



COLLABORATIVE REGULATION FOR INCLUSIVE CONNECTIVITY

GSR-21 REGIONAL REGULATORY ROUNDTABLE FOR THE AMERICAS

10 MAY 2021

An overview of digital regulation

ITU Publications

International Telecommunication Union
Development Sector

Digital Regulation Handbook 20th Anniversary Edition

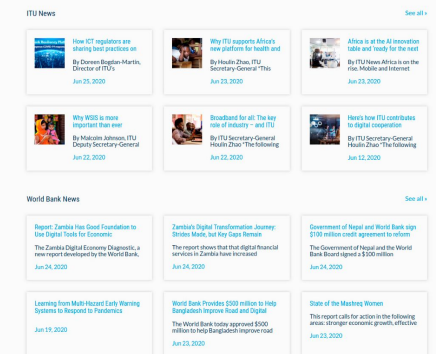
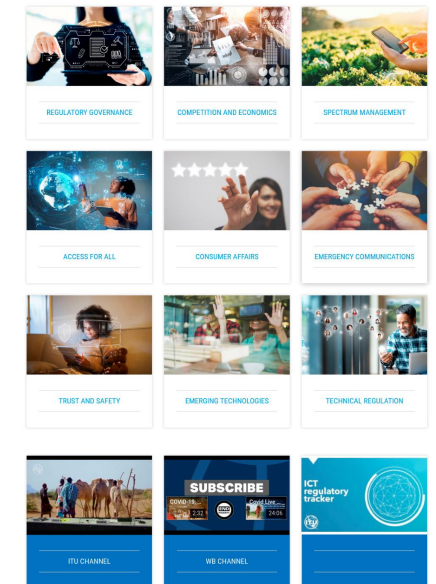


Co-published with:



Digital Regulation Platform

THE WORLD BANK
About Themes Publications



THE DIGITAL ECOSYSTEM: ROLE OF STAKEHOLDERS

Role of Government

- Vision & Leadership
- Enabling policies
- Create mechanisms for implementation
- Create Demand
- Access for all

Role of Regulator

- Convene
- Distribute scarce resources
- Make & enforce rules
- Monitor & review
- Adapt to markets, society

Role of Industry

- Invest
- Ideate
- Innovate
- Partner for Impact
- Include

WHAT IS REGULATORY COLLABORATION?

Regulatory collaboration refers to the ICT regulator working closely with peer regulators in other sectors.

It is defined by:

The breadth of collaboration

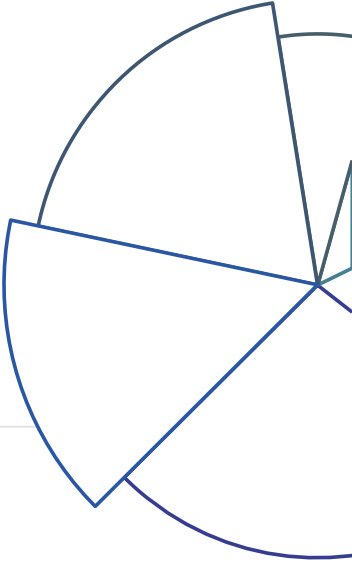
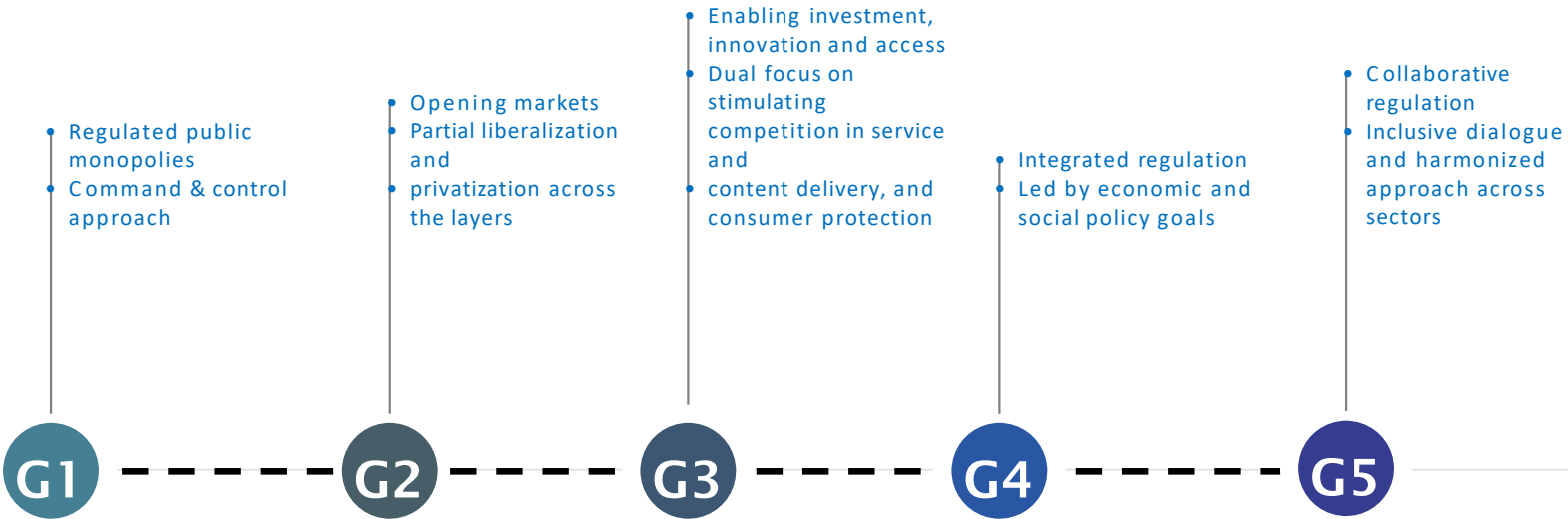
Refers to whether the ICT regulator collaborates with authorities in charge of competition, consumer protection, finance, energy, broadcasting, spectrum, management and Internet issues.

The depth of collaboration

Refers to whether regulators have engaged in informal, formal collaboration, or have put in place other hybrid mechanisms

HOW HAS REGULATION EVOLVED?

The ICT Regulatory Tracker tracks the **transition of countries** through generations one to four



	1. Regulatory authority	2. Regulatory mandate	3. Regulatory regime	4. Competition framework
G1	Consolidated with policymaker and/or industry	Business as usual	Doing as we have always done	State-owned monopoly
G2	Separate agency	First wave of regulatory reform	Doing more	Liberalization
G3	Separate agency, autonomous in decisionmaking	Advanced liberalization of ICT sector	Doing the right things	Partial competition
G4	Separate agency with enforcement power	Adjacent issues become core mandate	Doing the things right	Full competition
G5	Separate agency as part of a network of partner regulators	Separate agency as part of a network of partner regulators	Doing things together	Intra-modal competition



FIFTH GENERATION OF REGULATION – THE GOLD STANDARD

Why do we need collaborative regulation?

- Digital transformation is a game changer
- The new digital world needs a new take on regulation
- Holistic and harmonized approach can deliver greater impact
- Development and inclusion have become a primary focus of regulation

COLLABORATIVE GOVERNANCE MECHANISMS

No silver bullet, many shapes and forms

Informal collaboration

Unstructured or intermittent outreach between regulators to coordinate on specific issues

Semi-formal collaboration

Mix of formalized legal texts and informal outreach between regulatory authorities

Formal collaboration

Legal texts define agency roles, responsibilities, jurisdictions for ongoing collaboration

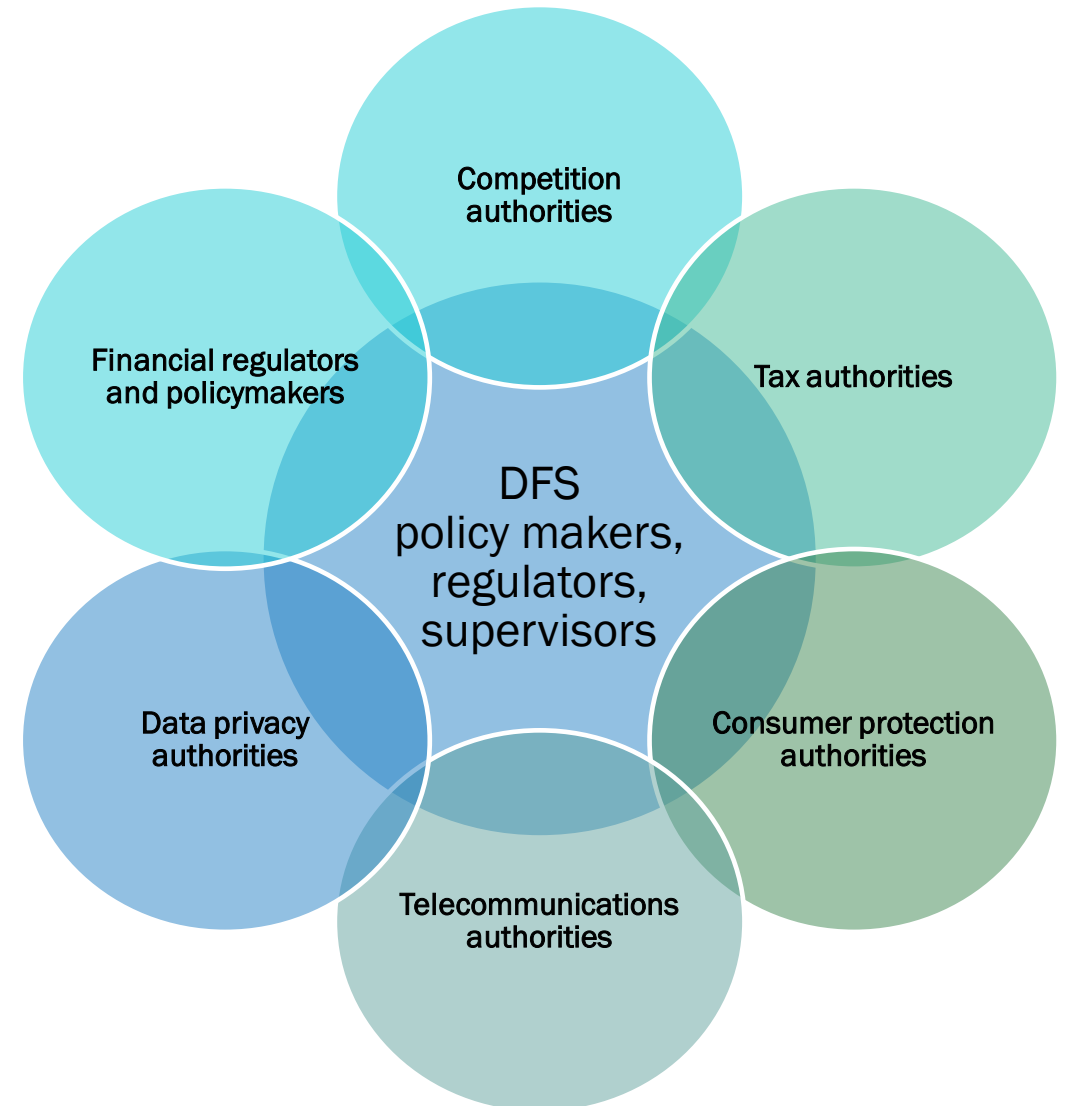
Effective collaboration and coordination is critical to the development of a safe and enabling DFS ecosystem

Financial authorities should regularly engage with other public-sector actors (e.g., authorities responsible for telecommunications, competition, data protection, and taxation), DFS providers, consumer advocates, DFS technical experts, development partners, and other DFS stakeholders (issues e.g. interoperability, third generation mobile (3G) coverage, service quality, fraud mitigation, data privacy, or digital credit)

DFS authorities should establish formal mechanisms for coordination

Mechanisms such as a national payments council can facilitate a collaborative approach to DFS regulation. Financial and telecommunications authorities should also consider signing a memorandum of understanding (MoU) or similar agreement to guide their collaboration to foster the development of a safe and enabling DFS ecosystem

COLLABORATIVE REGULATION EXAMPLE OF DFS





LESSONS LEARNT FROM RESEARCH

Focus on implementation

- Sound policy and regulatory frameworks are key for timely, effective implementation
- Data-driven implementation mechanisms and clear targets are key
- Mind the gap between legal frameworks and implementation

Focus on market outcome

- Collaboration brings centers of expertise and decision-making together
- Collaboration is good, positive market and consumer outcome is better
- Implementation should be collaboration based, too