



**INTERNATIONAL TELECOMMUNICATION UNION**

**7<sup>th</sup> Private Sector Chief Regulatory Officers' Meeting  
Bangkok, Thailand, 13 November 2016**

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**Chairman's Report**

**7<sup>th</sup> Chief Regulatory Officers' Meeting**

**1. Opening of the Meeting**

The [7<sup>th</sup> Private Sector Chief Regulatory Officers \(CRO\) Meeting](#) was held in Bangkok, Thailand, as a pre-event to the ITU TELECOM WORLD 2016. The meeting was attended by 22 high-level industry executives from 12 ITU-D Sector Members.

The opening of the meeting was moderated by Dr. Eun-Ju Kim, Chief of BDT's Innovation and Partnership (IP) Department. While welcoming the participants, on behalf of BDT Director, she emphasized on the importance of private sector in the working of ITU and called for enhancing partnership.

**2. Opening remarks by the CRO Chairman**

Mr. Bocar Ba, Chairman, CRO Meeting, congratulated the BDT team for organizing this meeting and welcomed all the Members. The Chairman gave an overview of past CRO meetings and emphasized its mission, objectives and working mechanisms. He called for more Members to join the platform and to utilize it as a forum for meaningful dialogue with government and regulators. The Chairman also emphasized on the importance of aligning government objectives and private sector requirements and coming up with concrete actions to take the discussions forward.

**3. CRO Mechanism**

The Chairman introduced the CRO mechanism including fostering of dialogue, alignment of CRO agenda with the Global Symposium for Regulators (GSR) and other ITU platforms, enhanced participation from ITU-D membership, more proposals for private-public sector engagement and the need to have regular meetings. In particular, he highlighted the following priorities in a converged ICT ecosystem:

- (1) *Contributing to Optimal Enabling Environment;*
- (2) *Promoting Market Access and Infrastructure; and*
- (3) *Supporting to create added values of ICT applications: e.g. IoT or IoE.*

The Chairman recalled the expectations for 10 project proposals from the group, and informed the meeting's participants of the two contributions made in 2016, which included:

- Digital Financial Inclusion, and
- Emerging Areas of Focus/Universal Service Obligation.

While the proposal on USO is yet to get unanimous approval from the platform, there was consensus on the proposal of digital financial inclusion.

He informed the meeting that the ITU is ready to act as an executing agency for any potential project(s), which CRO develops and agrees, and that it is also important for CRO platform to remain aligned with the fulfillment of the Sustainable Development Goals (SDGs).

#### **4. Address by the BDT Director**

The BDT Director, Mr. Brahima Sanou, in his address, emphasized on the need for ITU-D Sector Members, and the private-sector members in particular, to contribute to the CRO meeting's effectiveness as a platform for the industry's engagement on regulatory, policy and market issues. He emphasized that the ICT players have now a major role in the society to convince other sector regulators to leverage the potential of ICTs. The BDT Director commended the group for the work, highlighted the importance of private sector in action, thanked the Chairman for his commendable work and reassured his support to the platform.

#### **5. Presentation of proposals**

The Chairman briefly introduced the proposal on Digital Financial Inclusion (DFI) from MasterCard and invited the representative of MasterCard to present the details. He emphasized that the vision of digital financial inclusion requires the ICT and finance sectors to work together.

##### **5.1 Presentation of the proposal on Digital Financial Inclusion by MasterCard**

Mr. Carlos Cornejo, MasterCard, presented the proposal on Universal Financial Access 2020 (UFA). Noting the lack of financial inclusion as a huge problem having wide socio-economic impact, he recalled the World Bank target to achieve UFA by 2020. The presentation highlighted that the digital financial services have great potential for providing financial services to the unbanked customers, supporting micro merchants and contributing to humanitarian aid recipients. Fourteen (14) partners have already committed towards the target and some of the partners are also ITU Members (e.g. MasterCard, Ooredoo, Telenor). He also emphasized the huge opportunity that the ITU platform provides to grow the UFA initiative given the large reach of ITU members in the public and private sector.

The proposal, in particular, included:

- using the neutral and multi-stakeholder platform for ITU members to come together and make a formal commitment towards the UFA 2020 goals;
- developing framework for expanding public-private partnerships;
- executing an agreed roadmap with well laid out action plan with KPIs, regulatory and market enablers, sharing of best practices, pilot testing partnership driven approach, and disseminating learnings and scaling globally.

The proposed goal of leveraging digital & telecommunication/ICT services to get to XXX million financially included consumers by 2020 has win-win outcomes with specific benefits for regulators (Finance and Telecom/ICT), private sector and end consumers. The main commitment required from

partners is the number of people that each company is willing to include in DFS (e.g. 5 Year plan to be included in Digital Financial Services).

The participants expressed satisfaction over the progress made in CRO, congratulated the team for the progress and appreciated the proposal.

The following suggestions were made on the DFI proposal from MasterCard:

- Linking it with WSIS and SDGs in addition to the World Bank;
- Starting quickly to move from concept to implementation by inviting interested participants; and
- Called for a small Working Group (WG).

Two further proposals linked with Digital Financial Inclusion, as some of solutions, were also made by Intervale:

- Introducing Mobile Network Operator (MNO) Card: MNO Card is a means to connect mobile customer with banking card. It has been implemented in Russia (Megafon and MasterCard) and leverages on wide outreach of mobile operators points of presence. It would benefit mobile operators, governments and banks.
- Introducing digital postal solution: This solution integrates the cooperation of mobile operator with posts.

## **5.2 Working Group (CRO-WG) to develop DFI Proposal**

The Chairman raised the need to develop a package by the CRO platform members, which can then be taken up for implementation by the ITU through the relevant mechanism.

The participants welcomed the proposal and several members expressed their support. The meeting also discussed the following aspects:

- This initiative requires joint commitment of multiple stakeholders (government, private sector, banks, World Bank, Financial Regulators, others) as policies and regulations in countries sometimes deter making such commitments.
- There is a need to have digital identity as a pre-requisite as it is critical for introducing digital financial services. However, mobile operators need to exercise caution in not taking up the responsibility of serving as national identity entity.
- It is important to invite commitments from other CRO members not presenting during the meeting. It was agreed to send the outcome of this meeting to the CRO platform members and invite them to join within a prescribed deadline.
- There is a need to create a small Working Group (CRO-WG) on DFI on the proposal made by MasterCard that would develop a package for CRO Members detailing the proposal and processes.

The meeting agreed to form a working group and the following Members committed to joining the CRO-WG on DFI: e.g.,

- CRC Mongolia
- Etisalat
- Intervale

- MasterCard
- Telenor
- Vimpelcom

The Chairman invited MasterCard to lead the CRO-WG on DFI. He called for the Group to develop a plan including timeline for presenting on the next occasion.

Dr. Yury Grin, in his role, as Vice-Chairman of [ITU-T Focus Group \(FG\) on Digital Financial Services](#) invited the participants to the Seventh Meeting of the Focus Group, which is scheduled from 6-7 December 2016 followed by [ITU Workshop on Digital Financial Services and Financial Inclusion](#), 8 December 2016.

### **5.3 Proposal on Universal Service Obligation**

The Chairman briefly introduced the proposal on USO. He informed the meeting that the proposal was debated constructively but could not reach consensus yet. The Chairman will coordinate with concerned members on how it would like to discuss and take the proposal forward.

### **5.4 New proposals**

The Chairman called for more projects to be submitted to the CRO.

## **6. Next CRO Meeting**

The Chairman also informed about the next CRO meeting on 14<sup>th</sup> of July 2017 in the Bahamas.

## **7. Regulatory Issues for GSR**

The Chairman proposed the topics under the following pillars for consideration by the CRO at the GSR:

- Digital services (e.g. Net Neutrality, OTT / IoT services versus regulated telcos, Industry regulation versus market competition rules, Ex ante versus ex post approaches, Market definitions);
- Data regulation (e.g. Consumer protection rules, Data protection laws, Cross-border data sharing / management / storage, Commercialisation of data, Cyber security);
- Spectrum management (4G/5G allocations, Spectrum pricing practices, WRC-15 implementation, WRC-19 preparation, Renewals);
- Taxes, fees and charges (Annual fees/Royalties, Regulatory fees, Effective tax burden, USF / ICT fund, Provide a platform through the IMF and World Bank);
- Internet governance (Capacity Building), Incentives for investment, Cross sector collaboration, Partnership opportunities with Government/ITU.

The participants agreed to focus on the core themes of Digital Services, Data regulation, Spectrum management, Taxes, Fees and Charges, and Cross-sectoral regulatory collaboration. Some of the participants identified data regulation as a priority and proposed to invite data protection authorities together with telecommunication operators as next step for cross-sectoral regulatory collaboration. It was also proposed to add identifiers and identificators to data regulations as it would help in addressing financial and cybersecurity challenges.

The meeting also discussed the need to have a platform where the concerned regulators can show greater commitment and change from reactive to a forward looking proactive response. The Chairman noted that such issues can form areas of potential projects and invited a position paper on the issue.

The CRO participants also proposed to request the GSR to allow the CRO Group to present its views at the plenary session of GSR-17 on Day 1. The request was noted.

There was also a proposal to form some recommendations for service providers to build unified platform for various digital services.

### **8. Closing remarks by the CRO Chairman**

The meeting agreed to the Chairman's following suggestions on the way forward:

- Implement through creation of proposal package by the CRO-WG on DFI;
- Communicate with and facilitate involvement of regulators to partner and implement the potential project(s) in collaboration with BDT/ITU concerned;
- Call for proposals of partnerships, which can contribute to achieving the SDGs, through closer collaboration with public sectors including regulatory bodies from the countries;
- Brainstorming on the future direction of CRO for more valuable products to ITU members and partners; and
- Report results in the next CRO Meeting.

On behalf of BDT Director, Chief of IP Department, ITU, thanked the participants for a fruitful meeting and called upon them to engage with other ITU-D platforms such as Study Groups as well, which can develop appropriate reports and guidelines. She expressed the important role of CRO meeting, as a neutral platform for partnership, and called to share the demands for products to serve the needs of ITU-D Sector Members, especially the private sector.

The Chairman thanked all participants for their contributions to the discussion, and looked forward to follow-up on issues discussed.

The Chairman closed the meeting.

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