

ITU GSR ONLINE 2021

Global Symposium for Regulators (GSR) 2021 **Outcome Report**

REGIONAL REGULATORY ROUNDTABLE
REGIONAL ECONOMIC DIALOGUE
FOR **CIS**

June 15-16 | 08:00 - 11:00 (CEST)

www.itu.int/gsr21-cis

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1. INTRODUCTION

The GSR-21 Regional Regulatory Roundtable (RRR) and Regional Economic Dialogue (RED) for the CIS Region was held online from 15 to 16 June 2021.

It was jointly organized by the ITU Regional Office for the CIS and the Regulatory and Market Environment (RME) Division of the Telecommunication Development Bureau. The GSR Regional Regulatory Roundtable was organized within the context of the Global Symposium for Regulators 2021 on “Regulation for digital transformation: Accelerating inclusive connectivity, access and use”.

The event provided a unique opportunity for all stakeholders to actively share knowledge and experiences on regulatory and economic themes to foster effective partnerships for advancing connectivity and achieving the UN Sustainable Development Goals (SDGs) and to create an enabling environment for the realization of meaningful and inclusive connectivity.

The event was structured as follows:

- GSR-21 Regional Regulatory Roundtable for CIS region: Session 1 - Towards 5th generation of ICT regulation: ICT economic and regulatory metrics and analysis; Session 2 - An overview of digital regulation tools (15 June 2021).
- Regional Economic Dialogue for CIS region (RED-CIS): Session 1 - Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks; Session 2 - Documents of BDT on economics and finance (16 June 2021).

2. PARTICIPATION AND DOCUMENTATION

The GSR-21 Regional Regulatory Roundtable and Regional Economic Dialogue for CIS Region was attended by 46 participants from Member States of the CIS region and 6 Member States from other regions, including representatives of ICT Administrations and National Regulatory Authorities (NRA) from ITU Member States, as well as representatives of ministries, regional regulatory bodies, private sector. All the presentations delivered

during the event are available in electronic form on the event webpage [here](#). The event was supported with interpretation for Russian and English with live English captioning.

3. OPENING

GSR-21 Regional Regulatory Roundtable for CIS region

The GSR-21 Regional Regulatory Roundtable for CIS region was opened by **Ms Doreen Bogdan-Martin, Director of the Telecommunication Development Bureau, International Telecommunication Union**. In her introductory remarks, she touched upon two core issues: connectivity challenges in the region and the potential regulation to address them. She stated that intense dialogues play a pivotal role in achieving the goal of bridging the digital divide. She also underlined the urgent need to provide ICT infrastructure to everyone everywhere to combat challenges posed by the COVID-19 pandemic. Ms Bogdan-Martin also pointed out the positive trends in the increase in telecommunications/ICT services in the CIS region.

Following Ms Bogdan-Martin's opening remarks, the GSR-21 Best practices guidelines consultation process was introduced by the following speakers:

Ms Mercy Wanjau, GSR Chair and Acting Director-General, Communications Authority of Kenya, in her speech underlined the importance of this event in the process of preparation for GSR-21, noting that it was an opportunity for the CIS region to lend its voice to the ongoing GSR global discussions. She echoed the confidence in terms of progress of connectivity in the region and encouraged regulators from CIS countries to participate in the GSR Best practice guidelines consultation to adopt globally acceptable approaches.

Ms Sofie Maddens, Head, Regulatory and Market Environment Division, Telecommunication Development Bureau, International Telecommunication Union, presented the history of GSR Best practice guidelines initiated as early as 2003. She informed that, for the 2021 consultation, BDT received over 20 contributions from around the world. The main topics of the guidelines are: 1) Inducing new, effective and agile financing mechanisms to digital infrastructure, its access and use; 2) Prototyping regulatory patterns for the post-COVID-19 digital world; 3) Transformational leadership to unleash the power of emerging technologies and business models.

To conclude, Ms Maddens invited regulators from CIS countries to actively participate in the upcoming GSR-21¹ core sessions.

Regional Economic Dialogue for CIS region (RED)

The Regional Economic Dialogue for CIS region was opened by **Mrs Natalia Mochu, Regional Director, Regional Office for CIS, ITU**. In her introductory remarks, she too highlighted connectivity challenges in the region and the power of regulation to mitigate such challenges.

Mr Arseny Plossky, Deputy Head of laboratory, Radio Research & Development Institute (NIIR), Russian Federation and Rapporteur for ITU-D Question 4/1, set the scene of the first

¹ GSR-21 website: www.itu.int/en/ITU-D/Conferences/GSR/2021/Pages/default.aspx

panel of RED-CIS, highlighting the focus of RED to provide information about the different publications and resources on economics and finance in the field of telecommunication/ICT developed by ITU, particularly by BDT and ITU-D Study Group 1, Question 4/1 on Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks.

4. REGIONAL REGULATORY ROUNDTABLE SESSIONS

Session 1 - Towards 5th generation of ICT regulation: ICT economic and regulatory metrics and analysis

Moderator: **Mr Farid Nakhli**, Programme Coordinator, Regional Office for CIS Region, International Telecommunication Union.

Panellists: 1) **Ms Youlia Lozanova**, Senior Analyst, Regulatory and Market Environment Division, Telecommunication Development Bureau, International Telecommunication Union;

2) **Mr Pavel Tkach**, First Deputy Minister, Ministry of Communication and Informatization, Belarus;

3) **Ms Zaruhi Stepanyan**, Chief Specialist of Resource Management and Technological Development Division, Telecommunication Department, Public Services Regulatory Commission, Armenia;

4) **Mr Anatoly Nevmerzheritski**, ITU Expert.

Ms Youlia Lozanova presented the five Generations of ICT regulation and the ICT Regulatory tracker, an evidence-based tool to help decision-makers and regulators make sense of the rapid evolution of ICT regulation, while identifying the changes taking place in the ICT regulatory environment. The tracker, she highlighted, helps track progress and identify gaps in regulatory frameworks, making the case for further regulatory reform towards achieving a vibrant and inclusive ICT sector. She stated that the past 20 years of ICT development have been very intense, including achieving regulation goals. In many industries the trends driving the evolution of regulatory frameworks over these years have been rather similar: 1) the state has often moved out of market operations to leave the private sector to shape market dynamics; 2) to supervise these processes, separate regulators have been created; 3) regulations have evolved from obligation-based to incentive based and the decision-making processes have become more inclusive. Ms Lozanova informed that in addition to the ICT regulatory tracker, in 2020, the G5 collaborative regulation benchmark was launched based on 60 indicators and 4 pillars, viz. collaborative governance, high-level policy design principles, digital economy policy agenda and digital development toolbox. The Benchmark is complemented by the G5 Accelerator launched in 2021 that gives an overview of the concepts and examples of national approaches to collaborative regulation as well as the sound metrics to help regulators navigate through the journey to the next generation of regulation.

Mr Pavel Tkach provided information on the recent developments in the field of telecommunication/ICT in Belarus. In particular, he said, the country reached Internet penetration of 82% of households, 3G coverage in 99% of the population and 4G in 92% of

the population. He informed that in the ICT Regulatory tracker metrics, Belarus is in between the 4th and 5th Generations of ICT Regulation. He also noted that significant progress has been made in ICT development in Belarus, with the country climbing up in the ICT-related indexes, like the UN eGovernment overview and ITU ICT development index.

Ms Zaruhi Stepanyan informed that 100% of settlements have mobile and fixed coverage in Armenia. Providing further details on spectrum distributions in the years 2013- 2019, she noted that such distributions contributed to the positive results where. 97,9 % of the population uses broadband services, including 83,4% mobile users of the Internet.

Mr Anatoly Nevmerzhitski provided information on recent studies on collaborative regulation in the CIS region, focusing in particular on findings such as the correlation of the ICT Regulatory tracker with the ICT development index and other indexes such as the E-Government Development Index and the E-Participation index for the countries of CIS region.

Participants also noted the status of the development of the new integral ITU Index, started in 2020, and underlined the **importance to continue working on data in the field of ICT regulation.**

Session 2 - An overview of digital regulation tools

Moderator: **Mrs Natalia Mochu**, Regional Director, Regional Office for CIS, International Telecommunication Union.

Panellists: 1) **Ms Nancy Sundberg**, Senior Programme Officer, Regulatory and Market Environment Division, Telecommunication Development Bureau, International Telecommunication Union;

2) **Mr Talant Kalykov**, Director, State Communication Agency under the Ministry of Digital Development, Kyrgyzstan;

3) **Mr Rahid Alekberli** Advisor, Minister of Transport, Communications and High Technologies of Azerbaijan, Azerbaijan;

4) **Mr Ihar Shchetko**, Regional Office for CIS, International Telecommunication Union.

Ms Nancy Sundberg presented the recently developed Digital Regulation Handbook and Platform², a joint ITU and World Bank publication and platform. She noted that this document is an instrument for policymakers and regulators to respond to the most recent regulatory challenges ranging from digital platforms to emerging technologies, like AI, Big Data, blockchain, 5G, etc. She also highlighted that the Handbook and Platform could serve as a guide to Membership on regulation towards digital transformation. This handbook, she said, is now available in all 6 official UN languages, with soon-to-be offered e-learning training materials to support the handbook..

Mr Artur Kadyrkulov on behalf of **Mr Talant Kalykov** provided information on the work of the State Telecommunication Agency, which acts as an independent

² The Digital Regulation handbook and platform are available at: www.itu.int/en/ITU-D/Regulatory-Market/Pages/DigiReg20.aspx

telecommunications/ICT regulator in Kyrgyzstan. The mandate of the Agency includes licensing, certification, spectrum management, numbering resources and tariff regulation. Mr Artur Kadyrkulov also provided statistics on market developments as well as information on 5G implementation in Kyrgyzstan.

Mr Rahid Alekberli introduced on new approaches towards ICT policies and regulation in Azerbaijan, aimed to support national development priorities laid out in the “Azerbaijan 2030: National priorities on socio-economic development” Strategy, adopted in February 2021.. He described the process and elements for the implementation of new regulatory collaborative approaches in the country, including its framework, KPIs and assessment of the implementation. He also raised the topic of the recent approval of the National Strategy on Smart Cities and Communities and described the Digital transformation concepts.

Mr Ihar Shchetko presented the ITU ICT Infrastructure business planning toolkit and training. This toolkit offers regulators, policymakers, and stakeholders a practical methodology for the elaboration of economic evaluation of broadband infrastructure deployment plans, especially in rural and isolated areas. During his presentation Mr Shchetko focused on the practical use of the toolkit, showing the elements of project assessment, related methodologies and examples of the toolkit and business planning model functions.

5. REGIONAL ECONOMIC DIALOGUE SESSIONS

Session 1 - Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks

Moderator: **Mr Arseny Plossky**, Deputy head of laboratory, Radio Research & Development Institute (NIIR), Russian Federation (Rapporteur for ITU-D Question 4/1).

Panellists: 1) **Ms Rosheen Awotar-Mauree**, Study Group Advisor, Telecommunication Development Bureau, International Telecommunication Union;

2) **Ms Carmen Prado-Wagner**, Senior Programme Officer, ICT Policy & Regulation, Regulatory and Market Environment Division, Telecommunication Development Bureau, International Telecommunication Union;

3) **Mr Jorge Martínez**, Axon Partners Group (Vice-Rapporteur for ITU-D Question 4/1).

Ms Rosheen Awotar-Mauree presented ITU-D Study Groups activities, including the procedural basis (WTDC Resolutions 1 and 2), opportunities for participation in the work of Study Groups as participants or as part of the management team. She touched upon the recent activities and achievements, including the approval of the Final Reports for ITU-D study period 2018-2021 and the organization of virtual events on topical issues. Ms Awotar-Mauree also provided information on the contributions received from CIS countries and encouraged the audience to actively participate in ITU Study Groups activities.

Ms Carmen Prado-Wagner provided an overview of the work on Question 4/1 “Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks”. Work on this question, she said, started in 1998 (as Question 12/1 on Tariff policies, tariff models and methods of determining the cost of

national telecommunication services), and has contributed to the development of research and data collection in the BDT. In 1999, for example, BDT initiated the ITU Tariff Policies survey to collect information from NRAs on economic, price regulation, costs and tariffs methodologies and models. This survey had been growing and continues to be launched every year, gathering information from more than 150 countries. The results from this survey together with the ITU ICT Indicators and Regulatory surveys are available at the ITU ICT Eye database³.

Mr Arseny Plossky brought up the conclusions of the work and Final Report on Question 4/1. The Report included 5 chapters: 1) New charging methods (or models, if applicable) for services provided over NGN networks; 2) Different models for infrastructure sharing, including through commercially negotiated terms; 3) Consumer price evolution and impact on ICT service usage, innovation, investment, and operator revenues; 4) Trends in the development of mobile virtual network operators (MVNO) and their regulatory framework; 5) Best practices guidelines. He also gave a brief overview of national case studies included in the report and concluded by providing information on proposals of topics for the future of this Question.

Mr Jorge Martínez presented the Guidelines on cost modelling for digital services, including the cost methodologies and elements, developed in the framework of the work of Question 4/1. He also provided details on the algorithm of decision-making for the selection of cost modelling as well as on relevant elements which depend on different business cases. Mr Martinez explained that it is not just about implementing cost modelling; there are also several different processes where it is important to involve network operators to look at how to provide better engagement with them.

Two interactive polls to assess the interest of the CIS Region about the areas covered in Q4/1 and the topics to consider in the future for the same were conducted. These results are based on the interest expressed by the CIS countries for the economic-related topics of digital transformation, COVID-19, tariffs policies issues and convergent networks. The results are provided in the Annex.

Session 2 - Documents of BDT on economics and finance

Moderator: Ms Carmen Prado-Wagner, Senior Programme Officer, Regulatory and Market Environment Division, Telecommunication Development Bureau, International Telecommunication Union.

Panellists: 1) **Mr Arseny Plossky**, Deputy head of laboratory, Radio Research & Development Institute (NIIR), Russian Federation (Rapporteur for ITU-D Question 4/1);

2) **Dr Raul Katz**, Director of Business Strategy Research, Columbia Institute for Tele-Information.

Mr Arseny Plossky presented the result of the study⁴ on the analysis of ITU documentation in the field of telecommunication/ICT focusing on BDT publications on ICT economics and finance, including the material developed in ITU-R, ITU-T, ITU-D. He provided information on the methodology used to prepare this report and in analysing the interest of the CIS in

³ ITU ICTEye: <https://www.itu.int/net4/ITU-D/icteye/>

⁴ Report of the analysis of ITU documentation in the field of telecommunication/ICT on ICT economics and finance (in Russian): <https://www.itu.int/ru/ITU-D/Regional-Presence/CIS/Pages/Documents.aspx>

this document. He drew attention on the following conclusions: 1) Equal use of the six official languages of the Union is not completely fulfilled; 2) Specific country studies for the CIS region are not available, there is only one regional study on Economics and Finance in Telecommunication/ICT; 3) The experience of the CIS countries is practically not reflected in BDT publications posted on the corresponding web pages; 4) One document considered as of highest value (translated into Russian), six more documents are of the high value (only 2 of them have been translated into Russian). Two Guidelines issued in 2009 and 2011 have not been translated into the official languages of the Union; 6) As opposed to the African and Americas regions and its sub-regions, only one publication was issued concerning the CIS region. Upon the above mentioned conclusions, the following recommendations were made by the speaker: 1) It is advisable to draw the attention of the CIS countries to the extant studies and research to determine the possibility of their contributing to the preparation of such documents; 2) It is advisable to draw the attention of the CIS countries to the BDT publications and research in general, primarily documents of the highest significance, such as the one on economics and finance, as well as those documents that have been translated into Russian.

Based on this analysis, the moderator conceded the involvement of CIS administration in ITU activities in general, and specifically in the development of BDT research, their participation in the collection of data (surveys), as well as in the work of the ITU-D Study Groups. As a result, the current scenario in these regions will improve and the research will benefit in the further development of economic policies and regulation.

Dr Raul Katz presented the recently developed ITU Report on “Economic Contribution of Broadband and Digitization: Econometric Modelling for the ITU Commonwealth of

COVID-19 HAS DRIVEN SEVERAL CHANGES IN THE ICT SECTOR: **DESPITE THE CAPEX CONTRACTION IN THE DEVELOPING WORLD, BROADBAND PENETRATION HAS CONTINUED TO GROW GLOBALLY**

FIXED BROADBAND PENETRATION (percent of households)			
	2019	2020	Delta
WORLD	54.22 %	56.80 %	4.8 %
Africa	4.34 %	5.96 %	37.4 %
Latin America and the Caribbean	53.32 %	58.54 %	9.8 %
Asia and Pacific	53.15 %	55.24 %	3.9 %
Arab States	62.39 %	67.04 %	7.4 %
Commonwealth of Independent States	66.70 %	72.11 %	8.1 %
Europe	84.39 %	87.57 %	3.8 %
North America	92.01 %	95.46 %	3.8 %

Source: Katz, R. and Jung, J. (2021). *The Economic Impact of Broadband and Digitization through the Covid-19 pandemic - Econometric Modelling*. ITU

Independent States” with statistical data on broadband penetration and affordability of such services at that global level, including the CIS region. He reiterated the invaluable contribution of the Broadband services in a COVID-19 world in maintaining a continuity of work and education at affordable prices with proper ICT

infrastructure.

Dr Katz also highlighted the results of the ITU Report on the Economic impact of broadband and digitization through the COVID-19 pandemic: Econometric modelling. Building on ITU's global and regional economic research based on datasets ending in 2018 and published in 2020, this study, he said, relies on the same structure and econometric models, but in this case examines the economic impact of fixed and mobile broadband penetration

and digitization levels on the global economy through to the end of 2020, including the CIS region⁵.

A significant number of activities is still needed at national, regional and international levels, with evidence generated in this econometric research providing additional guidance for action, such as:

1. Consider initiatives for reversing the declining capital spending trend and stimulating ICT investment;
2. Reduce demand-side barriers (affordability, digital literacy, local content development) to benefit from the transformative power of ICTs; and last but not least,
3. Explore ways to expedite the roll-out of fixed networks.

An interactive poll to assess the interest of CIS Region on the topics of BDT documentation was launched. These results are based on the interest shown by the CIS countries on topics of broadband, economic policy and enabling environment. The results are provided in the Annex.

6. CLOSING - Summary of discussion and way forward

Ms Natalia Mochu, Regional Director of ITU Regional Office for the CIS region, summarized discussions from the GSR-21 Regional Regulatory Roundtable and Economic Dialogue and encouraged participants from the CIS region to join the work of ITU-D Study Groups and to actively respond to ITU Surveys so that more data can be gathered from the region. Finally, she requested members to remain actively involved with ITU and its Regional Office for the CIS region and take part in dialogues of economic regulations and other such ICT relevant topics.

⁵ This study is available at the Economic Impact of Broadband, Digitization and ICT Regulation Portal, at: <https://www.itu.int/en/ITU-D/Regulatory-Market/Pages/Economic-Contribution.aspx>

ANNEX: Interactive Polls results

Regional Economic Dialogue for CIS region, Session 1 - Economic policies and methods of determining the costs of services related to national telecommunication/ICT networks

Question 1: Which topics from the presented documents are of the greatest interest to you? (Multiple choice answers, ranged according to highest % rate of responses)

1. **Cost methodologies - 50%**
2. **Significant Market Power (SMP) - 50%**
3. Infrastructure sharing - 38%
4. Determination of tariffs for communication services - 38%
5. ICT service price baskets - 38%
6. Mobile virtual network operators (MVNO) - 25%

Question 2: Which topics from the presented future topics of Question 4/1 are of the greatest interest to you? (Multiple choice answers, ranged according to highest % rate of responses):

1. **Economic aspects / impact of digital transformation - 89%**
2. **Measuring the economic performance of bridging the digital divide - 67%**
3. **Development of new tariffs for converged networks / services - 56%**
4. **Taxation approaches in Emerging National Telecommunication/ICT Markets - 56%**
5. **National economic aspects of the availability of Digital Financial Services - 56%**
6. **Economic impact of COVID-19 Pandemic on Telecommunication/ICT Markets - 56%**
7. The economic impact of the new converged ICT on all stakeholders involved in shaping the networked ICT value chain - 44%
8. Assessment of the value of digital technologies in other sectors of the economy - 44%
9. New types and ways of investing in telecommunications/ICT - 33%
10. The real economic value of using personal data - 22%

Regional Economic Dialogue for CIS region, Session 2 - Documents of BDT on economics and finance

Question: What topics of BDT publications on economics and finance in the field of telecommunications ICT are of most interest to you? (Multiple choice answers, ranged according to highest % rate of responses):

1. **Digital ecosystem - 78%**
2. **Economic policy - 67%**
3. **Broadband - 67%**
4. **Digitalization - 56%**
5. **Statistics - 56%**
6. **Roaming - 56%**
7. Spectrum management - 44%
8. Cost modelling - 33%
9. Investment - 33%

10. Taxation - 33%
11. Universal services - 33%
12. Interconnection - 33%
13. Tariffs and accounting - 22%