

ITU-D STRATEGIC PLAN

Development

The mission of the Telecommunication Development Sector (ITU-D) aims at achieving the Sector's objectives based on the right to communicate of all inhabitants of the planet through access to infrastructure and information and communications services. In this regard, the mission is to:

- Assisting developing countries in the field of information and communication technologies (ICT), in facilitating the mobilization of technical, human and financial resources needed for their implementation, as well as in promoting access to ICTs.
- Promoting the extension of the benefits of ICTs to all the world's inhabitants.
- Promoting and participating in actions that contribute towards narrowing the digital divide.
- Developing and managing programmes that facilitate information flow geared to the needs of developing countries, with a focus on those with special needs, including the disabled and disadvantaged.

This mission should complement that of other organizations and entities seeking to improve access to communications technologies and services in the developing world.

The mission encompasses the ITU's dual responsibility as a United Nations specialized agency and an executing agency for implementing projects under the United Nations development system or other funding arrangements.

The mission of ITU-D is supported by a strategy with a number of goals and objectives. These include to:

- A) Promote the development, expansion, operation, and increased efficiency of ICT networks and services, particularly in the developing countries.
- B) Facilitate access to ICT networks and services for all, with a particular emphasis on the disabled and disadvantaged.
- C) Provide assistance and tools to Member States in creating regulatory and policy environments, institutional and organizational resources, and development activities that promote goals A and B above.
- D) Provide assistance and tools for Sector Members seeking to provide ICTs and other services in developing countries.
- E) Collect, analyse and make available information, data and statistics on ICTs to assist Member States and Sector Members in making informed policy and development decisions.
- F) Strengthen communication channels between BDT and Member States, ITU-D Sector Members and Associates, and ensure cooperative and effective communications and coordination between BDT, both at headquarters and at the regional offices, and the other ITU Sectors and the ITU secretariat.
- G) Improve communication channels and establish the necessary coordination and cooperation with other international, regional and subregional organizations, and other entities involved in the development of ICTs and services, in order to create the appropriate framework needed in the application and development of services, ensuring that ITU's and ITU-D's role and mission are understood.

- H) Ensure that the ITU Member States and ITU-D Sector Members and Associates derive maximum benefit from ITU's role as a specialized agency of the United Nations and an executing agency for implementing projects under the UN development system or other funding arrangements.
- I) Ensure incorporation of a gender perspective in its programmes and activities and provide for its implementation as far as possible.
- J) Emphasize the needs and capabilities of youth in telecommunication development.
- K) Develop and strengthen the linkage between financial, strategic and operational planning.
- L) Monitor, through the Telecommunication Development Advisory Group (TDAG), the performance of the Sector against identified milestones and propose adjustments to the strategic plan as needed.
- M) Contribute, as appropriate, to preparation of the World Summit on the Information Society (WSIS).
- N) Ensure that developing countries' experiences in the field of information and communication technologies (ICT) are taken into account for the establishment of partnerships in this field.

ANNEX 1 TO ITU-D STRATEGIC PLAN

Environment

The UNDP Human Development Report, in considering the role of technology in development, states: "Technology is like education – it enables people to lift themselves out of poverty. Thus technology is a tool for, not just a reward of, growth and development".¹ As such, ITU and other UN agencies have reinforced with a growing body of experience their messages to administrations in developing countries that telecommunication development deserves priority attention.

During the period since the development of the last strategic plan, ITU, and particularly ITU-D, has targeted special attention on programmes and projects for reaching the least-served populations, including focusing on challenges and opportunities for women. Leaders of government have identified expansion of the benefits of telecommunications to women, and education of youth in the use of telecommunication technologies and services, as keys to breaking the vicious circle of poverty. Since WTDC-98, ITU-D has taken a lead within ITU in instituting a principle of gender balance and is beginning to focus as well on youth.

The environment of telecommunication development has changed considerably since the development of the last ITU-D strategic plan in 1998. As such, this strategic plan must not only consider the changes that have occurred during the period 1998-2002, but also anticipate and be able to accommodate those economic, technological, regulatory and policy developments that will come about during the period that will be covered by this strategic plan, 2003-2007.

Since the development of the last ITU-D strategic plan, many countries have taken steps to reform legislative and regulatory environments in order to attract private investment, promote competition, and expand access to telecommunication infrastructure and services. Countries have increasingly recognized that without appropriate policy and regulatory frameworks for sustained infrastructure development, other efforts aimed at bridging the "digital divide" might have little long-term impact. Three key examples of market reform have been the rapid growth in the number of new regulators and ITU-D's efforts to meet their needs, the trend toward privatization of the state-owned telecommunication operating enterprises and the spread of competition.

- **New Regulators:** Increasing numbers of governments have come to recognize the importance of effective, well-financed, and professionally-staffed independent regulatory authorities. While in 1990, only a few countries had independent regulators, today there are dozens of countries that have established a regulatory authority, and more are planning to do so. To take account of the many new issues arising from the convergence of services and technologies, some countries have begun to establish "converged" regulators, and others have indicated plans to do so in the coming years. Regulators have begun to come together to exchange information and ideas at the subregional, regional and global levels.
- **Privatizations:** Privatization of state telecommunication operating enterprises has also increased rapidly over the past four years. By the year 2000, for the first time, the number of incumbent telecommunication carriers with private capital participation exceeded the number of state-owned operators. The total or partial privatization of more than a dozen incumbent carriers during the last two years tilted the ownership balance in favour of private equity. In 1991, there were less than forty countries, developed and developing, that had privatized their operators. By mid-2001, that number had risen to over a hundred.
- **Competitive markets:** These trends have brought about significant changes to many government and market structures, with the accompanying challenges to governments and newly-empowered

¹ United Nations Development Programme, *Human Development Report 2001: Making New Technologies Work for Human Development*, p. 27.

private sector entities of having to adjust to these changes. Transition to more open and competitive markets has imposed new requirements on all countries undergoing change, but has been most acutely felt in developing countries.

Despite a recent slowdown in industry development, most of the period since the development of the last strategic plan was characterized by explosive growth in the development and dispersal of communications technologies, coupled with unprecedented investment in communications networks, technologies and services. The areas of fastest growth have been mobile and Internet services. Initially, these technologies had contributed to a widening "digital divide" between developed and developing nations, but recent data suggests that the Internet and mobile technologies are beginning to contribute significantly to growth in access to communications services in the developing world.²

- **Mobile:** The mobile telephony market is one of the fastest growing service segments in the history of telecommunications. Mobile telephony is poised to surpass fixed telephony as the service most available to potential callers around the globe. In many developing countries, users are gaining access to telecommunication services for the first time through mobile, rather than fixed, services.

Competition in the mobile market is considerable. Currently, almost all ITU Member States have introduced competition in mobile services. In some countries, competition in mobile telephony has convinced governments to seek the same results by opening fixed-line markets. However, the high degree of competition, diverse ownership, and innovation in mobile services markets have in some ways been overshadowed by concerns about the high cost of spectrum auctions in the industry. Moreover, the major investments in auction payments represents sunk costs that appear to be contributing to slowing the deployment of 3G networks.³ Thus, while mobile communications technologies are increasingly serving as a key means of access in developing countries and making considerable contribution to increasing teledensity rates, high costs and risk factors associated with 3G deployment, such as auctions, may result in a slowing of the mobile growth rates in some developing markets.

- **Internet:** Another primary focus of the growth in communications development noted above has been the Internet and IP-based data services. While the Internet counted about 20 million users globally in 1996, it had more than 400 million users by late 2000. During the course of this next strategic planning period, the Internet is projected to reach more than a billion people. A primary factor contributing to the Internet explosion is the rapidly falling cost of communications. Both technological innovation and policy reform play large roles in this price trend. However, the benefits of these cost reductions are not reaching everyone. In addition to the significant international attention focused on the "digital divide" between nations, there also is substantial divide within nations. The 2001 UNDP Human Development Report notes that Internet users overwhelmingly are most likely to be young males living in urban centres and also tend to be well educated and relatively wealthy.⁴
- **Information and communication technologies (ICT):** Much of the success in bridging the digital divide achieved under the Valletta Action Plan was not only limited to the adoption of new technologies. The most pronounced evolution has been felt through the impact of ICT as an essential tool for socio-economic development. In spite of telecommunications being only one of the elements in a broader constellation of ICTs, it is very important that the new strategic plan

2 United Nations Development Programme, *Human Development Report 2001: Making New Technologies Work for Human Development*, p. 42 and Annex 2.4; ITU, *Trends in Telecommunication Reform 2000-2001 Interconnection Regulation*.

3 ITU, *Trends in Telecommunication Reform 2000-2001 Interconnection Regulation*.

4 United Nations Development Programme. *Human Development Report 2001: Making New Technologies Work for Human Development*, p. 42.

devote attention to how to mobilize material, human and financial resources to hasten realization of universal access. Initiatives as the one taken by BDT and the private sector to establish a global network for training in Internet deserve to be followed.

- **Convergence:** The expansion and diversification of services, associated with their digitization, leads to the convergence of technical platforms for telecommunications, information and computing, resulting in the possibility of optimizing investments in telecommunication infrastructure and services. These developments also offer an environment in which a variety of sectors, such as, health, education, governance, etc., can have a converged/integrated programme with pooled resources.
- **Cost of equipments and services:** Countries seeking to make use of new technologies and consequently bring their benefits to society are increasingly concerned with costs associated with the implementation of infrastructure and services. Although equipment and service costs have shown generally substantial reductions, it remains important that appropriate actions be taken to provide users with a fair price for services rendered, in particular those related to international connections for Internet access.

In considering the abundance of new technologies and services made available during the four-year period under the last strategic plan, it is important to give high priority to transition issues for networks, businesses, and regulatory and policy approaches. Since legacy and new networks will coexist in most economies, it is necessary to develop strategic approaches that accommodate both the old and the new simultaneously, encouraging development while maximizing the value of existing investments. A key building block for transition strategies will need to be the development of human resources within administrations and the private sector in developing countries to meet the challenges of the new environment.

In addressing the broader telecommunication development environment, the overall economic picture for the telecommunication industry has been and will be an important environmental factor. While a boom market was evident during the time of the development of the last strategic plan, such is not the case as this strategic plan is being developed. The latter part of the period covered under the 1998-2002 plan has been characterized by a downturn in the telecommunication market globally. The downturn has wiped out almost USD 2 trillion in stock market wealth, the impacts of which have extended far beyond telecommunication carriers and equipment suppliers.⁵ As such, developing countries and entities seeking to provide services in developing countries face intense competition for investment capital. Solid business plans and clear and predictable market conditions, including a solid legislative and regulatory framework, are increasingly vital in the current environment.

Finally, ITU and ITU-D operate in an environment where other international and regional organizations, including WTO, the G-8 Digital Opportunities Task (DOT) Force, the World Bank, OECD, UNDP and others are involved in telecommunication issues. Some of their efforts are directed specifically at identifying ways in which the digital revolution can benefit all people, especially the poorest and most marginalized groups.

The environment that exists today for the development and expansion of telecommunication infrastructure and services presents some key challenges for ITU-D as it prepares its 2003-2007 strategic plan, some of which differ from those that were apparent at WTDC-98.

We can predict that there will be yet new issues that will emerge by 2006 that cannot now be fully anticipated. This draft strategic plan therefore aims to guide ITU-D in meeting the requirements of its members in a manner that reflects the realities of the developing countries and the global environment and, at the same time, provides it with the flexibility that it might need to adjust to changes not now fully foreseen.

In summary, the recent environment includes the following (not in any special order):

⁵ Wall Street Journal, *Telecom-sector Bust Reverberates Entire U.S. Economy*, 12 June 2001.

- 1) significant shortages, both in telecommunication infrastructures, and in capability to access information;
- 2) expansion and diversification of telecommunication and radiocommunication networks and the challenge of securing and maintaining interoperability among telecommunication services, and between radio-based and fixed-line services;
- 3) digitization of broadcasting and increasing interactivity, new technologies, broadband applications, and new uses for existing technologies;
- 4) further moves towards market liberalization including the opening of markets to competition, greater private sector participation, and the growing role of regional organizations;
- 5) market need for appropriate, high-quality global standards which are developed rapidly, including those which ensure global connectivity and reliability of telecommunication networks;
- 6) increased awareness of the role of telecommunications as a tool for the overall development of a society;
- 7) need for increased use of the six working languages of the Union to facilitate effective participation in its work by all countries;
- 8) continued growth of the Internet, and the creation and development of applications attached to its use, with a corresponding increase in IP access and in IP backbone networks;
- 9) separation of operational and regulatory functions, and the creation of many new independent telecommunication regulatory bodies;
- 10) limitations to the financial and human resources available to support the Union's activities;
- 11) increased partnership with other international, regional and other entities in action to promote development of telecommunication and narrow the digital divide;
- 12) separation of responsibilities for spectrum management from those of spectrum use in most Member States.

ANNEX 2 TO ITU-D STRATEGIC PLAN

Specific objectives to achieve the goals of ITU-D

General

- 1) Include measurable objectives and outcomes for all relevant projects undertaken by BDT, particularly as they relate to development of telecommunication facilities and services.
- 2) Encourage relevant development and financial agencies, Member States and Sector Members to work with ITU to maximize progress toward network and infrastructure development, as well as sustainable universal access to telecommunication services, in developing countries.
- 3) Include measurable telecommunication access goals and outcomes for all projects undertaken by BDT.
- 4) Strengthen coordination and cooperation with the private sector, ensuring involvement of and information flow to Sector Members about the work and projects of ITU-D.
- 5) Enhance communications and information sharing with all ITU-D members regarding specific projects for which ITU-D serves as executing agency; ensure that replicability is among the criteria for all pilot projects, and share results of pilot projects with recommendations for their replication.
- 6) Include human resource and capacity-building components in all BDT projects and programmes.
- 7) Strengthen regional presence by achieving a more effective sharing of responsibilities and functions and a better balance of work between headquarters and the regional offices.
- 8) Include objectives and components for reducing the digital divide so that all inhabitants of the planet benefit from ICTs.

Goal A

Promote the development, expansion, operation and increased efficiency of ICT networks and services, particularly in the developing countries:

- 1) Undertake appropriate actions to narrow the "digital divide".
- 2) Provide incentives for private sector investment through market opportunities analysis, risk evaluation tools, and studies of regional, subregional and national macroeconomic trends.
- 3) Develop, for the private sector, microeconomic studies and targeted tools in general management, with a view to strengthening the efficiency (cost-based activity financing) and competitiveness of network and service providers.
- 4) Develop and implement programmes and projects aimed at facilitating sustainability of telecommunication projects and programmes in developing countries, beyond the pilot project phase.
- 5) Drawing upon the particular strengths of BDT, provide assistance to developing countries in creating and developing network transition strategies, including sound policy and regulatory frameworks.

Goal B

Facilitate access to ICT networks and services for all, with a particular emphasis on the disabled and disadvantaged:

- 1) Develop a special programme targeting the hundred lowest teledensity countries, in order to identify market opportunities, and collaborate with interested States and other institutions/agencies in building risk reduction programmes.
- 2) Promote and develop e-readiness programmes and training activities for developing countries.
- 3) Give appropriate assistance and support to countries afflicted by natural disasters and hostile activities that have disrupted critical telecommunication infrastructures, causing the need to rebuild telecommunication networks.
- 4) Promote before credit and financial institutions the importance and priority of financing programmes and projects that have social impact and rely on the use of ICT, increasing the benefits of such programmes and projects with the offering of teleservices and tele-applications.

Goal C

Provide assistance and tools to Member States for creating regulatory and policy environments, institutional and organizational resources, and development activities that promote goals A and B above:

- 1) Assist government in establishing appropriate telecommunication policies and regulatory structures, taking into account the potential benefits of liberalization, private investment and competition, creating a stable and transparent environment to attract investment; these policies and structures should also ensure the provision of universal access and universal service, promoting innovation and the introduction of new services and technologies to unserved and under-served users.
- 2) Provide a forum to share regulatory and policy experiences.
- 3) Provide training opportunities to new regulators, particularly those with resource constraints, helping such regulatory entities in the development of human resources to meet the challenges of new market requirements and structures.
- 4) Encourage and assist Member States to establish infrastructure development and universal access goals and to progress toward these goals.
- 5) Promote sharing of experiences by working cooperatively with Member States, Sector Members, the other ITU Sectors, other UN agencies, and other international organizations to provide information on best practices for training and capacity building, ensuring gender balance and emphasis on training of youth.
- 6) Promote and provide training in human resources development (HRD) and human resources management (HRM) to meet the challenges of the rapidly changing telecommunication environment.

Goal D

Provide assistance and tools for Sector Members seeking to provide ICTs and other services in developing countries:

- 1) Mobilize resources, including training, for newly-developing private sector entities, especially in developing countries.
- 2) Foster partnerships and cooperation between the Sector Members and BDT.

Goal E

Collect, analyse and make available information, data and statistics on ICTs to assist Member States and Sector Members in making informed policy and development decisions:

- 1) Review existing and, as needed, develop new indicators to appropriately measure development-related issues.
- 2) Collect and analyse telecommunication indicators and policy/regulatory data.
- 3) Publish reports highlighting sector trends and developments.
- 4) Conduct case studies of different models or approaches undertaken in sector reform, identifying advantages and disadvantages to elaborate best practice guidelines.
- 5) Increase awareness and visibility of BDT products through all relevant and useful means, including through the Internet, publications, and the regional offices.

Goal F

Strengthen communication channels between BDT, Member States and Sector Members and Associates, and ensure cooperative and effective communications and coordination between BDT, both at headquarters and at the regional offices, and the other ITU Sectors and the ITU secretariat:

- 1) Improve communications with the ITU-D membership to ensure that Member States and Sector Members are informed of the work of ITU-D:
 - Improve and expand web-based services that detail ITU-D programmes, achievements, and partnership opportunities, based on an assessment of member interests.
 - Expand and improve web-based information-sharing that facilitates and encourages use of the ITU-D website by ITU-D members.
- 2) Improve communications with and information flow to and from the regional offices.
- 3) Coordinate and communicate effectively with the ITU-R, ITU-T and the ITU secretariat:
 - to ensure that developing countries are sufficiently informed of and involved in the work of ITU-R and ITU-T and the ITU secretariat;
 - to ensure that work is complementary and not duplicative.

Goal G

Improve communication channels and establish the necessary coordination and cooperation with other international, regional and subregional organizations and other entities involved in the development of ICTs and services, in order to create the appropriate framework needed in the application and development of services, ensuring that ITU's and ITU-D's role and mission are understood:

- 1) Ensure that relevant information from these organizations and entities is channelled back to the ITU-D membership.
- 2) Define and develop relationships with organizations within and outside the UN system to provide leadership, technical assistance and inter-agency collaboration in programmes to advance goals of sustainable and responsive telecommunication development.

- 3) Promote and coordinate action with other entities, in particular the World Health Organization (WHO), in order to initiate and develop the appropriate framework for the provision of telemedicine services and applications.

Goal H

Ensure that the ITU Member States and ITU-D Sector Members and Associates derive maximum benefit from the ITU's role as a specialized agency of the United Nations and an executing agency for implementing projects under the UN development system or other funding arrangements:

- 1) Provide leadership as an executing agency under the UN development system, if appropriate, in order that ITU-D members can benefit fully from development projects and programmes.
- 2) Promote the mutual exchange of information with ITU-D members and with other UN agencies, members about projects related to telecommunication implemented within the UN structure.

Goal I

Ensure incorporation of a gender perspective in its programmes and activities and provide for its implementation as far as possible:

- 1) Support and facilitate efforts within ITU and through the regional offices to ensure a gender perspective and promote gender balance in all activities of ITU-D, and the broader ITU community.
- 2) Mobilize resources and provide information to Member States to improve gender balance in telecommunication development in the ownership, management and operation of telecommunication facilities and services, particularly in developing countries.
- 3) Promote programmes and studies that improve the ability of women and men alike to be able to use basic and advanced telecommunication services, with a special emphasis on rural and developing areas.
- 4) Provide a focus within BDT for the advancement of gender issues.

Goal J

Promote a focus on the needs and capabilities of youth in telecommunication development:

- 1) Assess requirements and capabilities of youth in telecommunication development.
- 2) Work with ITU-TELECOM and ITU Bureaux and offices to reach out and support youth-focused initiatives.
- 3) Promote capacity building and internship programmes directed at youth.
- 4) Appoint a focal point within BDT for youth-focused capacity building activities.

Goal K

Develop and strengthen the linkage between financial, strategic and operational planning.

Goal L

Monitor, through TDAG, the performance of the Sector against identified milestones and propose adjustments to the strategic plan as needed.

Goal M

Contribute, as appropriate, to preparation of the World Summit on the Information Society (WSIS):

- 1) Address the serious lack of basic infrastructure in many developing countries.
- 2) Invite ITU Member States to propose actions on how ICT developments may most efficiently contribute to poverty reduction and socio-economic development.
- 3) Propose relevant initiatives aimed at bridging the digital divide, including to the UN ICT Task Force.

Goal N

Ensure that developing countries' experiences in the field of information and communication technologies (ICT) are taken into account for the establishment of partnerships in this field:

- 1) Approve and coordinate the launch of projects for exchanges of experience between developing countries relating to the implementation of networks, services and applications, development of the regulatory framework and human resources development.
- 2) To this end, deploy efforts with a view to seeking financing, through, in particular:
 - mobilization of resources, including extrabudgetary resources from the TELECOM surplus;
 - partnership between Member States and Sector Members.