

## CONTRIBUTION FROM POTRAZ - ZIMBABWE

### GSR-24 BEST PRACTICE GUIDELINES CONSULTATION

#### **Question 1. What are the challenges and opportunities faced by policymakers and regulators in embracing transformative technologies for greater impact?**

##### **CHALLENGES**

Policy makers and regulators face several challenges in embracing transformative technologies for greater impact. These include:

- i. **Regulatory silos and policy fragmentation-** traditional regulatory structures are complex and fragmented, with various public agencies having overlapping authority. This abates policy synchronisation and coherence which is crucial for embracing and advancing transformative technologies.
- ii. **The unpredictable nature of transformative business models-** Transformative technology solutions evolve quickly, shift from one business model to another and from one regulatory classification to another. This makes it difficult to maintain consistency in regulations and standards, as they too must constantly evolve to catch up with advancements.
- iii. **Data privacy, security, ownership, and control-** The adoption and use of transformative technologies raised cybersecurity and data protection risks. Regulators are conventionally risk averse. Transformative technologies are associated with disruptive business models which are interconnected, making it difficult to enforce accountability as well as assign liability.
- iv. **Infrastructure deficiencies and the digital divide-** Many jurisdictions, Zimbabwe included, are yet to attain universal access to ICTs. The situation is characterised by the digital divide, particularly between rural and urban areas. This gap in ubiquity impedes the adoption of transformative technologies and has the potential to further exacerbate the digital divide.

##### **OPPORTUNITIES**

Transformative technologies present opportunities to improve network efficiency, enhance service quality, and enable new digital services and applications. Individuals and businesses are allowed to access information, education, healthcare, financial services, and market opportunities, promoting social inclusion and economic empowerment. Investing in transformative technologies presents an opportunity to diversify national economies beyond traditional sectors thus stimulating economic growth. Transformative technologies offer opportunities to address pressing environmental challenges like climate change and resource depletion. Transformative technologies are cross-cutting in nature, this presents an opportunity for cross-sectoral collaboration to accelerate progress and maximize impact. Such cross-sector collaboration has been witnessed in Zimbabwe through the ICT sector partnerships with the education sector, health sector, financial services sector amongst others. For example, Zimbabwe's education sector is collaborating with the ICT sector to accelerate innovation towards achieving the Sustainable Development Goals (SDGs). Through the partnership, Innovation Hubs have been set up in several universities around the country to advance innovation and adoption of transformative technologies.

**Question 2. What are the key regulatory measures and guiding principles to follow to foster positive and inclusive impact of transformative technologies?**

To foster the positive and inclusive impact of transformative technologies, policymakers and regulators should adopt a proactive approach that balances innovation promotion and risk containment. Regulatory Sandboxing is a key tool for authorities to study technologies and services, before rushing to regulate. This ensures that frameworks are informed and are designed to foster positive and inclusive impacts. Regulators should seek input from diverse perspectives to ensure that regulations reflect the needs and concerns of all stakeholders. A risk-based approach should be adopted by Regulators to enable them to focus resources on addressing high-risk areas while minimizing regulatory burdens on low-risk activities. Establishing ethical frameworks and principles to guide the development and deployment of transformative technologies is also essential.

Promoting accessibility and digital inclusion is crucial to ensure that transformative technologies benefit all members of society. Regulators ought to encourage the development of accessible technologies for people with disabilities and address barriers to digital inclusion, such as affordability and digital literacy. Aligning regulatory measures with the United Nations Sustainable Development Goals (SDGs) can help ensure that transformative technologies contribute to broader societal objectives, such as poverty reduction, environmental sustainability, and social equity. Regulators should also establish mechanisms for continuous monitoring and evaluation of regulatory measures to assess their effectiveness and adapt them as needed; this includes collecting data on the impacts of transformative technologies and soliciting feedback from stakeholders to inform regulatory decision-making.

**Question 3. How to drive positive behaviours of market players? How to minimise risks while maximising benefits?**

Driving positive behaviours of market players, minimizing risks, and maximizing benefits requires robustness in regulatory enforcement, providing regulatory incentives, and stakeholder engagement. Regulators should establish clear and enforceable regulatory frameworks to guide market players towards positive behaviours. Regulations should outline standards, requirements, and expectations for ethical conduct, transparency, and accountability. Incentives also help drive positive behaviours of market players, particularly where competition alone is insufficient to compel industry participants to pursue social goals, and where the goals and preferences of the firm and society are not entirely congruent. Engagement of market players through stakeholder consultation is also very crucial in reducing the risk of non-compliance as market players become part and parcel of regulatory decision making. Engaging stakeholders in dialogue and decision-making processes can also provide valuable insights and feedback from market players, thus ensuring that regulations are fit-for-purpose. Regulators should be willing to adapt regulations and policies based on new evidence, feedback, and stakeholder input to ensure their relevance and effectiveness over time.