

Partnership for Lebanon - ICT Infrastructure Work Stream

Background

The Partnership for Lebanon was launched by U.S. business leaders in September 2006 to provide critically needed resources to assist the reconstruction efforts in Lebanon and to help build a better future for the Lebanese people.

The Partnership is led by five U.S. companies: Cisco, GHAFARI, Intel, Microsoft and Occidental Petroleum. Working through public private partnerships and with the Lebanese people, the Partnership is focused on expanding the reach of education and workforce training, creating jobs, building out technology infrastructure and using technology to connect communities with needed services and resources.



The ICT Infrastructure Work Stream

Information is a crucial commodity for any country that wishes to compete in a knowledge-based global economy. The Partnership is working to better position Lebanon to compete by modernizing the country's communications infrastructure which is weak. Connectivity is expensive and quality is poor.

The Partnership's Information and Communication Technology (ICT) work stream is led by Cisco. In Phase one (2007-08), the Partnership has three main objectives:

- Developing a National Broadband strategy, including a broadband business case analysis and network architecture options;
- Developing regulatory proposals and a set of policies to initiate the implementation of a modern communications infrastructure; and
- Assisting the Telecom Regulatory Authority (TRA) in issuing its first broadband license(s). Other related projects sponsored by the Partnership are the establishment of an Internet Exchange Point (IXP) and the donation of two state-of-the-art gateways to increase the international bandwidth capacity of Ogero, Lebanon's government-owned telecom operator.

Findings to Date

Economic models were developed to characterize the Lebanese market under a range of competitive, regulatory and market assumptions. The base case model showed that a new private entrant into the market could expect an Internal Rate of Return (IRR) of 15% and a peak debt of some \$50 million. The model assumes 200,000 subscribers paying \$40 month for broadband services and 15,000 leased lines used by businesses by 2018.

Government Policies

In April of 2007, leaders of the Partnership met with Prime Minister Fouad Siniora. The Prime Minister welcomed the Partnership initiative, and singled out connectivity as an area of need.

Short-term

To support a competition oriented regulatory framework and for the fast deployment of a modern communications infrastructure in urban areas, government decisions have to be made regarding access to ducts, the unbundling of the local copper loop.

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Medium term

To expand the initiative to include rural and poor areas, additional government decisions regarding universal broadband coverage will be necessary in 2008. Incentives to complete the infrastructure and to raise demand and adoption, as well as the privatization of Ogero, and a solution for the problem of illegal operators will all be important benchmarks.

Long term

To encourage economic growth in all of economy's sectors; public income from the telecommunications sector should be substituted by regular tax income.

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