



Services, Development and Trade: The Regulatory and Institutional Dimension of Infrastructure



Infrastructure services sectors (ISS) are fundamental for the efficiency, growth and competitiveness of economies, for human development and for the attainment of the Millennium Development Goals (MDGs). Vibrant ISS can catalyze economic diversification and enhance domestic supply capacity and competitiveness, while providing opportunities for employment, investment and trade.

For reform of and trade in ISS to generate pro-development outcomes, they need to be accompanied by appropriate policies and regulatory and institutional framework (RIFs). The latter must be credible, sustainable and able to face multiple challenges arising from the increasingly heterogenic and complex characteristics of IS markets.

There is no “one size-fits-all” model when looking to improve the design and performance of regulatory and institutional frameworks in developing countries. “Best-fit-approaches” should take into account local country context of economic and social development, which should change over time in line with development levels.

Moreover, since international trade agreements affect RIFs, regular interaction and cross-fertilization between trade negotiators and services policymakers, regulators and civil society can help improve regulatory and pro-development outcomes.



Liberalization of ISS should be supported by appropriately designed, paced and sequenced policies composed of macroeconomic, prudential, regulatory and supervisory elements, to be determined only on a case-by-case basis adapted to the specificity of each country. Since the development of proper regulatory systems is a long-term process, developing countries should be allowed sufficient time to adopt and implement their respective legislation and regulations catering to their specific needs.

The two-volume includes analysis on key regulatory and institutional issues in infrastructure services, pricing methodologies, market entry, PPPs, universal access, the interface between competition authorities and sectoral regulations, institutional governance, as well as regulatory cooperation at the bilateral, regional and international level to build the capacity of developing countries in regulating ISS. The volumes also include sector-specific chapters (on the financial and the telecommunications sectors), as well as case studies in developing countries, including the following:

- Overview of regulatory policies for infrastructure services in Latin America;
- The electricity sector in South Africa;
- The water sector in the Lao People's Democratic Republic;
- The transport sector in bilateral Swiss EC transport agreements.

