Global Symposium for Regulators 2019 Consultation
Best Practice Guidelines
Theme: "Fast Forward Digital Connectivity for All"

Contribution from
Zambia Information and Communications Technology Authority (ZICTA)

This paper responds to the consultation process initiated by the International Telecommunication Union (ITU) for the 2019 Global Symposium for Regulators. The submission is a contribution to the best practice guidelines under the theme *"Fast Forward Digital Connectivity for all"*. It draws on the regulatory experience of the Zambia Information and Communications Technology Authority (ZICTA) in the discharge of its mandate to regulate the Information and Communication Technologies Sector. The Authority has over the last ten years made significant progress in facilitating access to ICTs. For instance Mobile telephone penetration rates increased from 27 percent in 2008 to 90.3 percent in 2018. Similarly, mobile internet penetration rates increased from 2.8 percent in 2011 to 58.2 percent in 2018. These outcomes are largely a consequence of ZICTA's commitment to transition from an enabling regulatory regime to a collaborative regulatory regime. This contribution highlights some of our innovative responses leading to these outcomes.

a) What are the core design principles for collaborative regulation?
Our experience has demonstrated that there are various key principles necessary for collaborative regulation to thrive. These constitute *Flexibility, Openness, Partnerships, inclusiveness, incentive-based and engagement.* ZICTA has adopted some of these key principles which are demonstrated in detail below:

i. **Flexibility:** In order to facilitate the fast pace of adoption of ICT services, the Authority leverages on a flexible approach to its regulatory interventions. Particularly, this entails amendments to the regulatory framework in line with emerging developments on the market. For instance, in 2015 the Authority licenced an infrastructure company, IHS Zambia, following changes to the business models adopted by two of the largest operators in the telecommunication sector. Similarly, in 2017 the Authority opened the market to allow for VoIP services to be provided by operators despite reservations on the market related to revenue dilution as well as revenue leakages for the treasury. These interventions facilitated extensive network coverage by operators as well as reduced the capital costs for operators. The opening up of the market to VoIP also increased competition in the sector with operators reducing data prices immediately on account of the threat of entry.

ii. **Openness:** The Authority has a number of guidelines relating to licensing, quality of service, consumer protection, tariffs and competition among others. These guidelines are drawn from regulations that provide details on the principal law or statutes. The information relating to the regulatory framework is publicly available to existing and prospective operators. In some instances, enforcement of regulatory standards and guidelines is done in conjunction with operators. The measurement of quality of service is a useful example of how the Authority has established an open and transparent mechanism of setting common parameters as well as joint inspections with operators. The Authority has also based its interventions on evidence gathered from operators. The periodic Cost of Service studies undertaken since 2013 are a good case on how wholesale interconnect tariffs are established. Similarly, the country's spectrum planning arrangements are publicly available which assists operators to plan for their investments. Openness has increased confidence in the operations of the regulator and motivated compliance among operators.

iii. ***Partnerships:*** ZICTA has leveraged on partnerships with other entities to effectively discharge its role as a regulator. ICTs are cross cutting to various disciplines including but not limited to banking, environment, standards, education, health and national security among others. It is therefore expected that the oversight role of a telecommunications regulator transcends to other sectors. In this regard, ZICTA has partnerships with the Central Bank, the Environmental Protection Agency, and Investment Promotion Agency, Ministries responsible for Gender, Health and Education, and international development partners among others. Zambia also developed a National Child Online Protection Strategy in 2018 aimed at building collaborative synergies among key stakeholders. Through these partnerships, the country has been able to extend targeted ICT products and services such as computers and access to mobile devices to marginalised groups and communities.

iv. ***Engagement:*** The Authority has leveraged on the principle of engagement as a way of increasing access to ICT services as well as regulating the sector. All regulatory decisions which include the development of statutes, regulations and guidelines are subject to an extensive consultation and validation process. The recently implemented new licensing framework was developed following extensive engagement with all the operators in the country. The government is also in the process of repealing the Electronic Communications and Transactions Act of 2009 through an extensive engagement process. The Authority, also periodically engages consumers as well as operators through structured supply and demand side surveys aimed at identifying issues that require regulatory intervention. ZICTA recently concluded the 2018 National ICT survey on Access and Usage of ICTs. A Sectroial policy and regulatory review with operators is equally undertaken on a biannual basis. The Authority also provides joint submissions with operators on issues that require policy consideration. A number of tax related incentives on capital items have been achieved through engagement with the industry.

b) What benchmarks for regulatory excellence and market performance can form the basis for digital infrastructure regulation?

Zambia has established Interconnection, Access and Co-location Regulations aimed at facilitating infrastructure sharing arrangements among operators. This framework is particularly useful for the management of competition in the sector. It is also a useful avenue for minimising the duplication of infrastructure in a country. The regulations have also provided scope for innovation among different types of operators. In 2017 the two largest operators in the country transferred their passive infrastructure to a tower company. The consolidated infrastructure was then available for lease by all the operators. Recently, a new entrant on the market which intends to provide mobile telecommunication services across the country structured its entry strategy on the availability of passive infrastructure to facilitate its network roll out.

c) What new regulatory tools and approaches are at hand for enabling digital experimentation?

Zambia has established a technology and service neutral licensing regime that allows for innovation in technology and product offerings. The framework also allows for operators to establish their networks and offer services at different geographical levels: district, regional, national and international. The licensing framework allows operators to scale up their licences based on the growth as well as their forecast aspirations. Further, the Authority supports research and development initiatives in the ICT sector. In 2017, the Authority offered TV White Space spectrum for testing a potential solution for affordable and extensive deployment of broadband services to the rural communities. These initiatives serve as a useful sandbox for nurturing and scaling up innovation in the ICT sector. An emerging service that responds to a need in most developing countries is mobile financial services (MFS). ZICTA has

not issued any regulations or guidelines for MFS. This was a deliberate attempt to avoid stifling the innovation in the service. Similarly, operators can engage with third party entities on a commercial basis to provide a variety of value added services.