Lessons from
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During each training course participants identify key lessons learned over the intensive two-week period in the concluding session. Here are the lessons reported by participants in the June 2003 course.

1. Regulation must facilitate economic development of the country (infrastructure).

2. There are commonalities across countries and sectors. Developed countries have much to learn too!

3. When designing tariffs, be fair (between company and customers). Don't forget the case of California regarding the price freeze.

4. Regulatory agencies should be independent and promote transparency and participation. The presence of a wide range of stakeholders leads to better information for decision-making.

5. An agency needs to understand the big picture and develop policy templates that take into account the incentive impacts of policies.

6. Education is a two-say street. Effective communication among all stakeholders is an absolute necessity.

7. Transparency and objectivity are crucial for a sound process that promotes legitimacy for citizens and credibility for investors.

8. Don't regulate for regulation's sake. Know what and why you are regulating, and know who you serve.

9. Many skills and values are required for an active rather than passive approach to infrastructure regulation. Regulators need a clear understanding of principles if their actions are going to promote value creation.

10. A legacy of monopoly implies that regulators need to address the power of incumbents to promote competition when feasible.

11. Regulators need to articulate regulatory principles, appreciate the complications stemming from specific issues and understand best practice from around the world.

12. Incentive regulation is preferred over command and control.

13. Regulation needs to be fair, firm and farsighted.

14. Regulators need a deep understanding of the determinants and the impacts of market structure.

15. A sound legal framework is the foundation for successful regulation and infrastructure development.

16. Low prices are not everything. Regulators are representatives for the future generations of consumers.

17. Independence is crucial for good regulation. Being insulated from daily political interference enables regulators to have a long-term perspective.

18. There is a need to harmonize the regulatory process with the political process. Commissions are instruments of the state and, as such, reflect underlying institutional conditions.

19. For development of regulation, regulatory training is essential.

20. Private participation can enhance infrastructure performance.

21. There are steps for introducing and sustaining competition. A consistent process can yield pressures for improved sector performance.

22. Effective communication to citizens through the media and to other stakeholders (in meetings, etc.) is needed if the regulatory commission's decisions are to find public acceptance.

23. The California case teaches us that inflexibility and price rigidity can yield problems since demands and technology are changing.

24. Regulators cannot guarantee outcomes; prices can fall or rise.

25. Regulation is neither a beauty contest nor a popularity contest; rather, it's a combination of both.

26. Design the market for competition or regulation. Competition for or in the market provides incentives for cost-containment.

27. Recruit, motivate, and train staff to promote professionalism and expertise.

28. A wide set of disciplines are necessary for regulation (economics, law, management, finance, and engineering), and it is necessary to draw on these fields.

29. Networking among regulators can be a source of help and support.

30. Whether you are a regulator or a representative of a firm, negotiation and alternative dispute resolution procedures are both important.

31. Regulation imposed from the outside will be ineffective.

32. Measure your processes to develop sound decisions (benchmarking).

33. Technical skills are crucial for sound decisions. For example, net present value underscores the importance of risk and the timing of cash flows. Incremental costs and revenues are central to decision-making.