

NATIONAL BROADBAND NETWORK (NBN) POLICIES

A COMPARATIVE STUDY LEADING TO RECOMMENDATIONS FOR THE MENA REGION

An independent report for the FTTH Council MENA by Ventura Team LLP

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VenturaTeam 



FORWARD AND INTRODUCTION BY FTTH COUNCIL MENA

The concept of a national broadband network (NBN) has been developed by governments around the world who are continuously examining the status of their infrastructure, assessing the sector and deciding whether existing networks need to be modernised or extended. This process of examination has given rise to the concept of an open fibre broadband network stimulated by government.

As part of its Regulatory and Policy Committee's mission, the FTTH Council MENA is committed to strengthening its cooperation with policy makers, governments and regulators in the region in order to positively influence relevant NBN policy development and have a positive impact on broadband deployment in general, and FTTH rollout in particular.

The FTTH Council MENA commissioned this report from Ventura Team to survey the current status of NBN policies in the MENA region in order to identify the most effective generic approach to help policy makers, governments and regulators make the right decisions in the matter of NBN policy and accelerate the FTTH deployment.

This report includes information, updates and generic recommendations that reflect the views and experience of the expert consultants. The best practice will clearly vary depending on the local circumstances in each country. This report is specifically tailored to NBN/FTTH deployment policy and structured in several sections representing the findings of the study and leading to several suggestions and recommendations:

- Study and analysis of the actual status of NBN/FTTH in 16 countries of the MENA region
- Observations regarding MENA approaches to NBN
- Identification of 9 key dimensions for NBN policy
- Comparison of the MENA status vs. the 9 dimensions
- Suggestions/recommendations on each of the 9 key dimensions

The Executive Summary briefly describes the key findings before getting into the full details of each section. It is recommended to use the summary for a quick overview and for public communication.

We believe it is worth to focus on the execution of NBN plans in each country due to the general circumstances in the region that are rapidly changing from business and political perspectives. This will help the acceleration of FTTH deployment in the MENA region.

EXECUTIVE SUMMARY

MENA NBN Status

In the body of the report we survey the status of NBN or related national policy across the region. Approaches vary greatly which is to be expected given the immense diversity in terms of infrastructure, political situation and economic development across MENA.

Formative	Emerging	Implementation	Achieved
Discussions about NBN policy are at an early stage without yet a conclusion or have stalled.	Desire for ubiquitous high-speed broadband and policy is developing in parallel with initial deployment.	The general strategy is mature and the focus is now on implementation.	The NBN goal of ubiquitous high-speed broadband has been achieved.
Egypt	Jordan Iran Iraq	Bahrain Oman	Qatar
No Policy (Market Lead) or Informal Either there a) is an informal NBN policy directing State controlled operators to invest or b) has not yet been a serious discussion about NBN policy, or c) the decision is to rely entirely on market activity.			
Libya Palestine	Kuwait Tunisia Lebanon	Algeria Morocco	Saudi Arabia UAE

Table 1 National Broadband Initiatives - Status in autumn 2018 (green arrows show progress from 2017)

Pragmatism v Idealism

In this report, we recommend the ideal position on each of nine key dimensions of any NBN policy. Clearly, these are our generic recommendations and the best policy in any specific country will vary depending on local circumstances. Nonetheless, we believe that moving as far as possible towards our generic idea on each dimension will bring benefits to any NBN programme.

We recognise that some of the recommendations here may seem rather idealistic. Some may appear unnecessary or overly ambitious and for others - where the situation locally may be very unstable - they may simply be unattainable. We accept and fully agree that achieving some practical progress in the real world is infinitely preferable to prolonged delay in pursuit of an unachievable ideal. These recommendations and the logic supporting them are designed to help policy makers and others involved in NBN. They should at least foster debate. The merit of each recommendation should be tested for your own situation and adapted accordingly.

Recommendations

We identified nine key dimensions of an NBN policy and for each we recommend a position on the spectrum of possible measures. These are summarised in the table below.

Policy Dimension	Essence of Recommendation
Geography: Competitive v Complementary	Complementary is more efficient
Copper Switch Off / Incumbent Migration	Should be guaranteed
Consistency of Regulation with NBN (esp. pricing)	Aim for high consistency but need not be perfect
Execute via Incumbent or New NBN Organisation(s)	New focussed organisation preferable
Single v Multiple NBN Companies	Multiple companies to reduce execution risk
Clear, accountable, stable Governance of NBN	Essential for any endeavour
Degree of Structural Separation	High degree of separation likely more effective
Government v Private Finance	Signifiant private finance adds discipline
USO or other Ongoing Contractual Revenues	Universal service should be modernised to fit NBN

Finally, we compared the average of MENA practice to our recommended positions. The result of this comparison is shown by the chart below.

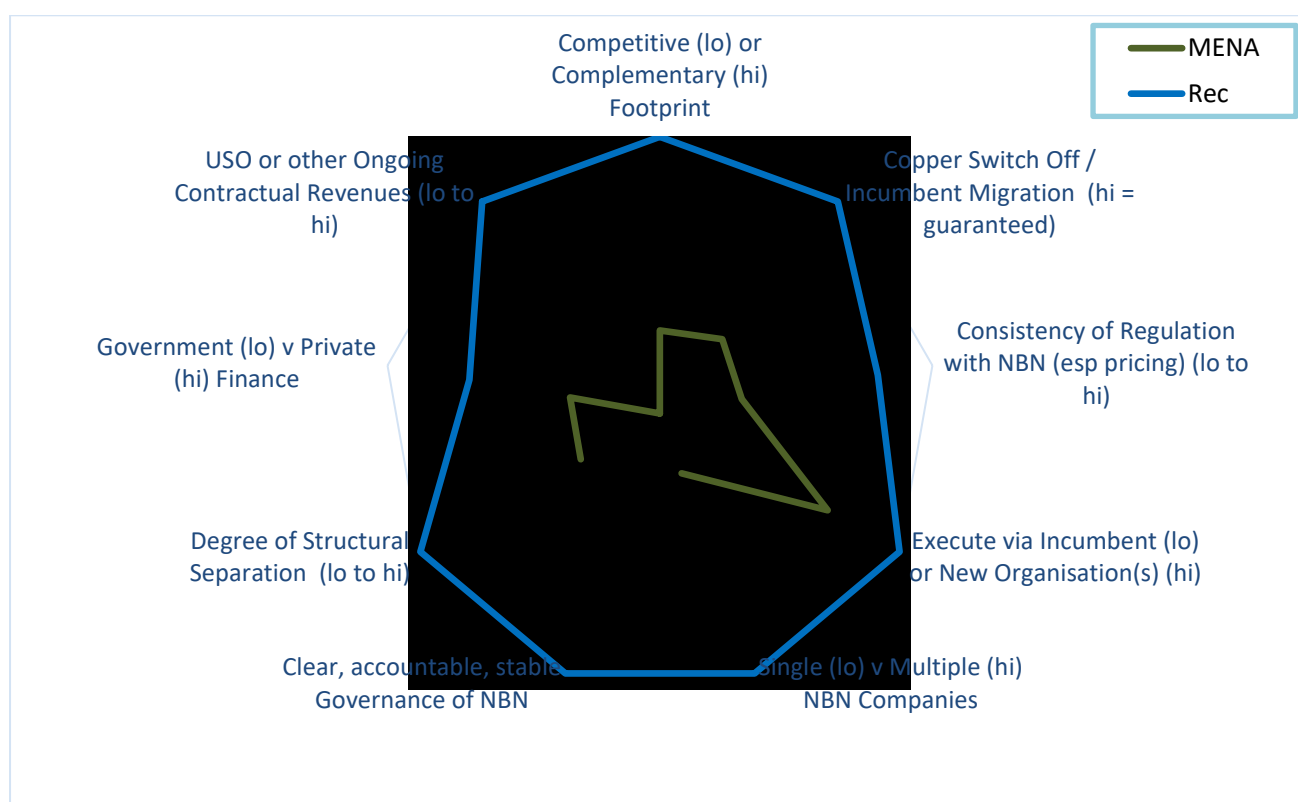


Figure 5 Comparison of the average MENA policy with our recommendations on the nine key dimensions

As is clear from the diagram, we feel that the general practice of NBN policy in the region could be improved, although it is not the case that in any specific country the optimal policy should or could match our ideal on each of all the nine dimensions.



CONTENTS

Forward and Introduction by FTTH Council MENA.....	1
Executive Summary.....	2
1 Why NBNs?	Error! Bookmark not defined.
1.1 Definition of an NBN	Error! Bookmark not defined.
1.2 Fibre is the Most Common Choice of Infrastructure Type	Error! Bookmark not defined.
1.3 Early Examples of NBNs.....	Error! Bookmark not defined.
2 Overview of MENA Region Developments	Error! Bookmark not defined.
2.1 Stages in NBN Policy Development and Implementation.....	Error! Bookmark not defined.
2.2 Individual Country “Status Updates”	Error! Bookmark not defined.
2.3 Observations Regarding MENA Approaches to NBN	Error! Bookmark not defined.
2.3.1 Competitive v Complementary Footprint?	Error! Bookmark not defined.
2.3.2 Explicit Copper Switch-off / Incumbent Migration?	Error! Bookmark not defined.
2.3.3 Consistency of Regulation with NBN	Error! Bookmark not defined.
2.3.4 Degree of Structural Separation	Error! Bookmark not defined.
2.3.5 Execute via the Incumbent(s) or Create a New Organisation(s)?	Error! Bookmark not defined.
2.3.6 Single National Company or Multiple Regional Delivery Companies?	Error! Bookmark not defined.
2.3.7 Clear, Accountable, Stable Governance of NBN	Error! Bookmark not defined.
2.3.8 Government Financed or Privately Financed?.....	Error! Bookmark not defined.
2.3.9 USO or Other Ongoing Contractual Revenues.....	Error! Bookmark not defined.
3 Recommended Policy Model	Error! Bookmark not defined.
3.1 Competitive v Complementary Footprint	Error! Bookmark not defined.
3.2 Copper Switch Off / Incumbent Migration	Error! Bookmark not defined.
3.3 Consistency of Regulation with NBN.....	Error! Bookmark not defined.
3.4 Degree of Structural Separation	Error! Bookmark not defined.
3.5 Execute via Incumbent v Create One (or More) New Organisation(s)	Error! Bookmark not defined.
3.6 Single National or Multiple Regional NBN Companies?.....	Error! Bookmark not defined.
3.7 Clear, Accountable, Stable Governance of NBN	Error! Bookmark not defined.
3.8 Government Finance v Private Finance	Error! Bookmark not defined.
3.9 USO or Other Ongoing Contractual Revenues	Error! Bookmark not defined.



4 Conclusion..... Error! Bookmark not defined.

The full report is accessible to all the members of FTTH Council MENA