

Contribution from POTRAZ - Zimbabwe

GSR-21 BEST PRACTICE GUIDELINES CONSULTATION

QUESTION 1

INDUCING NEW, EFFECTIVE AND AGILE FINANCING MECHANISMS TO DIGITAL INFRASTRUCTURE, ACCESS AND USE

COVID-19 accelerated the pace of usage of ICTs. Whereas those who had the relevant ICT infrastructure and could afford to access and use ICTs continued with ease in the new normal environments of working from home, e-learning, e-commerce, online banking, among other new normal facilities. However, for the section of the population who had no access to ICT infrastructure and could not access and use the infrastructure due to affordability reasons, the story was totally different.

The need to increase digital infrastructure especially in unserved and underserved areas became paramount in order to connect the unconnected to enable them to also benefit from the digital economy and experience the new normal life and thereby bridge the digital divide.

The challenge is that the MNOs perceive investment in the unserved and underserved areas as financially risky since either there is no return on investment at all or there is very minimal return on investment and yet in order to connect the unconnected infrastructure should be available, accessible and affordable.

It is therefore important to consider financing mechanisms to digital infrastructure, access and use that will not reduce the cost of service provision and underserved sections of the society:

- Grants from donors;
- Loans with concessionary interest rates;
- Provision of guarantees by the government;
- collaboration between different sectors;
- Public private partnerships;
- Universal Service Fund programmes
- Release of some spectrum on affordable terms or at no cost
- Devices and services should be available and affordable
- Reduce taxes on ICT gadgets in order to make them affordable.
- Balance operator viability with affordability of the services to consumers so that consumers are able to access and use the digital infrastructure and services.

- Universal Service Fund Programmes
Policies should promote digital literacy and skills development; The ICT literacy drive should cover all sectors of the economy, starting with the education sector at primary level as well as the rural community. The Universal Service Fund established Community Information Centres in all provinces at which members of the community were trained for free on how to use ICTs. The Universal Service Fund also donated computers and other ICT gadgets to schools as well as internet broadband in order to facilitate e-learning. The programme is still underway. Computers, other ICT gadgets and specialised software was availed to schools and homes that house people living with disabilities in order to ensure access and use of digital infrastructure.

- Release of some spectrum on affordable terms or at no cost.
In 2020, the regulator released spectrum to operators at no cost in order for them to increase availability of the ICT services in residential areas during the COVID-19 pandemic lockdown when people were working from home. In addition the regulator released spectrum for the establishment of a pilot community network in one of the rural provinces.

QUESTION 2

PROTOTYPING REGULATORY PATTERNS FOR THE POST-COVID DIGITAL WORLD

Digital transformation has taken a quantum leap due to the Covid-19 pandemic. This digital mandate isn't new; it's simply been brought into sharp focus. Prior to the pandemic, a paradigm shift towards digitisation and servitisation of the economy was already underway. Current events have accelerated this paradigm. This new paradigm also requires a re-appraisal of ICT policy and regulation. Such regulatory approaches transformations include:

- **Licensing Frameworks**

Licensing structures in the telecommunication/ICT sector have been relatively static for some time, licensing in the sector is focused on regulating infrastructure and services. Telecommunication licensing regimes are arguably less focused on market entry and more concerned about the rights and obligations of market participants. The rapid growth of the app economy and global online service providers challenges the efficacy of traditional licensing frameworks. Converged licensing frameworks – featuring unified licenses and simplified administrative procedures will play an important role post-COVID to render the market attractive, enhance the ease of doing business and unlock market potential.

- **Innovation Promotion**

Regulators need to support and enhance innovation in emerging areas, lift potential barriers set up by existing regulatory frameworks and address gaps through adopting innovation testbeds and regulatory sandboxes in the context of adaptive regulation. Innovation testbeds and regulatory sandboxes support innovation by reducing the time and cost of getting innovative ideas to the market and providing access to finance. They can also be suitable for helping regulators determining when to regulate a given market or technology. In general, the instruments are geared toward supporting a particular innovation or technology, developing a market, enhancing competition, and generating economic growth. The regulator's involvement is no longer limited to oversight, monitoring, and supervision but also advisory and support.

- **Regulatory Collaboration**

The growing ubiquity of ICTs across all sectors calls for greater regulatory collaboration among ministries, sector and multisector regulators, and a multitude of stakeholders in order to effectively address the impacts and promote the progress of digitalization. Collaborative regulation does not mean more regulation, but instead involves more inclusive, evidence-based, and decision-oriented regulation between the ICT regulator and other sectoral agencies. The digital journey brings together all players – from different backgrounds and sizes – into one living network. Collaboration gives all the opportunity to participate in decision-making, in contributing to the success of others and in forging inclusive momentum around the mission.

- **Data Privacy & Consumer Protection**

The rise in the use of Internet for e-commerce, online streaming, and social networking has made large-scale data gathering and analysis a valuable strategic asset for market players in the digital eco-system. Commercial practices such as the collection of personal information, and its use and monetization by service providers have become a growing area of concern and a compelling candidate for enforcement priority. While regulators strictly monitor data protection and privacy requirements for users by operators, the regulation of online service providers is often practiced on a rather limited and generally voluntary basis, with there being minimal regulatory constraints. Differences in the regulatory treatment of data protection and privacy concerns causes a void of protection for citizens and an uneven playing field in the market. It is therefore arguable that online service providers offering substitutable services should be subject to the same data protection and privacy obligations as MNOs, so as to provide a stable and level regulatory environment where competition and consumer choice and protection is promoted.