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Best Practice Guidelines *Regulatory and economic incentives for an inclusive sustainable digital future*



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The future of sustainable and inclusive digital transformation will depend on the right regulatory and economic incentives, encouraging innovation, creating a level playing field for all stakeholders, will foster social welfare and economic growth contributing to a better digital future for all.



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Digital has become increasingly important in today's society. The lack of connectivity, inclusive access to and adoption of digital services can be a significant barrier to socio-economic development, making regulatory and economic incentives essential to stimulating sustainable infrastructure deployment, innovative solutions, and affordable use.



Best Practice Guidelines

Regulatory and economic incentives for an inclusive sustainable digital future

We, the regulators participating in the 22nd Global Symposium for Regulators, recognize the importance of defining regulatory and economic incentives to stimulate the deployment of digital infrastructure everywhere, in particular in rural, unserved and underserved areas. We encourage policy makers and regulators to introduce emerging digital technologies, foster innovative business models, address regional and global challenges, and accelerate sustainable digital transformation.

We have collectively contributed, identified, and endorsed these regulatory best practice guidelines to continue moving toward an inclusive and sustainable digital future. Recalling the series of GSR Best Practice Guidelines since 2003 that capture established regulatory principles for a competitive, safe and inclusive enabling environment, our focus here is on novel, innovative, ground-breaking evidence-based approaches and tools to support a meaningful and sustainable digital future for all people everywhere.

Incentives towards achieving meaningful connectivity

Digital technologies have connected people and businesses across different countries, creating new opportunities and driving inclusive and sustainable growth. However, the digital divide remains a significant challenge, especially in rural, unserved and underserved areas everywhere.

- **Market access:** Policy makers and regulators are encouraged to ensure a competitive environment in all layers of the digital ecosystem by providing incentives for incumbents, new entrants, and startups that bring new solutions and technologies to the market to meet national connectivity goals. This could include establishing safe spaces for experimentation and innovation such as sandboxes and testbeds.
- **Universal access and service:** Policy makers and regulators could consider incentives for network deployment in rural, unserved and underserved areas that may include subsidies, grants, low-interest loans, loan guarantees, reducing regulatory fees, introducing fee exemptions (e.g., customs waivers on import duties) or giving tax breaks for investors or tax holidays for market players after reaching certain investment thresholds in these areas.
- **Universal service funding:** Policy makers and regulators can employ Universal Service financing mechanisms to address the needs of rural, unserved and underserved areas and populations in vulnerable situations.
- **Balancing fiscal policies:** Policy makers and regulators could consider broadening the base of contributors taking into consideration the characteristics of markets and new developments.
- **Innovative regulatory last mile connectivity solutions:** Policy makers and regulators are encouraged to consider facilitating last mile solutions to connect the unconnected, through means such as municipal, community and mesh networks and social enterprises, as well as spectrum and infrastructure sharing and co-investment to extend networks and services to unserved and underserved areas.
- **Research & development (R&D):** Policy makers and regulators may consider providing financial or fiscal incentives to support research and development in emerging digital technologies, open technology innovation and innovative business models according to the priorities of the population.
- **Spectrum reform:** Policy makers and regulators could take steps to make sufficient spectrum available to support rapid deployment of next generation services, innovation and investment in terrestrial and satellite infrastructure and spectrum-based services. Unlicensed spectrum use, spectrum refarming and redeployment, could be part of the regulatory tools employed to facilitate deployment in rural, unserved and underserved areas.



- **Green digital transformation:** Policy makers and regulators could consider eco-friendly financial and regulatory incentives such as tax reductions or holidays for companies that adopt sustainable business practices, such as using renewable energy sources in network operation and deployment.

Incentives to support access, adoption and use

Policy makers and regulators are encouraged to implement regulatory and financial incentives to support access, adoption and use to bring the benefits of meaningful connectivity to everyone, everywhere.

- **Demand-side interventions:** Policy makers and regulators could introduce demand-side interventions as part of universal service policies or other mechanisms (partnerships between public, private and non-governmental actors) to promote literacy and advanced digital skills and foster the development and adoption of relevant and local content and solutions to enhance local livelihood and business opportunities.
- **Digital skills and educational programmes:** Policy makers and regulators can play an important role in facilitating educational and a wide range of digital skill programmes in schools especially for young generation as well as, training for the elderly, including rural, unserved and underserved areas, and populations in vulnerable situations to fully harness opportunities brought about by digital transformation.
- **Lowering barriers to access digital devices and equipment:** Policy makers and regulators could consider measures to encourage and facilitate cost reduction in the manufacturing, purchase and importation of hardware equipment and devices to achieve universal service goals, in particular for open-source hardware, and for green technologies.
- **Incentives for digital services and device adoption:** Policy makers and regulators could consider introducing incentives for the provision of affordable digital services and devices at special rates for local communities and low-income population.

Cross-sector digital policy and regulatory principles

Policy makers and regulators each play key and complementary roles in their autonomy by engaging with all stakeholders to identify the changes and levers that are needed to take national, regional and global digital transformation readiness to the next level.

- **Regulatory coordination in the digital landscape:** The coherence and mutual reinforcement of rules and the proactive coordination between adjacent regulatory regimes is key to a resilient, consistent and enabling digital policy and regulatory environment. Policy makers and regulators could reinforce legal and institutional frameworks for collaboration that outline the processes, mechanisms and tools to be used across sectors and parts of government.
- **Inclusive decision-making cycles:** Policy makers and regulators should foster regular dialogue across government authorities, sectors and stakeholder groups to ensure that stakeholders are engaged on key developments in digital markets while identifying areas of concern and shaping targeted policy alternatives, for example through public consultations, stakeholder forums or collaboration networks and platforms, to ensure that all people have access and benefit from the digital transformation.
- **Data and benchmarks:** Regulators need the resources and capacity to collect relevant data to support their decisions in an open and transparent manner and to establish metrics and benchmarks to measure regulatory compliance and progress towards achieving connectivity targets and policy goals. This evidence collected helps inform and more appropriately target regulatory interventions, thus enhancing the effectiveness of regulation.
- **Research and foresight capacity:** Regulators increasingly need internal research capacity and resources to explore and anticipate market trends, regulatory challenges, and the impact of new technologies on markets and consumers. Strategic research and foresight are important to inform regulatory discussions and decisions in a timely and systematic manner, enabling proactive, proportionate, and targeted regulatory action.
- **Alignment with international standards:** Policy makers and regulators can consider aligning their policies, regulations and national standards with relevant international standards and guidelines to promote, where appropriate and to the extent possible, the harmonization of regulatory regimes in key areas enabling digital transformation to enable coordinated response to cross-border issues.



- **Regional and international collaboration and representation:** Regulators should continue working together leveraging regulatory association (RA) networks at regional and international level to accelerate digital transformation for a sustainable digital future including, where appropriate, through developing common approaches to collaborative digital policy and regulation across economic sectors and across borders.
