

Contribution from POTRAZ, Zimbabwe to the GSR-17 Consultation

INNOVATIVE AND COLLABORATIVE POLICY REGULATORY AND BUSINESS MEASURES TO CREATE AN ENABLING ENVIRONMENT FOR INNOVATION AND INVESTMENT

1. INTRODUCTION

This contribution was prepared in response to the invitation to Zimbabwe by Director ITU Telecommunication Development Sector, to identify innovative and collaborative Policy, Regulatory and Business Measures to lift barriers and achieve affordable access, to the Digital World. The contribution covers the following areas:

- Infrastructure and connectivity,
- Consumer Access,
- Market and business opportunities, and
- Funding and Financing

2. INFRASTRUCTURE AND CONNECTIVITY

Infrastructure sharing has emerged as a good strategy to reduce the cost of ICT services. This is because as service providers share infrastructure, both in terms of active and passive infrastructure, the need to invest in individual infrastructure is reduced. This reduces the overhead costs of each service provider and translates into a reduction in the product price to the benefit of the consumer as well as the ability of a country to roll out Broadband efficiently, cheaply and faster. The Zimbabwean experience however was that operators were not interested in infrastructure sharing. Each Telecommunication Operator continued to build its own infrastructure, which resulted in a very high cost structure of telecommunication / ICT products. This, therefore, hampered access by the generality of the people of Zimbabwe, particularly unserved and underserved people.

Zimbabwe had to change its approach of allowing service providers to voluntarily decide at their own pace, to share infrastructure. The new approach involved incorporating infrastructure-sharing provisions into the law, in such a manner that a service provider cannot refuse to share its infrastructure, if another service provider wishes to share it. The service provider, who accesses another's infrastructure, pays a fee but this is much cheaper than constructing the infrastructure individually. The piece of law, known as the Infrastructure sharing Regulations was subjected to rigorous consultation involving both service providers and consumers, for buy in.

At the international level, there have not been real cases of countries sharing infrastructure. For landlocked countries like Zimbabwe, this makes the cost of accessing undersea cables very expensive. If effort is made for neighbouring countries to share infrastructure, particularly the main backbone, this would help reduce costs and allow easier and massive rolling out of Broadband Services. This is where ITU can be of assistance by encouraging such regional or bilateral treaties.

3. CONSUMER ACCESS

The strategy of incorporating infrastructure sharing into the law is one way of improving, or at least creating, an enabling environment for access to telecommunications/ICTs by consumers, but there are other ways. The Zimbabwean

experience has revealed that it is important for the gadgets used by consumers to be more affordable in order to promote access by every citizen of the Country. To this end, computers, smartphones and tablets were exempted from import duty for a period of about three years, which saw a massive increase in the number of gadgets entering the country and the broadband penetration.

Promoting ICT Innovation by young people is also another measure which Zimbabwe found to be effective, in promoting access to ICTs. The Zimbabwean Regulator, working with Government, introduced an innovation programme, which encourages Zimbabweans to come up with homegrown applications that can be used in the day-to-day lives of the people. Applications in local languages are encouraged and people are likely to buying into this approach. These homegrown applications become cheaper to use as they are not imported. The Universal Service Fund finances the innovation programme. The programme finances and encourages that which have the potential to be used commercially through loans, at concessionary rates.

In addition to these measures, guided by Policy, the Universal Service fund in Zimbabwe has embarked on a massive drive to install Community information centres across the Country with 70 having been installed in 2016 alone and another 140 earmarked for the period up to 2018. These centres enable people in the rural areas who in some cases would not have any access to ICTs in general and broadband services in particular, to have such access. Similarly a massive drive to Computerise and connect 9000 of Zimbabwe's public schools, in the long term, has been embarked on. Although these measures have been used before elsewhere, their innovativeness , lies in the scale and the speed with which they are applied. Using the measures as a cocktail, also yields better results than sticking to one measure.

4. MARKET AND BUSINESS OPPORTUNITIES

A mixture of these measures, which also include encouraging small ICT businesses to tender for some of the work, certainly reduces barriers and increases access to telecommunications ICTs in the Country. An important measure is to allow virtual service providers more and more, so that huge capital outlays do not remain a barrier to business opportunity and access to markets. Collaboration with the financial Sector Regulator and Financial Institutions under the banner of financial inclusion has increased the uptake of digital financial Services by such a large scale in Zimbabwe that this could be a worthwhile measure for other countries to try.

5. FUNDING AND FINANCING

Turnkey solutions to have a lot of potential in infrastructure development. This is one measure, that needs to be fully explored and can save Developing countries the pain of raising huge capital amounts.

6. CONCLUSION

In conclusion, the measures that need to be taken are varied, and no One Size fits all. A multiple of innovative measures need to be applied in order to get appropriate results. The measures discussed in this document certainly need to be explored further and applied to determine their effectiveness

