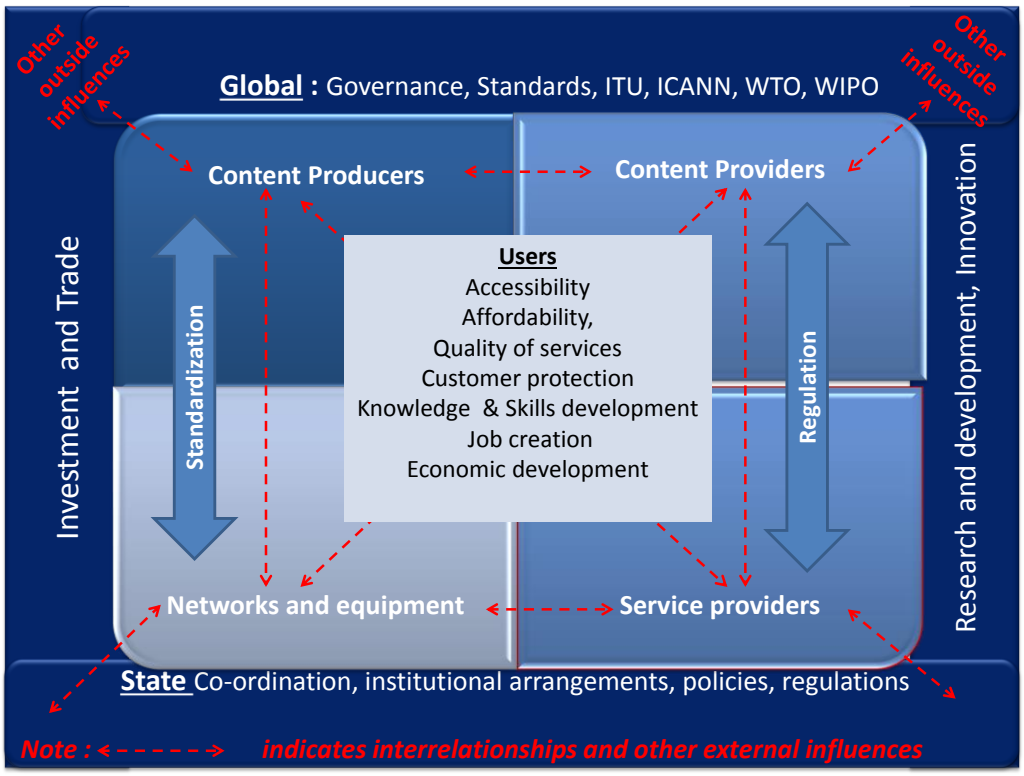
The international benchmarking will have been completed at this stage and it will feed into this step by alerting us to the sort of issues likely to be faced by South Africa in the near- and medium-term.

Technology always moves faster than law or even policy ought therefore to be reviewed frequently. BMI-T will propose an approach for the near- and medium-term with objectives and targets for 2020.

The goal will be to devise sensible short- and medium-term targets having regard to need and resources to stimulate the economy, as well as Telecoms industry growth, attracting investment, transformation of the sector, skills development, and expansion of telecoms infrastructure into underserved areas.

The specific need to consider the ICT 'Ecosystem' will be integrated into the analysis in this step of the project. The figure below illustrates the 'ICT Ecosystem' (adapted from two different ICT ecosystem concepts, namely by Martin Fransman and Allison Gillwald). The key point about the word "ecosystem" is that relationships are no longer bilateral, unidirectional, linear or layered. There are many relationships, some of which are behind the scenes or outside of regulatory control, including unlicensed providers, etc. The word ecosystem is designed to get people to realise that there is a whole lot going on outside the traditional sphere of control/focus, and to get people thinking of how to influence those other aspects or what the knock on effects may be. Over and above this, there is also the interrelatedness of the converged environment where aspects of postal, broadcasting, ecommerce and IT overlap and influence each other as well.

Figure 1
ICT Ecosystem



Source: BMI-T adapted diagram from two different ecosystem concepts, namely Martin Fransman and Allison Gillwald
Note: The key point about the word "ecosystem" is that relationships are no longer bilateral, unidirectional, linear or layered. There are many relationships, some of which are behinds the scenes or outside of regulatory control, including unlicensed or providers, etc. The word ecosystem is designed to get people to realise that there is a whole lot going on outside the traditional sphere of control/focus, and to get people thinking of how to influence those other aspects or what the knock on effects may be. There is also the impact of the converged environment where aspects of postal, broadcasting, ecommerce and IT overlap and influence each other as well.

Step 5: Gap analysis

Once the 'As-is' and the 'To-be' steps have been finalized, BMI-T will conduct an initial Gap Closing analysis which will be workshopped with Telecoms Policy Review Panel of Experts. In this step BMI-T will also take into account progress made or advances achieved by other departments and other policies and regulatory frameworks in South Africa which, as a result, will not need attention in the Telecoms Policy.

Phase 3: Month 4

Step 6: Recommendations phase of the Telecoms Policy Review Report

Our findings will be presented in a draft report in month 4, containing our observations, conclusions and recommendations for the Telecoms Policy. BMI-T proposes to hold a workshop with the Telecoms Policy Review Panel of Experts during the first 2 weeks of this month to present our recommendations and discuss them. Following the workshop BMI-T will submit our final deliverable, which will be our final report containing our final recommendations.

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6. SCHEDULE, DELIVERABLES AND PAYMENT MILESTONES

Payment milestones, target dates payment splits and deliverables

Table 2 below summaries the payment milestones, target dates payment splits and deliverables.

Table 7
Schedule, deliverables and payment milestones

Project milestones: completion of	Target Date	Payment Split	Deliverables
Inception Report	July 2013	20%	Inception Report
Steps 1 and 2 'As is'	July 2013	20%	As is, Historical Review, Transformation, International Benchmarking Reports
Step 3 and 4 'To Be'	August 2013	20%	To-be Report
Step 5 'Gap Closing'	September 2013	20%	Gap Closing Report
Step 6 'Final Report'	October 2013	20%	Recommendations and Final Report

Source: BMI-T, 2013

7. PROJECT ORGANISATION AND MANAGEMENT

Project control

BMI-T will report to the DOC on contractual milestones and invoice payment and will report to the Telecoms Policy Review Panel of Experts Chairperson for content approval. The DOC will sign off on deliverables after approval to this has been issued by the Telecoms Policy Review Panel of Experts headed by the Chairperson or designate.

It was agreed that BMI-T could, if required, interact or interview other key stakeholders with the proviso that any approach to Government or SOEs will be pre-approved by the DOC.

DOC will create and give BMI-T access to a DropBox document repository.

Progress Status reports would be issued fortnightly. Any risk item would be alerted via these status reports and mitigation strategies suggested for approval.

To mitigate on possible project slippage due to a slow 'deliverable' sign off process, a strict 7 calendar day maximum period will be allowed for panelists to provide comment on submitted project deliverables.

Overall project responsibility

Denis Smit, Managing Director of BMI-T, retains overall responsibility for BMI-T for the project and hence serves as the BMI-T Project Director. Tertia Smit has been appointed as the BMI-T project manager for the duration of this project. Contact details:

- Denis Smit Denis@bmi-t.co.za (T) 011 540 8002 (M) 082 450 7326
- Tertia Smit Tertia@bmi-t.co.za (T) 011 540 8018 (M) 082 458 9299

A full list of all team members and contact details will be loaded onto the applicable Project Dropbox Folder.

Project meetings

Client meetings

Operational project management will occur fortnightly for planning and process purposes. These regular project meetings are required to ensure that the project is running to plan and that any matters arising are dealt with in a prompt, professional manner.

The project managers will agree on the format of the meeting as a mix of face-to-face and conference call or report only meetings are envisaged.

Representation

BMI-T's Project Manager and /or Director will attend the meeting on behalf of BMI-T. Similarly, DOC's nominated project manager will attend meetings representing the client.

Project deliverable dates

The proposed deliverable schedule has been suggested to coincide with the Telecoms Policy Review Panel of Experts meeting dates, as listed in the table below.

Table 8
Project deliverable dates coinciding with the Telecoms Policy Review Panel of Experts meeting dates

Month	Telecoms working group meeting date	Deliverable
July	31 (was 24th we propose that it is moved)	Steps 1 and 2 "As is "As is, Historical Review, Transformation, International Benchmarking" Reports
August	28	"To-be" Report
September	25	"Gap Closing" Report
October	23	Recommendations and Final Report

Source: BMI-T, 2013

Communication plan

Face-to-face meetings will be held at the iParoli Office Park in Pretoria or as otherwise planned. Conference call meetings will use the Telkom teleconferencing facility on 0862 000 000 with entry code 52861.

The main forms of communications between the client, the Telecoms Working Group and service provider are via email as follows:

E-mail protocol: BMI-T will route all correspondence to the Chairperson of the Working Group Mr Lucky Masilele as well Mr Ephraim Adom and Ms Adelaide Masemola of the DOC.

Document management

The Project secretariat will make a suitable DropBox folder available to BMI-T for the convenient management of documents.

8. PROJECT ACTIVITY PLAN AND TIMELINE

The project will be planned, executed and monitored using standard project management methodologies and techniques.

A project baseline will be established in agreement with DOC's project manager

Project progress will be tracked against the baseline. Percentage completion estimates will be used where required. The completion estimates will be prepared by the BMI-T Project Manager and presented at the fortnightly project meetings detailed above.

Project calendar

A project calendar detailing the working days and non-working days (viz. weekends and public holidays) will be used. Appendix F shows the public holidays built into the plan.

Revision history

A revision history will be maintained. The following filename nomenclature is proposed where ddmmyy is date of issue (e.g. 010913 for the 1st September 2013) and Vx.y is the version number (e.g. 1.0): BMI-T Policy Review Research Project ddmmyy Vx_y

For communications other than between the project managers, summary project schedules will be provider either in read-only portable document format (*.pdf files) for Gantt charts or Microsoft Excel tables as required. All filenames will follow a format similar to the above with a *.pdf or *.xls(x) extension.

Project changes

Changes to a project's scope, budget and requirements must be managed appropriately to ensure the continued success of the project. A Project Change Request form is provided in Appendix E for this purpose. The change must be detailed and signed off as approved or rejected by both project managers.

Risks and mitigations

Table 9 below highlights the possible project risks and recommendation mitigation thereof.

Table 9
Risks and mitigations

Risk	Mitigation
Schedule delays due to slow approval and sign off of deliverables	A fixed maximum period of 7 calendar days for commentary from members of the Panel on submitted deliverables will be maintained.
Delays caused by interactions with other Working Groups and Service Providers.	This will be raised with the Working Group Chair as soon as it appears possible for assistance with obtaining the access required to these Working Groups and Entities
Delays to the project due to scope creep.	The project will follow strictly its terms of reference and items that are out-of-scope will be identified and communicated to the Working Group Chair.

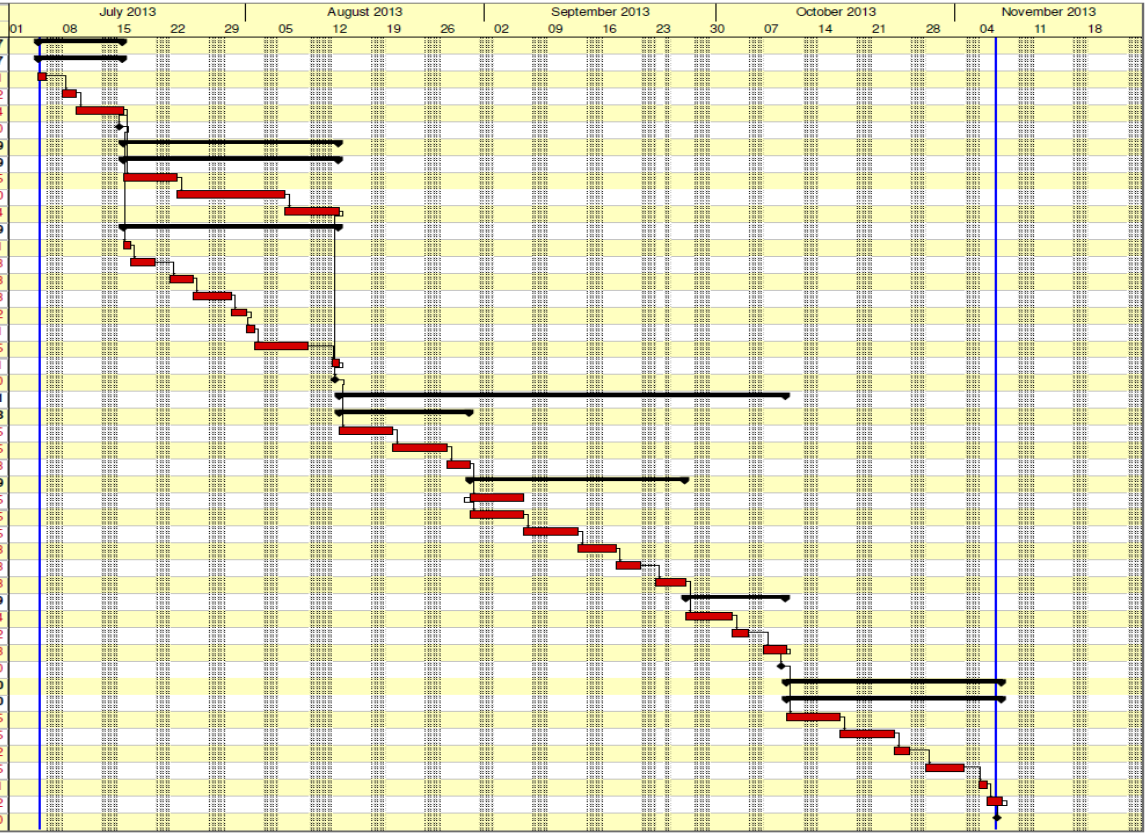
Source: BMI-T, 2013

9. APPENDIX

APPENDIX A: BASELINE PROJECT PLAN

Figure 2
Baseline project plan

ID	Name	Start	Finish	Duration
	Phase 0: Project Initiation	**05/07/13**	**15/07/13**	**7**
	Inception Report	**05/07/13**	**15/07/13**	**7**
	Hold project kick-off meeting	05/07/13	05/07/13	1
	Prepare Inception Report	08/07/13	09/07/13	2
	Agree Inception Report with DOC	10/07/13	15/07/13	4
	Inception Report complete	15/07/13	15/07/13	0
	Phase 1:	**16/07/13**	**12/08/13**	**19**
	Step 1: 'As Is' RSA market review	**16/07/13**	**12/08/13**	**19**
	Catalogue milestones in RSA history	16/07/13	22/07/13	5
	Analyse and critique	23/07/13	05/08/13	10
	Report writing	06/08/13	12/08/13	4
	Step 2: International policy benchmarking review	**16/07/13**	**12/08/13**	**19**
	Initial desktop research	16/07/13	16/07/13	1
	Prepare template for benchmark reports	17/07/13	19/07/13	3
	Further desktop research against template	22/07/13	24/07/13	3
	Analysis and detailed research of selected topics	25/07/13	29/07/13	3
	Report writing	30/07/13	31/07/13	2
	Submit Phase 1 report to TWG	01/08/13	01/08/13	1
	TWG review	02/08/13	08/08/13	5
	Amendments	12/08/13	12/08/13	1
	Phase 1 complete	12/08/13	12/08/13	0
	Phase 2	**13/08/13**	**09/10/13**	**41**
	Step 3: Synthesis	**13/08/13**	**29/08/13**	**13**
	Convene internal BMI-T workshop	13/08/13	19/08/13	5
	Detailed review of findings	20/08/13	26/08/13	5
	Documentation	27/08/13	29/08/13	3
	Step 4: 'To be' integrated converged Telecoms environ	**30/08/13**	**26/09/13**	**19**
	Desktop and primary research into future state	30/08/13	05/09/13	5
	Desktop and primary research into ecosystem	30/08/13	05/09/13	5
	Determine optimum future state	06/09/13	12/09/13	5
	BMI-T workshop	13/09/13	17/09/13	3
	Define objectives and targets for 2020	18/09/13	20/09/13	3
	Documentation	23/09/13	26/09/13	3
	Step 5: Gap analysis and closing	**27/09/13**	**09/10/13**	**9**
	Determine gaps between 'To be' and 'As is'	27/09/13	02/10/13	4
	Hold workshop with TWG	03/10/13	04/10/13	2
	Formulate approaches to closing gaps	07/10/13	09/10/13	3
	Phase 2 complete	09/10/13	09/10/13	0
	Phase 3	**10/10/13**	**06/11/13**	**20**
	Step 6: Recommendations: Telecoms Policy Review Re	**10/10/13**	**06/11/13**	**20**
	Compile draft report	10/10/13	16/10/13	5
	Circulate draft report to TWG	17/10/13	23/10/13	5
	Hold workshop with TWG (and others?)	24/10/13	25/10/13	2
	Integrate feedback into final report	28/10/13	01/11/13	5
	Final review	04/11/13	04/11/13	1
	Publish final policy recommendations report	05/11/13	06/11/13	2
	Project complete	06/11/13	06/11/13	0



Source: BMI-T, 2013

APPENDIX B: EXAMPLE PROJECT MEETING AGENDA

Telecoms Policy Review Report: Project Meeting Agenda

Date: __ / ___ / 2013	Time: __ h __ to __ h __	Location:
Invitees: Customer (DOC):	Service Provider (BMI-T):	Optional:

Meeting Type: Face-to-face / conference call

Agenda Items:

Opening and welcome

Apologies noted

Approval of minutes from previous meeting

Review of progress against plan:

Read-out of completed phases

Read-out of upcoming phases

Project management tasks:

Review of action register

Review of risk register

Project change requests

Matters arising

Date and format of next meeting

AOB

Closure

Action Register

No.	Action Item	Responsible Person	Due Date
			__ / ___ / 2013

Minutes recorded by:	Date Circulated: __ / ___ / 2013

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APPENDIX C: PROJECT CHANGE REQUEST FORM

Telecoms Policy Review Project: Project Change Request

Change requested by:		Change recorded by:	
Name		Name	
Title		Title	
Contact Number		Contact Number	
E-mail address		E-mail address	
Date	___ / ___ / 2013	Date	___ / ___ / 2013

Change Description:

Change Impact: *

Scope	Requirements	Deliverables
Expanded	Expanded	Increased
Reduced	Reduced	Decreased
Clarified	Clarified	Clarified
No change	No change	No change
Schedule	Resources	Budget
Accelerated	Increased	Increased
Impeded	Decreased	Decreased
No change	No change	No change

Action Register

No.	Action Item	Responsible Person	Due Date
			__ / ___ / 2013
			__ / ___ / 2013
			__ / ___ / 2013

Status	Approved / Rejected*
Project Management Comments	
Signature: DOC Project Manager ___ / ___ / 2013	Signature: BMI-T Project Manager ___ / ___ / 2013

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APPENDIX D: PROJECT CALENDAR

The official national public holidays that may impact on the project are shown in Table 10 below.

Table 10
South African public holidays 2013

Date	Public Holiday	Day	BMI-T Comment
9 August 2013	National Women's Day	Thursday	Non-working day.
24 September 2013	Heritage Day	Monday	Non-working day.

Source: BMI-T, 2013Source: http://www.info.gov.za/aboutsa/holidays.htm, BMI-T, 2013