

Pacific Regional Regulatory Resource Centre

Pacific ICT Ministerial Forum

« Connecting the Unconnected »

Tonga, February 17-20, 2009

The World Bank



Background

- Pacific Digital Strategy, and other documents, discussed opportunities for regional collaboration on telecoms and ICT regulation
- Regional ICT task force considered possible approaches
- World Bank requested to undertake options study in 2008
- Report prepared in consultation with Pacific member govts, regional organizations and partners
- Draft presented at PITA and Regulators' meeting in Sydney, October 2008, and circulated for feedback
- Comments reflected in revised report and action plan



Pacific Telecoms: Recent Developments

- A wave of market liberalization and new entry, especially mobile (especially in Fiji, Papua New Guinea, Samoa, Tonga, Vanuatu)
- Competition producing rapid subscriber growth, improved coverage and lower prices
- Further liberalization imminent, e.g. Papua New Guinea; Solomon Islands; Vanuatu

Liberalized markets: building blocks

- Adoption of pro-competitive sector policy
- Enactment of laws to implement regulatory design
- Establishment of independent regulator with:
 - clear powers and functions
 - adequate staffing and technical skills
 - sustainable funding

A work in progress

- Policy frameworks generally in place; though still under development in some cases
- Supporting laws broadly adequate; more work needed as market conditions evolve
- Regulatory bodies generally immature – skill shortages; interim appointments; limited experience in economic regulation; often evolving out of ministries, with overhang of prior administrative controls

Challenges for new regulators

- Funding subject to normal government budget processes; limited spending authority
- Limited autonomy from government processes (e.g. procurement)
- Building capacity while managing workload
- Develop processes and procedures that are transparent and predictable
- Recognizing and managing litigation risk

A regional support facility

- Leveraging national resources by pooling scarce skills in an autonomous regional facility
- Functions:
 - Sector data and publish annual regional survey;
 - Provide information packages on key policy and regulatory themes;
 - Advisory services to policymakers and regulators;
 - Statements of best practice sector policy and laws and regulatory instruments (licenses; interconnection principles, etc)
 - Support for training and capacity building;
 - Rosters of expertise from other sources.



Benefits

- An efficient use of scarce resources
- A learning entity – through continuous engagement, builds a knowledge and experience base in the Pacific
- Encourages regular exchanges between regulators and disseminates good regional experiences
- Links up with other sources of advice/assistance (ITU/APT/PITA, EAPIRF, ACMA)

A physical or virtual facility?

- A virtual (e.g. online) facility (pros – reduced costs; easier to establish: cons – difficult to support effective advisory services; may not add much to existing online resources)
- A physical facility in the region (pros – higher impact through advisory services and mentoring capability: cons – higher costs; finding the right people)

Recommendations

- Establish the facility with a physical location and staff onsite;
- Functions to be as listed above;
- Initial staffing levels small (3-4 persons), but flexibility to add staff as demand proven;
- Facility manager with management and operational responsibilities;
- An advisory board of qualified nominees of island countries to consider annual budget, business and financing plan.

Implementation

- If recommendations accepted, next stage will be:
 - Prepare implementation plan (main elements and issues summarized below);
 - Develop initial work plan, fully costed budget and funding plan;
 - Secure funding commitments;
 - Develop technical assistance program

Beneficiaries of such a Facility

- individual consumers
- telecommunications operators and service providers
- national regulatory agencies and policymakers
- Pacific island economies, individually and collectively.

Implementation Issues: Location

- Short-term establishment within the Pacific region, with some or all of the key staff present at that location:
 - During an establishment period of up to three years, the Centre could, for example, be located in Sydney
- Medium term location within a Pacific Island country:
 - Location to be decided on the basis of operational suitability of alternative sites, including available connectivity, convenience of intra-regional travel and the availability of suitable office and other support services.

Implementation Issues: Staffing

- **Staffing:** three full time persons at time of start-up.
 - Manager: a senior telecommunications regulatory specialist
 - Research assistant and administrative assistant. The Centre manager should have responsibility for the day-to-day management of the facility, including the preparation of annual and multi-year business plans
 - 1-2 additional professional positions
- An **advisory board** of 3-4 nominees of Pacific island countries (elected if necessary) and chaired by one of its members to be established
 - Responsibility for approval of the annual budget, the business plan and the financing plan.



Implementation Issues: Funding Models

- **Membership organization:** countries wishing to benefit from the services of the Centre become core members and pay annual membership fees.
 - would require Pacific island countries to take a collective decision to establish the Centre and to serve as primary funders, particularly during an establishment phase
- **Non-member organization** established by one or more development partners to provide services on a limited cost-recovery basis to Pacific island countries.
 - in this model, development partners would have significant influence over the governance and operations of the Centre through periodic financing rounds
- Either funding model can incorporate user charges, to be phased in as the centre becomes fully operational.

Work Program Year 1

- Development of the website architecture and launch;
- Development of industry data collection standards & provision of guidance and training for regulators, and officials where regulatory bodies have not yet been established;
- Establishment of cooperation arrangements with ITU, EAPIRF, APT, PIFS and PITA;
- Development of a risk management policy;
- Establishment of the roster of experts and arbitrators and commencement of monitoring of outcomes of assignments;
- Design of operating procedures for provision of advisory services;
- Appointment of members of the advisory board;
- Preparation of the year 2 business plan for consultation with the advisory board and presentation to development partners

Work Program Year 2 (1/2)

- Publishing the first annual survey of telecommunications and ICT markets in Pacific Island countries;
- Through its website, providing information to regulators and officials on regional policy and regulatory experiences, including analysis of lessons of general application;
- Providing advice to regulators and officials in response to requests for assistance.
 - The scope of advice will include the design and implementation of sector policy, the development of sound legislation and regulatory instruments, the development and operation of regulatory agencies, and the conduct of regulatory activities

Work Program Year 2 (2/2)

- Developing statements on best practice policy and regulatory implementation, telecommunications legislation and models for regulatory instruments;
- Developing a clearing-house methodology to facilitate potential staff exchanges between regulatory agencies in Pacific island countries and similar agencies in Australia, New Zealand and outside the region;
- Preparation of the year 3 business plan for consultation with the advisory board and presentation to donors;
- Commencement consultations concerning the shift of the Centre to a location in a Pacific island country

Comments and Feedback

- Objectives and functions
- Funding model -options
- Location
- Staffing
- Work Plan