

Korean Trust Fund for ICT4D

# Study on Broadband Policy in Korea: Lessons for Developing Countries

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## Basic Facts

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**Country/Region** Global

**Project Sector** Information and Communications

**OUI** 1871

**Amount Requested** US\$ 175,000

**Primary Area** Access

**Originating Dept/Division** GICT/CITPO

**TTL** Yongsoo Kim

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## Narrative

### 1. Objective

Provide brief overall project objective, including intended impact. (Max. 500 words)

The overall objective of the proposed project is to increase the effectiveness of national broadband policies in developing countries through identifying best practices and lessons learned in Korea and other developed countries and disseminating them proactively to developing country officials.

Korea has one of the world's top broadband infrastructure and services. This is an unprecedented success case especially when considering Korea's relative level of economic development and GDP per capita among OECD countries.

An outstanding characteristic of Korea's broadband development is the pro-active government-driven policies. While many other countries have carried out a range of varied policies in this area, it is not easy to find any other country with as comprehensive and diverse broadband policies in terms of scope and level of government involvement as Korea. Just 5-6 years ago, Korea's government broadband policies were criticized for being overly interfering or ignoring market demand, and thus likely to fail.

However, remarkable successes of government driven approaches taken by such countries as Korea, Sweden and Japan have led to a re-evaluation of Korea's broadband policies. The involvement of the public sector, especially in building the necessary back-bone network, which can be seen in such national level projects as the Sweden National Grid and the Korea Information Infrastructure, as well as various measures to promote broadband usage and create initial demand, has been touted as success factors targeted for benchmarking by various countries.

In other words, more and more experts are acknowledging the merits of government

intervention in the broadband market with many of them arguing that Korea needs to be benchmarked in detail. In addition, several developed nations are studying the Korean case to try and translate successful models into their own countries.

This perspective change within the academia and developed nations on the role of government in broadband development is of significant importance to developing countries. Unlike developed nations developing countries do not have the necessary market mechanisms to support the development of broadband and government intervention is likely to be much more important.

The proposed study has the objective of conducting detailed analysis of Korea's broadband policies, and identifying policy recommendations applicable for developing countries. By analyzing the impact of Korea's diverse broadband policies and through comparisons with the policies of other developed nations, those policies with the high effectiveness will be examined for application to developing countries. In particular, demand creation policy, which has been getting the spotlight recently in terms of its impact on expanding broadband deployment, will be analyzed in detail.

Policy recommendations and lessons learned through analysis of Korea's broadband policies are expected to contribute to the expansion and lowering the cost of broadband in developing countries by enhancing policy effectiveness as they are applied directly to or integrated into relevant policy areas.

## 2. Rationale

Indicate the innovative features of the project and how it plays a catalytic role in Bank Group operations. In what way does it have an impact on core Bank business? (Max. 250 words)

While there have been many studies on the success factors of Korea's broadband policies, few efforts to explore the possibility of developing broadband policies of Korea and other advanced nations to be applicable to developing countries have been made.

The proposed study will determine key requirements and the degree of replicability of Korean broadband experience. The study's format and content will facilitate absorption of the key lessons learned and best practices of the Korean experience.

The result of the study can serve as a guideline for policy makers of developing countries to be used in formulating broadband policies. The study is also aimed at empowering World Bank staff to utilize the Korean experience more effectively in ICT policy advice work in the developing countries. Its results can enhance the quality of the current World Bank initiatives for policy advice on broadband issues and stimulate related demand from developing countries.

The proposed work is also in line with the fundamental aim of KIF and the intent of the donor country (Korea), which is sharing Korea's IT policy success experience with the whole world.

## 3. Program Description

Describe project design including approach, components, resources stakeholder roles, etc. (Max. 1000 words)

The project will consist of two components: (1) Analytical Study with Policy Recommendations (100K) and (2) Dissemination Activities(75K).

Component 1. Analytical Study with Policy Recommendations The proposed study will answer the following questions:

- 1) Why isn't market mechanism by itself sufficient in providing broadband? Theoretically analyze why broadband network construction and expansion, that a society needs is not realized solely on market driven mechanism.
- 2) What is the role of government in sufficient provision of broadband? Discuss the necessity of establishing a comprehensive government strategy as well as the scope and level of government involvement to meet the demands of the market and society. Compare the policy orientations of Regulatory state(Soft Intervention) to those of Developmental state(Pro-active Intervention).
- 3) Why Korea matters to developing countries?
- 4) What policy options are available and highly effective for dissemination of broadband? - A comparative analysis of Korea's major broadband policies with broadband policies of around 10 developed countries will be conducted and policy recommendations applicable to developing nations proposed. - Suggest the optimal sets of policy recommendations corresponding to the developmental stages of broadband markets.
- 5) What are some of the new opportunities in the convergence era - Explore policy options appropriate for maximum utilization of recent technological innovations and convergence phenomenon?

Component 2. Dissemination Activities

The project will make a special emphasis on disseminating key messages and lessons learned from the study through a number of dissemination and knowledge sharing activities, such as events and publications.

This component will ensure the effective dissemination of the key findings through a full-day completion workshop in Washington DC with participation of both WB staff, country clients, Korean officials, private sector and experts (in person and via GDLN), as well as reaching broader audience through the live webcast.

The study will be published in full and also summarized in a 4 page note for wider reach.

#### 4. Program Duration

15 months

Indicate the expected duration of the project.

#### 5. Fit with Strategies

Describe how project fits with or supports sector, regional and country strategies. Highlight any relationship to an existing Bank operation or program. (Max. 500 words)

The outputs of the project will inform and facilitate adoption of more effective broadband policies in developing countries which will improve availability and reduce the cost of access to broadband Internet and hence facilitate better access to information, services and opportunities. Better access to information and services is a key aspect of a number of sector, regional and country strategies since it can improve equity and social inclusion, educational and health opportunities, competitiveness and transparency, lower cost of doing business with the government and with global markets.

## Target Countries

#### 6. Target Countries

Asia:  
Africa:  
Latin America:  
Middle East & North Africa:  
Europe & Central Asia:

## Categorization

#### 7. ICT Program Areas

Select all applicable program areas and categorization.

**Access:**  
ICT Policy and Regulatory reform  
ICT Infrastructure Development  
Broadband Deployment and Use

**Mainstreaming:**

**Innovation and Entrepreneurship:**

**Regional Scope:**  
Global

#### 8. Deliverable Type

Analytical Work (Global)

#### 9. Activity Executed By

World Bank

## Key Stakeholders

#### 10. Key Stakeholders and Other Interested Parties

Please list key stakeholders and other interested parties,

	Recipients	Beneficiaries
Government		Ministry staff responsible for broadband strategies Agencies and Commissions responsible for telecommunication regulation

both recipients and beneficiaries, in the government, private sector, and elsewhere.

Private Sector (Large)		Telecom companies which can be inspired to roll out broadband more aggressively Multinationals companies who can save by outsourcing to new locations in developing countries due to lower cost of broadband
Private Sector (SME)		SMEs in developing countries who can benefit greatly from lower costs of broadband access in order to compete better locally and internationally
Other		Academia, Think tanks, NGOs, etc. who can catalyze adoption of global best practices in broadband access in developing countries

## Timeline & Milestones

### 10. Estimated Timeline & Activity Milestones

Please include titles and completion dates for each deliverable.

Deliverables	Date
Estimated Start Date	1 Sep, 2008
First Draft	1 Dec, 2008
Mid-term report	1 Apr, 2009
Final Draft	30 Jun, 2009
Publication of the report	1 Aug, 2009
Completion Workshop	15 Oct, 2009
Estimated End Date	30 Nov, 2009

## Risks

### 11. Risks Affecting Project Implementation

Identify and explain briefly major risks (including political, environmental, security, governance, and implementation) to project implementation, and measures to address these risks.

Type of Risk	Brief Description	Measure to Mitigate Risk
Implementation	Difficulty in securing information from other countries or finding the right people who are in the know concerning broadband	Finding alternate countries or sources of information
Implementation	Final report may not be practical enough to be of high relevance to developing country officials	Consultations with country clients will be held at the inception phase and at the mid-term review phase to improve relevance and practicality

## Program Team

### 12. Program Team

Please provide names of all principal team members.

Core Team Members	Name(s)
Transaction leader/ contact person	Yongsoo Kim (project TTL, Component 1 leader)
Other team members (including back-ups)	Oleg Petrov (knowledge sharing and dissemination aspects, Component 2 leader) Juan Navas Sabater (quality assurance/peer review) Eloy Vidal (quality assurance/peer review)
<b>Management Team</b>	<b>Name(s)</b>

Managing unit manager	Philippe Dongier
Director	Mohsen Khalil

## Financing Plan

### 14. Budget/Financing Plan

Please enter the column totals from the spreadsheet template here.

Column	Total Amount (US\$)
KTF Request	175,000
Co-financing	
World Bank Group	
<b>Total Cost</b>	<b>175,000</b>

## Monitoring & Evaluation

### 15. Outputs

Please fill in the key measurable performance indicators for each component. These M&E milestones need to include base line data, expected value and intermediate achievements (collected during supervision).

Measurable Indicators	Baseline Value	Intermediate Value	Expected Final Value
Collection of broadband specific-information or broadband best practices	N/A	N/A	Broadband best policy practices gathered
Broadband policy recommendations for developing countries	N/A	N/A	Broadband policy recommendations are identified
Knowledge, best practices and policy recommendations shared	N/A	Completion workshop organized, Publication and distribution of the study results and recommendations	Dissemination of the key findings among the community of practitioners (beneficiaries)

### 16. Outcomes

By project component please enter the tasks to be performed, their outcomes and their expected long term impact.

Project Activities	Expected Outcomes	Expected Impacts
Comparative Analysis	Best practices identified Common critical success factors identified	Used as reference to support broadband policy-making strategies in developing countries
Formulating and sharing Broadband Policy Recommendations	Identify Broadband challenges for developing countries Policy recommendations for effective broadband policy are developed Sharing knowledge and best practices applicable to developing countries	Used as reference or guideline by policy makers in developing countries in supporting their respective broadband deployment policies Used as a reference or guideline for technical assistance for developing countries in broadband policy area by World Bank consultants Raised awareness on successful practices and policy recommendations