

Policy Paper: Reforming Governance in Lebanon's Mobile Telecom Sector

From Chaos and Conflict to Transparency, Productivity,
and Accountability



Acknowledgements

This new policy paper, prepared by telecom expert and former “touch” CEO Wassim Mansour in collaboration with SMEX, sets out a roadmap for reform. Drawing on international models of public corporate governance and the findings of Lebanon’s Court of Audit, the paper identifies structural failures and proposes concrete measures to rehabilitate the sector.

The policies proposed in this paper underwent extensive discussions and amendments over the span of six months with leading Members of the Parliament (MPs) and experts, most notably MPs Paula Yacoubian, Halimé Kaakour, Yassine Yassine, and Professor Nizar Saghieh, the Executive Director of Legal Agenda.

This paper was officially submitted by the MPs who participated in the discussion sessions to MP Ibrahim Mousawi, the Chairman of the Media and Telecommunication Parliamentary Committee, paving the way for its discussion in parliamentary sessions to recommend that the government adopt the proposed decree.

We consider this paper to be a founding document for a new, more transparent phase in the governance of Lebanon’s mobile telecom sector. Despite SMEX’s best efforts at fighting for improved transparency and privacy protection measures, we realize that the application of our recommendations require the careful consideration of the government, the President of the Republic, and all relevant stakeholders to ensure improved services, more trust, and the attraction of greater investment for the sector.

About SMEX

SMEX is a nonprofit dedicated to safeguarding human rights in digital spaces across West Asia and North Africa. We advocate for safe and uncensored access to the internet, mobile services, and networked spaces for people in the region and the diaspora. Recognizing the inseparable link between digital rights and human rights, SMEX focuses on the impact of technology on fundamental freedoms.

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Section I: Introduction – A Moment of Truth

Lebanon's mobile telecommunications sector has long been one of the state's most important non-tax revenue streams. Yet for over two decades, it has remained hostage to improvised operational models and bad governance. With increasing fiscal pressure on the Lebanese state and a dramatic decline in service quality, reforming the sector has become an urgent national imperative.

According to the 2022 report of the Lebanese Court of Audit, the mobile sector lost over 40% of its revenue-generating capacity between 2012 and 2020. This was due to inflated operating expenses, poor contract management, and the absence of a strategic vision. The report also highlighted egregious cases of lack of accountability and overlapping powers between the Ministry and the operators—undermining citizen trust in the state as steward of this public utility.

Leading governance literature, particularly from the OECD, affirms that governance is not a bureaucratic luxury but an essential condition for effectiveness, transparency, and sustainability in the management of public enterprises. In the telecom sector specifically—where technology intersects with public service delivery—good governance is a precondition for any financial or operational reform.

This policy paper thus offers a realistic and evidence-based roadmap to rebuild the governance structure of the two state-owned mobile operators, MIC1 and MIC2, through:

- A clear separation between the state's role as owner and the role of executive management.
- Reinstating independent oversight.
- Involving fiscal and regulatory institutions in strategic decision-making.
- Laying the legal foundation for any future transparent public-private partnership.

Restoring credibility to this sector will not come through cosmetic measures or general slogans, but requires a structural reform rooted in a strong legal and regulatory foundation—transforming the mobile sector from a fiscal burden into a true economic and social driver.

Section II: Historical Background – Four Phases of Instability

Since the 1990s, Lebanon's mobile sector has been one of the key public utilities subjected to various operational models, starting with BOT contracts and eventually transitioning to direct state management. However, the absence of a clear strategy and the continued improvisation in managing this vital sector have undermined its development potential and the optimal use of its revenues.

The sector's governance can be summarized in four main phases:

1. Transitional Phase After Network Repossession (2002–2004): Central Oversight and Temporary Operations

After terminating the BOT contracts in 2002 and reclaiming the two mobile networks, the Lebanese state, through the Ministry of Telecommunications, signed temporary operating agreements known as “Network Care and Operational Continuity” (NCOC) contracts with the previous operators (FTML and LibanCell) to ensure uninterrupted service.

To manage this relationship and monitor performance, a unified supervisory board was created for both operators to represent the Republic of Lebanon. It consisted of three members: a representative from the Minister, a representative of the state’s financial advisor on the privatization process, and an international expert in telecom regulation.

This board received detailed monthly and semi-monthly reports from the companies covering technical, operational, and financial performance—offering a relatively consistent oversight mechanism.

Although transitional, this phase established a centralized and institutional form of network management under direct state supervision.

2. Phase of Operation by International Operators (2004–2012)

Following the end of BOT contracts in 2002, the government signed management contracts with regional and international operators (such as Orascom and Zain) through a global tender. These contracts clearly defined operational expense ceilings, which helped control spending, and maintained a supervisory board representing the state.

This phase, comparatively, was the most organized in terms of expense control and role clarity. Still, the relationship between the government and operators remained politically rather than institutionally driven, with limited advancement of independent governance.

3. Ministerial Management of Operational Expenses (2012–2020)

Starting in 2012, the Ministry of Telecommunications assumed full responsibility for operational expenses. Spending ceilings were removed, the role of the supervisory board declined, and this led to inflated costs and reduced revenues.

4. Direct Ministerial Management (2020–Present)

In May 2020, the management of MIC1 and MIC2 was transferred directly to the Ministry of Telecommunications, and management contracts were terminated. The supervisory board was dissolved, and a direct relationship was established between the Minister and company executives with no contractual or regulatory framework, and without any independent oversight.

Since then:

- No contract governs the relationship between the government and the two companies.
- The appointment of boards of directors and general managers is subject to direct ministerial decisions.
- No clear mechanism exists for decision-making or performance accountability.

These stages reveal a lack of strategic continuity and a progressive deterioration in governance—making reform of this structure an urgent and unavoidable necessity.

Section III: Current Reality – A Sector Without a Framework, Accountability, or Outlook

Since 2020, following the government’s decision to reclaim the management of the mobile companies through the Ministry of Telecommunications, the sector has entered a state of legal and administrative void. This vacuum has led to serious consequences in terms of governance, productivity, and transparency.

1. Absence of Contractual Framework

There is no longer a contract defining the relationship between the state (as owner) and the mobile companies MIC1 and MIC2 (as operating units). The previous management contracts were canceled without replacement. As a result, the relationship between the Ministry and the companies is now governed solely by ministerial administrative decisions, lacking any legal or institutional foundation to define powers and responsibilities.

2. Overlapping Powers and Eroded Responsibility

- The Minister appoints the Boards of Directors and General Managers, effectively placing himself in a dual position of owner and operator.
- The absence of a supervisory board or independent oversight means that decisions are made without any institutional review.
- Executive management is held responsible for operations without real

autonomy in decision-making or accountability.

3. Lack of Transparency and Accountability

In the absence of a contractual or legal framework governing the relationship between the Ministry and the mobile companies, there are no binding obligations for these companies to uphold transparency or submit to oversight.

“Management contracts were canceled without replacement, and the relationship between the state and the companies is now governed by direct administrative decisions without any regulatory or contractual reference.” — **(Court of Audit Report, 2022)**

Despite the companies being state-owned, they often evade the application of Public Procurement Law No. 244/2021, whether in large purchases or operational contracts. This evasion is done under discretionary justifications or illegal exceptions. Public accounting rules are not followed, and internal or transparent external auditing mechanisms are effectively absent, opening the door to unjustified spending and depriving public finances of effective control or direction.

4. Concrete Results: Decline by the Numbers

Financial performance data shows a significant decline in the revenues of MIC1 and MIC2 between 2015 and 2023, reflecting a clear trajectory of structural collapse in the sector.

- In 2015, Alfa (MIC1) recorded revenues of around \$720 million, and Touch (MIC2) recorded \$897 million—indicating strong financial performance in a relatively stable environment.
- By 2019, revenues dropped to \$580 million for MIC1 and \$689 million for MIC2, signaling the start of the decline despite relatively stable subscriber numbers.
- In Q1 2023, estimates based on quarterly data projected a sharp revenue decline: \$202 million for MIC1 and \$227 million for MIC2 on an annual basis.

This downward trend, which began around 2018, was not met with structural reform or administrative improvements but rather with temporary tariff adjustments—leading to continued user distrust without actual service improvements.

Operational indicators also reveal a 2% drop in active subscribers in Q1 2023, signaling an eroding user base due to unregulated pricing and weak services. There was also a noticeable decline in data and voice consumption between 2021 and 2023—demonstrating worsening service quality and the absence of user incentive policies, all under a costly and inefficient operational structure.

5. Trust Crisis and Strategic Deadlock

The sector is now trapped between ad hoc ministerial administration lacking effective oversight and state-owned companies without real financial or operational independence.

Without a redefined legal and institutional framework, no reform plan or investment partnership can launch with confidence or sustainability.

According to 2023 estimates, operational revenue per employee is around \$307,000 annually (excluding outsourced staff)—less than half the benchmark achieved by top regional telecom companies.

This metric highlights a substantial gap in productivity and efficiency—reinforcing the urgent need for administrative restructuring and a functioning governance system to rebalance staffing, service quality, and operating revenues.

Section IV: The Reform Opportunity – Governance as a National Imperative

Amid the clear collapse in mobile sector performance, unchecked spending, service decline, and overlapping powers, it is now evident that any meaningful reform must start at the foundation: rebuilding the governance of operating companies.

Governance is not merely a technical or bureaucratic tool. It is the infrastructure that ensures the continuity of public services, protects public funds, and rebuilds trust between the state, citizens, and investors. Its absence—as seen today—means ongoing deterioration, a lack of accountability, and no hope for development or partnerships.

Principles of the Proposed Model

This model is based on the recommendations of the OECD, widely regarded as the leading global reference in this domain. It explicitly states:

"The state should act as an informed and active owner, ensuring that the governance of state-owned enterprises is carried out in a transparent and accountable manner, with clear separation of ownership and regulatory functions."

These principles have been implemented in numerous countries and form the foundation of Lebanon's proposed reform plan.

1. Rebuilding the Legal and Regulatory Framework

- Issuing a dedicated regulatory decree to define the relationship between the

Ministry of Telecommunications and the two companies, clearly outlining roles and responsibilities.

- Affirming the operational independence of the companies from daily political authority, with decision-making mechanisms outlined within each company.
- Clarifying the relationship between the Ministry and Boards of Directors, in line with Lebanese laws and modern governance standards.

2. Establishing Independent Boards of Directors for MIC1 and MIC2 with Fully Matching Membership

This model proposes the formation of two independent boards of directors, with fully identical membership, to ensure unified strategic direction and coordinated governance. The boards would have regulatory and strategic oversight authority over the two fully state-owned companies, ensuring alignment of administrative and financial policies between the operational units.

Why Identical Boards?

- To unify vision and strategic decision-making between the two companies within a framework that serves the public interest.
- To reduce policy conflicts and duplication of expenditures, especially since both companies operate in the same market under the state's umbrella.
- To enable a single, effective oversight mechanism, as the operational structures are largely similar and there is no real competition between them.
- Because the absence of genuine competition between the two companies makes unified supervision more effective and efficient in terms of administrative management and oversight.

The OECD advises that boards of SOEs should play a central role in governance, focusing on strategic direction and performance monitoring rather than mere compliance.

In addition to modern international references, the Lebanese experience between 2002 and 2004 can also serve as a precedent, when the two networks were managed through a unified supervisory board established under the NCOC contracts, receiving detailed operational and financial reports from the operators.

Although this was a transitional experience, it demonstrates the feasibility of organized centralized management and reinforces the current need to establish a permanent unified board of directors that is independent, competent, and aligned with modern international governance standards.

Board Composition:

The two identical boards would consist of seven (7) members, as follows: Six (6) permanent members, and a seventh rotating based on agenda topic:

- Three members nominated by the Ministry of Finance, the Audit Bureau or

Central Inspection Authority, and the Telecommunications Regulatory Authority. Appointed in their personal capacity and must maintain professional independence and not be directly subject to the executive authority of these institutions.

- Four independent members with expertise in telecommunications, management, and governance. Appointed through a transparent process based on competence and experience. Public nominations are opened through an official announcement. The Telecommunications Regulatory Authority reviews applications and issues a non-binding recommendation to the Council of Ministers, which makes the final appointment. Members must not have direct interests with operating companies or suppliers.
- The CEO of the company concerned (MIC1 or MIC2) participates as an ex-officio member without voting rights.

3. Strengthening Oversight and Accountability Mechanisms

- Internal audit units to comply with ISO 19011 for administrative auditing.
- External audits by the Court of Audit, enforcement of Public Procurement Law, and annual TRA evaluations.
- Publication of financial data and investment plans on official company websites.

4. Shielding Operational Decision-Making from Political Interference

- Embedding operational autonomy into each company's bylaws under board oversight.
- Developing multi-year investment plans tied to digital KPIs.

5. Preparing the Legal Groundwork for Public-Private Partnerships

With strong governance, the state can engage in carefully structured, transparent partnerships with the private sector that preserve public ownership and ensure operational efficiency and fiscal returns.

These are the prerequisites for sustaining this critical sector and protecting public funds.

Section V: Expected Outcomes of Governance Reform

Reforming governance in MIC1 and MIC2 is not merely an administrative adjustment, but a foundational step to build a productive, transparent, and forward-looking mobile sector. International practices show that good governance directly translates into improved performance, controlled spending, investment attraction, and restored citizen trust in the state.

The World Bank summarized this relationship clearly:

"Improving corporate governance in state-owned enterprises enhances operational efficiency, reduces fiscal risks, and builds investor confidence through predictable and transparent practices." — **(World Bank, Corporate Governance Toolkit for SOEs, 2022)**

The International Telecommunication Union (ITU) also highlighted the link between governance reform and telecom sector development:

"Sound governance frameworks are critical to the success of public-private partnerships in telecoms, especially where state-owned operators are involved." — **(ITU, Telecom Sector PPP Guidelines, 2021)**

Based on this, the expected outcomes of the proposed governance model fall into three interlinked categories:

1. Financial and Economic Objectives

- Improving operational efficiency and productivity: by rationalizing expenditures and tying them to measurable productivity indicators and clear work plans, aiming for a 15–25% reduction in operating costs within three years.
- Increasing revenues: through service quality improvement, subscriber base expansion, and introduction of new digital services with high profit margins (e.g., e-wallets).
- Creating a stable investment environment: institutional transparency and sound governance enable the state to enter private partnerships under fair and attractive terms.

2. Administrative and Organizational Objectives

- Executive decision-making independence: separating politics from management and empowering departments to perform based on competence, not political loyalty.
- Building effective oversight structures: activating internal audit units, establishing two identical and professionally independent Boards, and strengthening the role of official oversight bodies.
- Embedding accountability: clearly defining roles and responsibilities, publishing budgets and periodic performance reports for public and institutional review.

3. Strategic and Developmental Objectives

- Introducing modern digital services: as part of a national digital transformation strategy, including e-wallets, smart cities, and migration to next-generation networks.
- Improving Lebanon's ranking in international indices: such as the Networked Readiness Index and the Digital Governance Index — indicators that reflect the

- state's reform commitment and enhance its global image.
- Stimulating local innovation and job creation: through an operating environment that allows local suppliers and startups to enter the sector.

These goals are measurable and can serve as a foundation for long-term restructuring plans that strengthen the sector's role in Lebanon's economy and help restore public trust in the state as a reliable provider of digital services.

Section VI: Governance KPIs – A Systematic Tool for Transparency and Accountability

Performance measurement is a core component of any successful institutional reform. In the context of mobile sector governance reform in Lebanon, it is essential to establish key performance indicators (KPIs) that allow oversight bodies, the Board of Directors, and the public to track progress toward declared reform objectives.

KPIs are not just metrics — they serve as an accountability mechanism and drive continuous improvement. They are not intended to impose a new bureaucratic burden, but rather to provide measurable transparency that ensures oversight and informs investment and administrative decisions.

Both the OECD and the G20 recommend using time-bound, well-defined, and transparent KPIs to assess the performance of public enterprises:

"The use of well-defined, transparent and time-bound KPIs ensures that state-owned enterprises operate efficiently and are held accountable for delivering results." — *(G20/OECD Guidelines on Corporate Governance of SOEs, 2021)*

Accordingly, we propose KPIs grouped under three main categories:

1. Financial and Operational KPIs

KPI	Definition	Annual Target
Operating Expenses to Revenue Ratio	Measures efficiency in operating spending	Reduce to 35–45% in 3 years*

Share of Digital Services Revenue	Revenue from M-Payments, IoT, eSIM	10–20% in 3 years
Monthly Active Users per Subscriber	Monthly active users among total users	Increase by 15% in 2 years
OPEX per Subscriber	Cost of operations per active user	Reduce by 15–25% in 3 years
Revenue per Employee	Measures employee productivity	Increase by at least 10% yearly
Admin Cost to Revenue Ratio	Admin (non-operational) expenses vs revenue	Reduce to <10%

* This benchmark is based on emerging market operators like MTN (55–65%) and balanced markets (35–45%). Despite Lebanon’s power crisis, these targets remain realistic if structural governance reforms are implemented — especially in human resources, procurement, and energy efficiency.

Lebanon’s high cell site density and compact geography give it a structural cost advantage, but this is currently undermined by governance and procurement inefficiencies.

2. Administrative and Organizational KPIs

KPI	Definition	Target
Internal Audit Reports	Annual number of internal audit reports	4 per company
Transparent Appointment Rate	% of senior hires via competitive process	100% of senior roles
Budget & Performance Disclosure	Publication of financial and operational data	Biannual public release
Complaint Resolution Rate	% of customer complaints resolved per agent	>90% within deadline
Project Delivery Compliance	% of projects completed on time & budget	≥ 85% compliance

3. Strategic and Service-Oriented KPIs

KPI	Definition	Target
New Digital Services	Number of new services launched	At least 1 per year
Customer Satisfaction Index	Survey-based user satisfaction score	75% in 3 years
Subscriber Growth Rate	Yearly growth relative to regional average	3–5% annually
Network Uptime	% of time network is operational	≥ 99.5%
Average Fault Resolution Time	Avg. time to resolve technical issues	Reduce by 20% in 2 years
Customer Satisfaction Index (CSI)	Overall satisfaction from independent surveys	>80%

Section VII: The Cost of Inaction – What If the Status Quo Persists?

In the absence of independent institutional governance for MIC1 and MIC2, the risks extend beyond declining performance indicators or service quality. They strike at the heart of the state's role as owner, regulator, and guarantor of a vital public utility. Ignoring the urgent need for governance reform means missing the opportunity to develop a strategic sector and allowing continued damage to public finances, service quality, public trust, and the investment climate.

The World Bank has clearly warned against these risks:

"Weak governance in SOEs leads to excessive fiscal burden, poor service delivery, and erosion of public trust." — **(World Bank, 2021)**

Similarly, the OECD stressed:

"No private partner can confidently engage in a market where governance is opaque and political interference is the norm." — **(OECD, 2020)**

1. Weak Economic Impact and Operational Inefficiency

While the companies do not currently report direct financial losses, the lack of investment vision and effective governance redirects revenues toward unproductive expenditures or blocks any future investments. There are no mid-term plans, no return-on-investment evaluations, and no periodic performance indicators — all of which prevent strategic resource allocation.

2. Undermining the Investment Climate

In the absence of independent boards, competitive recruitment, and transparency in procurement and budgeting, it becomes virtually impossible to attract credible partners or secure external funding under fair terms. The state becomes not only an unproductive owner, but also a non-negotiable actor.

3. Decline in Digital Access and Violation of the Right to Connectivity

Forcing mobile users to recharge monthly without fair pricing options and at unaffordable rates has led to a drop in active subscribers, undermining universal digital access and the state's ability to guarantee connectivity as a basic right, as affirmed by the ITU and the United Nations:

"Fair access to telecom services is a prerequisite for balanced digital development." — *(ITU, Measuring Digital Development, 2022)*

"Denying individuals internet access without valid justification constitutes a direct violation of fundamental human rights in the digital age." — *(UNHRC, The Right to Internet Access, 2021)*

The consequences are not evenly distributed. Vulnerable groups — including low-income families, people with disabilities, the elderly, and peripheral communities — bear the brunt. The absence of preferential pricing, unequal infrastructure, and opaque pricing lead to growing digital exclusion. This exclusion is not only a regulatory failure, but a governance failure, and must fall within the Board's responsibilities.

4. Governance Deficit Undermines State Institutional Credibility

Governance is the foundation for continuity of public service. Without it, the state loses the ability to monitor, guide performance, or deliver equitable, efficient services.

The absence of governance leaves the state not only without control tools, but without tools of knowledge: no feasibility studies, no productivity reports, no real performance indicators.

In this context, the World Economic Forum (WEF) noted in its 2016 Networked Readiness Index assessment for the Levant:

"The Lebanese people are not lagging — the system is. Reform is not about building readiness but removing the barriers that prevent the public sector from keeping pace with society."

The 2023 Portulans Institute Index reinforces this structural dysfunction: Lebanon ranks 46th globally in human readiness, but 116th in governance, and 120th in digital impact — a stark gap between people's capabilities and the state's response.

5. International Lessons Underscore the Risk

- In Nigeria, NITEL failed to evolve due to governance gaps and overlapping state functions, leading to its failed privatization in 2015 after near-total collapse.
- In Algeria, SOTEL was dismantled after years of stagnation, due to lack of independence and strategic planning.

Conclusion:

The cost of failing to reform governance is not just measured in spending or revenues, but in trust, investment, and digital equity. A sector left outside governance is a sector left outside growth — and outside the future.

Section VIII: International Reference Framework

The proposed governance reform model for MIC1 and MIC2 is not built in a vacuum. It draws on internationally recognized frameworks for the governance of public enterprises, especially in the telecom sector. Key sources include:

1. OECD Recommendations (2015)

- Clear separation between the state's role as "owner" and as "market regulator".
- Establishment of independent and professional Boards of Directors including representatives from oversight bodies and independent experts.
- Strengthening transparency through detailed, externally audited financial reports.
Applying private sector-equivalent standards in procurement and financial governance.

2. ITU Studies and Policy Papers

- Encouragement to create independent regulatory bodies to oversee telecom network operations and ensure cost-quality balance.
- Emphasis on transitioning from direct government operation to structured,

transparent public-private partnerships.

3. Successful International Case Studies

- France (Orange – ex-France Telecom): Successfully reformed governance ahead of partial privatization through an independent board and clear role separation.
- Tunisia (Tunisie Telecom): Post-2011 reform introduced a new governance framework enabling a partial partnership with a UAE operator under strict regulatory terms.
- Ireland (Eircom): Developed a hybrid model balancing accounting transparency and parliamentary oversight, which boosted investor confidence in the sector.

Section IX: Conclusion and Policy Recommendations

The reality has shown that the absence of governance in MIC1 and MIC2 was not a passing technical flaw, but a structural cause behind the mobile sector's decline in Lebanon. For over two decades, ad hoc models and direct ministerial control prevailed without a stable legal framework, institutional oversight, or real transparency in spending and decisions.

It is now evident that no reform plan — whether digital, investment-related, or legislative — can succeed without a clear re-establishment of sound governance, as emphasized by the OECD:

"Governance reform is a prerequisite, not an accessory, for any successful restructuring or privatization of state-owned enterprises." — **(OECD, *Corporate Governance of SOEs*, 2021)**

Accordingly, this paper puts forward a set of actionable recommendations forming a viable roadmap:

First: Legislative and Regulatory

- Issue an official regulatory decree defining the relationship between the Ministry of Telecommunications and MIC1 and MIC2, based on Law 431/2002 and aligned with the Public Procurement Law and Public Accounting Law.
- Sign formal and detailed management contracts between the state and the companies specifying powers, responsibilities, evaluation mechanisms, and accountability.

Second: Institutional and Administrative

- Establish two identical independent and professional boards of directors would be established for MIC1 and MIC2, with fully identical membership, to ensure

policy alignment and strengthen institutional oversight. The boards would include members nominated by oversight ministries and relevant authorities, in addition to independent members selected through a transparent process. All members would be appointed in their personal capacity and enjoy professional independence.

- Prohibit the appointment of current employees as board members, except for the Director General in their executive capacity.
- Activate internal audit units and strengthen oversight from the Court of Audit and Public Procurement Authority.

Third: Transparency and Accountability

- Require both companies to publish annual budgets and performance reports on official platforms.
- Adopt whistleblower protection mechanisms in collaboration with the National Anti Corruption Commission.
- Launch a public awareness campaign to enhance social accountability through media, unions, and civil society engagement.

Fourth: Strategic and Developmental

- Develop medium-term investment plans to introduce scalable digital services (e.g., e wallet, mobile payments, Internet of Things).
- Stimulate a competitive environment internally and externally through transparency, thereby enhancing prospects for private partnerships and repositioning Lebanon regionally.
- Ensure fair access to telecom services for all societal groups through equitable pricing for vulnerable populations, balanced infrastructure coverage, and embedding this commitment in the companies' internal bylaws as part of their public governance duty.

Real reform begins with the institution — and governance is the first institution. The state must either build its telecom sector on transparency and efficiency, or remain hostage to improvisation, chaos, and corruption.

"Governance is not just about management — it is about how power is exercised, decisions are made, and accountability is ensured." — **(World Bank, *Worldwide Governance Indicators*, 2012)**

"Governance is sovereignty by administrative means." — **(From *modern governance literature*)**

Annex: International Reference Matrix (Tabular Format)

This annex provides a structured table of the main references and quotations cited throughout the policy paper, drawn from internationally recognized organizations.

Source	Organization	Year	Original Quote
OECD Guidelines on SOEs	OECD	2015	The state should act as an informed and active owner, ensuring that the governance of state-owned enterprises is carried out in a transparent and accountable manner.
Corporate Governance Toolkit	World Bank	2022	Improving corporate governance in state-owned enterprises enhances operational efficiency.
PPP Guidelines for Telecom	ITU	2021	Sound governance frameworks are critical to the success of public-private partnerships.
G20/OECD Guidelines on SOEs	G20/OECD	2021	The use of well-defined, transparent, and time-bound KPIs.
Governance Reform in SOEs	World Bank	2021	Weak governance in SOEs leads to excessive fiscal burden.

OECD Telecom Policy Paper	OECD	2020	No private partner can confidently engage in a market.
The Role of Governance	OECD	2021	Governance reform is a prerequisite for modernization.
Worldwide Governance Indicators	World Bank	2012	Governance is not just about management — it is about how power is exercised, decisions are made, and accountability is ensured.