



INTERNATIONAL TELECOMMUNICATION UNION  
TELECOMMUNICATION DEVELOPMENT BUREAU

**WORLD TELECOMMUNICATION DEVELOPMENT  
CONFERENCE (WTDC-98)**

Valletta, Malta, 23 March - 1 April 1998

**Document 193-E  
... March 1998  
Original: English**

---

**PLENARY MEETING**

MINUTES

OF THE

FIFTH PLENARY MEETING

Wednesday, 25 March 1998, at 0900 hours

**Acting Chairman:** Mr. E. BORG (Malta)

| <b>Subjects discussed</b>  | <b>Documents</b>                    |
|--|-------------------------------------|
| 1 Statement by the Chairman of Maltacom                                | -                                   |
| 2 Introduction of the World Telecommunication Development Report       | -                                   |
| 3 Report of the Telecommunication Development<br>Advisory Board (TDAB) | 8                                   |
| 4 Introduction of the strategic report                                 | 99                                  |
| 5 Introduction of draft priorities and the draft Strategic Plan        | 71, 75                              |
| 6 Introduction of proposals for the work of the Conference             | 27, 35, 45, 76, 83,<br>97, 107, 129 |
| 7 General comments on the draft Strategic Plan                         | -                                   |

## **1 Statement by the Chairman of Maltacom**

1.1 The **Chairman of Maltacom** said that his company was Malta's main telecommunications provider and would be going public by mid-1998, when 40% of its shares would be sold on domestic and international markets. The Maltese regulatory environment had been aligned with modern practice, and Maltacom's strategic stances, operational methods and corporate culture were being reformed to conform to that environment and to Maltacom's new legal and commercial status. Its strategic stances were aligned with those of more advanced telecommunication organizations, making it a suitable partner for operations within the Mediterranean region. Maltacom had drawn up a long-term plan comprising projects that would help to increase shareholder wealth and contribute to the continuous development of Malta's telecommunication infrastructure and human resources. It pursued a policy of maximizing all the company's assets, as was borne out by the increased tempo of activity and number of projects being executed. With the assistance of ITU, Maltacom was building a modern telecommunication training college which would participate in the GTU/GTTI project and would network with neighbouring countries to provide traditional training and distance learning.

1.2 Malta's geographical position and stability made it a creditable partner for hubbing operations. Maltacom had strategic alliances with leading international operators which had accelerated the introduction of various services and guaranteed their continual upgrading in the years to come. The Government had appointed the company as its sole agent for the operation of national and international satellite systems and technologies. Maltacom was committed to the preservation of the country's environmental and cultural heritage and had joined forces with the Government in an effort to upgrade Valletta.

1.3 The world's transformation into a global village - largely through the impact of telecommunications - enhanced opportunities for joint action to optimize the opportunities and challenges of modern telecommunications and to facilitate fair and peaceful development worldwide. ITU's endeavours were vital in that regard. Maltacom had therefore been only too pleased to make enormous efforts towards meeting the Conference's logistical requirements, and had also embarked upon a programme for LDCs under which it would sponsor training and assistance for a different LDC every two years. Others should follow Maltacom's example, for communication was a basic human right.

## **2 Introduction of the World Telecommunication Development Report**

2.1 The **Director of BDT**, introducing the Report, said that its main theme was universal access. It addressed the questions of how the developing countries could gain access to telecommunications in the new, liberalized environment, how the agreement on trade in telecommunication services concluded through WTO would accelerate liberalization and what sort of investment financing would be required in an environment of multiple operators and competition. The Report also reviewed progress made since the publication of the "Missing Link" report, and sought to define the information gap in the contemporary context and to redefine teledensity to cover the provision of services other than voice telephony. It set out a compelling description of the new concept of telecommunity or telecentre.

2.2 The **representative of BDT**, continuing the introduction of the Report, noted that although the WTO agreement and other developments were liberalizing telecommunication services, there was a danger that the benefits would fall only to business users and small users would be left at a disadvantage. The Report accordingly focused on how to increase access for those who currently

made little or no use of telecommunications. It was divided into five sections: an overview of levels of telecommunication development; pricing, as one of the crucial factors dictating access to telecommunications; telecommunication supply, in terms both of technical and policy issues; a definition of universal access; and a redefinition of access in the age of the Internet.

2.3 The Report showed that 43 countries had still not attained a teledensity of one telephone line for every 100 inhabitants. The greatest teledensity was, of course, in the developed countries, in which mobile telephony and Internet services were also the farthest advanced. Great discrepancies were described in the Report: for example, there were more Internet hosts in Estonia, and more subscribers to cellular phones in Thailand, than in all of Africa. Discrepancies in the length of time needed to raise teledensity were also reported, and countries that had the highest levels of teledensity - beyond 50 per 100 inhabitants - were best positioned to increase teledensity further and faster, while countries with a teledensity of under 1 needed, on average, 50 years to achieve broad access. With the importance of telecommunications today, few countries could afford to wait so long. Achieving a teledensity of at least 1 for every 100 inhabitants in the 43 countries that were still below that level should be made a priority. While the disparities between countries were great, so were those within countries: rural areas frequently had the highest population density, but telephone lines were concentrated in urban areas. The use of teledensity as an indicator was often criticized for not accurately reflecting real access. It did not, for example, reflect the situation in Arab countries, where almost all households had a telephone line, although the ratio to the total population was small. The number of households with telephone service could be one of the new ways of conceptualizing access.

2.4 Turning to the second section, on pricing, he said that one tendency was to keep prices down so that more people could afford telephone services. The problem, however, was that in developing countries, most users were wealthy and were concentrated in urban areas. In Lima, Peru, for example, 100% of households in the top 25% income bracket had telephones. Low prices thus benefited the well-to-do, not the lower income strata. When tariffs did not recoup the costs of telephone services, no funds were available to channel back into the network in order to extend services.

2.5 At the other extreme was cost-based pricing, when international and long-distance prices declined at the expense of local and fixed charges. The industry disagreed, however, on the extent to which local users should pay for the other services. In many cases, operators faced competition for long-distance but not for local calls, and found it easier to raise charges for residential subscribers. The Report attempted to adduce an average cost figure for the provision of local services and had concluded that the vast majority of households could not afford the telephone service - hence the need to design new pricing policies. Lastly, the section containing a definition of universal access described it as a telephone service in every home at a reasonable price and incorporated targets to which countries should aspire.

### **3 Report of the Telecommunication Development Advisory Board (TDAB) (Document 8)**

3.1 The **Chairman of TDAB** introduced the TDAB report contained in Document 8, which recalled the terms of reference of TDAB, outlined the topics covered at its various meetings and presented a number of draft resolutions and recommendations for consideration by WTDC-98. TDAB had participated in a joint meeting with the other two advisory bodies of ITU, RAG and TSAG, which had proved a most useful exercise. TDAB had also examined draft new Questions proposed for the forthcoming study period, which would also be considered by WTDC-98, and had

made a number of recommendations thereon. In reviewing the structure and working methods of ITU-D, TDAB had examined a number of reports and proposals, including the recommendations of ITU-2000. A decision on the proposal to open up TDAB to wider participation would be taken by the forthcoming Plenipotentiary Conference. TDAB supported that proposal and had opened up its final meeting on an experimental basis; the increased participation had proved fruitful. He would comment further on specific items mentioned in the report as they were considered during the Conference.

3.2 The **Director of BDT** added that the draft resolutions and recommendations contained in Annex 3 of Document 8 would be considered by the relevant committees and working groups of the Plenary: for example, draft Resolution 2 would be relevant to the discussions of the Working Group of the Plenary on the private sector; draft Resolutions 3 and 4 related to the work of the study groups and should be examined by Committees A and B, as appropriate; and draft Recommendation 1 related to the role of WTDC and its relationship with the World Telecommunication Policy Forum. Draft Recommendation 2, in Annex 4, related to the future of TDAB, including the question of its conversion into an open advisory group as referred to by the previous speaker; it would be important to ensure balanced representation and continuity in TDAB's work.

3.3 The **representative of Syria** supported the conversion of TDAB into an open advisory group. He agreed that it would be important to maintain balanced representation and therefore suggested that a minimum number for the representation of developing countries should be set. The conclusions set out in the TDAB report would also be relevant to the discussions of the Working Group of the Plenary on the Valletta Action Plan.

3.4 The **representative of Russia** paid tribute to the work of TDAB and supported its conversion into an open advisory group. He assumed that there would be further opportunities during the Conference to comment on specific details in the report. The **Acting Chairman** confirmed that there would.

#### **4 Introduction of the strategic report (Document 99)**

4.1 The **Director of BDT** said that the strategic report, contained in Document 99, was the basis for the draft Strategic Plan and, it was hoped, would be useful to the Conference in the preparation of the Valletta Declaration and Action Plan. It comprised, first, an executive summary and introduction. Section I contained a strategic overview of telecommunication development: subsection 1 addressed new opportunities for social, economic and cultural development, described regulatory reform and the information society and referred to trade agreements; subsection 2 dealt with the financing of telecommunications in the era of restructuring and gave examples of the new mechanisms that could be used for that purpose, including international telecommunication settlement arrangements; and subsection 3 described the concept of partners in telecommunication development and outlined the role of the private sector and the non-governmental sector in that regard. It also outlined the activities of ITU's new Development Sector and gave examples of its initiatives. Section II attempted to sketch out an ITU-D Sector strategy for the future and described four main modes of action; subsection 2 discussed new tools for sector renewal and suggested four strategic directions.

## **5 Introduction of draft priorities and the draft Strategic Plan (Documents 71 and 75)**

5.1 The **Director of BDT** introduced Document 71, which set out the draft priorities for ITU-D for the next study period, 1999-2003, as identified by the various regional and other preparatory meetings for WTDC-98. The priorities were tabulated by geographical region: Africa, the Americas, the Arab States, Asia and the Pacific, Europe, and the CIS countries; proposed follow-up actions were also indicated. He drew attention to rural development and universal access to services as a priority for all regions but observed that, in the area of sector reform, regulation and legislation, priorities differed considerably from region to region. The document should provide a useful basis for discussions during the Conference.

5.2 Following comments by the **representatives of Saudi Arabia and Germany**, the **Secretary** confirmed that following the introduction of the draft priorities and draft Strategic Plan at the present meeting, to indicate their scope, there would be opportunities for detailed discussions in the committees and working groups of the Plenary, whereafter discussions would be concluded in the Plenary Meeting.

5.3 The **Director of BDT** introduced the draft Strategic Plan for the Union 1999-2003, contained in Document 75, which had been prepared by the Strategic Planning Working Group of the Council. It would be considered by the Council prior to submission to the forthcoming Plenipotentiary Conference. Section III of the draft Strategic Plan set out the general goals, strategies and priorities for the Union as a whole, while Section IV contained those for the three Sectors separately. The plan for ITU-D, which he outlined briefly, was set out in detail in Section G. Owing to the timing of the various meetings and conferences concerned, the Council Working Group had reviewed the draft Strategic Plan prior to discussion of the strategy for ITU-D at WTDC-98 but had agreed that the text proposed by TDAB should be incorporated in the draft Strategic Plan on the understanding that it was provisional and would need to be reviewed at the 1998 Council session in the light of the results of WTDC-98. Section G would therefore be revised in accordance with the decisions taken at WTDC-98 and should make reference to the Valletta Declaration and Action Plan.

## **6 Introduction of proposals for the work of the Conference (Documents 27, 35, 45, 76, 83, 97, 107 and 129)**

6.1 The **representative of the Asia-Pacific Broadcasting Union**, introducing Document 27, said that, historically, broadcasting services had developed along a separate course from other telecommunication services, with a clear distinction between their means of delivery. However, that was no longer the case and consumers were becoming free to access a variety of services delivered by different means. Strategies and policies for the development of telecommunication infrastructure should reflect that new reality, establishing global capacity requirements in consideration of the services to be supported and recognizing that development of specialist networks for diverse services was unlikely to be the best solution at the national level. Broadcasting services were a key element in the sustainability of national telecommunication development. However, such services were becoming increasingly available across borders, and policies in respect of distribution of costs and tariff regulation would be needed to ensure fair competition. He therefore hoped that the needs of the broadcasting sector would be significantly reflected in all of the outputs of WTDC-98. Document 27 made specific proposals in that regard, which he hoped would receive favourable consideration.

6.2 The **representative of the Asia-Pacific Telecommunity** introduced Document 35, which reflected the increasing cooperation and coordination within the Asia-Pacific Telecommunity. The issues covered in the document were presented in the form of five draft resolutions and three project proposals. Draft Resolution [APT-1], which sought to achieve a balance between the benefits of a competitive business environment and the need to facilitate services in rural and under-serviced areas at affordable prices, was a good illustration of the approach which had been adopted by Member States of the Asia Pacific region.

6.3 The **representative of the United States**, introducing Document 45, said that since WTDC-94 considerable efforts had been made to achieve the global information infrastructure on the basis of the principles embodied in the Buenos Aires Action Plan. The United States had passed specific legislation to pave the way for greater competition in the telecommunication industry in order to increase the range and accessibility of new technologies in services available to consumers and expand the definition of universal service. It was now essential to ensure that the benefits of the information revolution did not stop at the borders of the developed nations. The United States was ready to assist in achieving that goal, through such measures as its recently announced "education for development and democracy" initiative in Uganda, and the sharing of policy and technical expertise for establishing appropriate infrastructures. Highlighting certain points in Document 45, he stressed that specific priorities and budget transparency should be established and reflected in ITU-D and BDT activities; and that ITU-D should place greater emphasis on assisting Member States to liberalize telecommunication markets, with an open TDAB structured along the lines of the advisory bodies of other ITU Sectors, with more flexible working methods. Dissemination of information, for example through the Internet, and coordination with regional organizations, the other ITU Sectors and Sector Members should be increased.

6.4 The **representative of Sudan** introduced Document 76, which focused in particular on the review of the whole situation of regional presence, with the aim of ensuring that regional presence would be strengthened through the programmes included in the Strategic Plan; on the reform and restructuring of BDT; and on the need for WTDC-98 to adopt a special programme of assistance for the least developed countries.

6.5 The **representative of the Slovak Republic**, introducing Document 83, outlined the assistance which his country had received in recent years from ITU in the field of economic management and human resources development in telecommunications, under a UNDP project, as a result of which the PLANITU software system developed by ITU experts had been successfully put into operation. Since then the system had been further developed and transferred to a large number of countries. The Slovak Republic therefore recommended that the PLANITU activity should be included in the BDT development programme for the next five years and proposed to host a regional workshop for European and other countries using the PLANITU system.

6.6 The **representative of France** introduced Document 97 which reflected the views of the CEPT countries. Proposals regarding the ITU-D study groups emphasized the need for greater flexibility in ITU-D working methods and greater coordination between the study groups in the different Sectors of ITU. Liaison with international organizations such as the European Commission and CEPT concerning matters relating to regulatory aspects could be improved. Priorities for the list of proposed new Questions drawn up by TDAB should be established, avoiding duplication with the other Sectors. Greater importance should be given to the regional dimension of ITU-D, perhaps by means of regional rapporteur groups. Section 2 of Document 97 contained a series of proposals concerning the role of the Development Sector and possible priorities for the future Valletta Action Plan emphasizing in particular: the need for the Director of BDT to develop an appropriate

operational and financial plan for ITU-D; the inclusion of human development indicators in ITU-D tasks; the development of long-term strategic partnerships, the possible involvement of non-governmental organizations; and an appropriate methodology for evaluation of action and results.

6.7 The **representative of Canada** introduced Document 107, containing comments on the Valletta Action Plan, and also drew attention to Document 129, which contained a personal statement by the President of the Canadian International Development Agency (CIDA), stressing the fundamental importance of universal access and its relationship to development, the need to achieve sustainable development by integrating the use of information and communication technologies with the goals of other sectors of society, and the need to promote successful partnerships at all levels. Canada considered that ITU-D should focus its energy on the high priority areas set out in Document 107, which included the development of the institutional and human resources capacities of developing countries; sector reform, with greater emphasis on the establishment of partnerships; pilot projects involving meaningful participation of business and private sectors; and ongoing evaluation of implementation of the Buenos Aires Action Plan as a basis for partnering, reform and capacity building. Document 107 also contained a draft resolution on the application of information and information technologies for development.

## 7 General comments on the draft Strategic Plan

7.1 The **representative of Indonesia**, referring to draft Resolution 2 (promoting the growth of information infrastructure in developing countries) proposed by the Asia-Pacific Telecommunity in Document 35, said that Indonesia had taken considerable steps since WTDC-94 to mobilize resources for accelerating telecommunication development through cooperation. Over the past five years the expected target had been exceeded by 60% through cooperation with private sector investors both within and outside the country.

7.2 Having observed that for technical reasons the documents containing their countries' comments and proposals had not yet been distributed, and requesting that those contributions be taken into account in the subsequent discussions, at which they reserved the right to present their proposals, the **representative of Venezuela** said that the document to which he referred (Document 117) contained 17 proposals from Latin American countries; the **representative of Japan** said that her country's proposals (Document 105) focused mainly on the establishment of a mechanism for priority setting in development activities, a difficult yet essential process in view of funding constraints; the **representative of Saudi Arabia** (Document 114) said that the sensitive issue of priority setting must be linked with the allocation of funds and a review of the financial participation of the private sector; and the **representative of Senegal** (Document 110) said that in a rapidly changing environment ITU's overall strategy should be based on development, and it was essential for ITU, as a service provider, to meet the requirements of its customers.

7.3 The **representative of Germany** considered that BDT could be strengthened if the work of the study groups received greater support and if TDAB was consolidated by implementing draft Resolution 2 contained in the report of TDAB (Document 8) and by giving TDAB an open structure, with decision-taking based on the principle of consensus.

7.4 The **representative of Kenya**, emphasizing the importance of broadcasting in developing countries, requested BDT to assist in the establishment of broadcasting services, and especially in the development of the appropriate human resources. He was in favour of converting TDAB into an

open group and urged developing countries especially in Africa to make every effort to attend TDAB meetings which provided a forum for expressing their views.

7.5 The **representative of the Asia-Pacific Broadcasting Union** said that over the past four years BDT's partnership with regional and international organizations had been the key to the successful implementation of the Strategic Plan. He hoped that the more generic Action Plan proposed could be achieved without intersectoral imbalance and that mechanisms for creating appropriate partnerships for implementing BDT projects would be established.

**The meeting rose at 1205 hours.**

The Secretary:  
H. PIETERSE

The Acting Chairman:  
E. BORG