



Telecommunication Development Bureau (BDT)

**Fourth Meeting of the Telecommunication
Development Advisory Group (TDAG)
Geneva, 12-13 October 2000**

**Document TDAG-4/8-E
29 September 2000
Original: French**

Note by the Director of BDT

BDT'S ROLE IN COOPERATION BETWEEN ITU AND WTO

Introduction

The third meeting of the Telecommunication Development Advisory Group (TDAG) asked the secretariat to provide a contribution on BDT's role in regard to WTO.

The purpose of this contribution is to provide a number of discussion points so that TDAG may make a recommendation in the framework of the Valletta Action Plan (WTDC, 1998), regarding BDT's possible role and action in relation to WTO.

To date, relations between ITU and WTO have been characterized by an institutional approach (1) designed to establish formal relations between two international organizations. BDT's role therein is at the operational level (2) through numerous activities designed to inform people about the WTO agreements on trade in telecommunication services. The question now is whether BDT should move on to a qualitatively different stage and envisage a programme approach (3), as necessary.

A cumbersome institutional approach

In April 1991, the High Level Committee on the functioning and structure of the ITU referred to the mixed results of the World Administrative Telegraph and Telephone Conference (Melbourne, 1988) and finally suggested a demarcation line between the respective roles of ITU and WTO in the light of Member States' difficulty in reconciling their sovereign rights to regulate their telecommunications and the reality of the changing telecommunication environment.

It noted that any agreement on trade in services necessarily affects the regulatory aspects of telecommunications and recommended for the first time the conclusion of a cooperation agreement between the two organizations.

In 1992, the Geneva Additional Plenipotentiary Conference adopted HLC's recommendations. Two years later, the Kyoto Plenipotentiary Conference adopted the first strategic plan of the Union, which provides, among the priorities for the period 1995-1999, for the conclusion of strategic alliances with certain international organizations, particularly WTO.

This plan does not specify the points which might be covered by such an agreement.

In 1998, the theme of the second World Telecommunication Policy Forum (WTPF) was trade in services and, in its Opinion A, it invites the Secretary-General "to accelerate action required by Kyoto Resolution 1 ...".

The same year, the Minneapolis Plenipotentiary Conference adopted the strategic plan for 1999-2003, which emphasizes the role of WTO in the new telecommunication environment and suggests revision of the International Telecommunication Regulations, bearing in mind ITU's regulatory activities.

The agreement approved by the 2000 Council was the culminating point in this long chronological evolution. It had thus taken almost ten years to reach the agreement. There are several reasons for this relatively long time-scale. The deciding one seems to be the lack of a reply to the question "an agreement for what?".

The WTPF (Geneva, 1998), in its Opinion A, invites the Secretary-General "to cooperate with the WTO secretariat in identifying areas of common interest, with particular emphasis on regulatory matters, technical studies and development matters ...".

Paragraph 2 of the cooperation agreement between ITU and WTO adopts the wording of the WTPF's Opinion A but gives no indication as to the timetable and method for identifying areas of common interest, nor as to the players in this process.

An imprecise operational approach

The grey area in demarcation of the roles of ITU and WTO in regard to telecommunication regulation and the lack of precise identification of areas of common interest for cooperation between the two organizations explains largely the nature of the activities conducted by BDT. They are essentially general information activities on WTO agreements, provided through seminars, colloquiums and other workshops.

In its Opinion B, the WTPF on trade in telecommunication services invites the Director of BDT "to continue and expand programmes and information seminars which outline the impact of the GATS provisions with respect to basic telecommunication services for developing countries".

In his address to the WTPF, the Director of BDT promised to earmark, subject to approval by the WTDC (Valletta, 1998), an amount of CHF 1 million to finance WTPF follow-up work, notably the activities referred to in Opinions B and C.

WTDC-98 adopted the Valletta Action Plan, which includes programme 4 on, *inter alia*, follow-up of WTPF Opinions B and C. Other programmes in the Valletta Action Plan include activities having a link with carrying out this follow-up (programme 1, special programme for LDCs).

A programme approach to be defined

As the basis for this option we must examine the value added by the numerous seminars and workshops held in all ITU regions, assessing their impact on the process of accession to WTO by the countries that benefited from them.

These activities focused essentially on the dissemination of WTO agreements and their implications for telecommunications in the developing countries. They were spread over almost six years, covering the negotiations on basic telecommunications and the conclusion of an agreement whose implications were widely amplified by the second forum on basic telecommunications and the Valletta Action Plan. The question is whether BDT should continue to pursue its activities in this direction.

If appropriate, the BDT could possibly promote a working platform in the framework of the cooperation agreement between ITU and WTO, once the areas of common interest mentioned in paragraph 2 of the agreement have been identified, and in partnership with other international organizations (WTO, EU, World Bank, etc.).

This platform would provide a horizontal support for the vertical programmes of the Valletta Action Plan. With this approach, any activity could thus benefit from the synergy resulting from the coordinated and systematic pooling of expertise and other material or human resources for specific purposes.

Specific procedures and criteria comparable to those adopted to target the countries eligible for the LDC programme could be recommended, beginning with the criterion of countries which are neither members nor candidates for WTO membership. Other geographical or linguistic criteria could be adopted for the purpose of concentrating activities intensively rather than dispersing them, with the attendant lack of consistency, absence of readability, difficulty of evaluation and possible correction, etc.

A twofold objective would be sought. An attempt would be made to go beyond general information and prepare the conditions for accession to WTO by some 60 countries by helping them, at their request, to set up regulatory frameworks appropriate to their national telecommunication development policies.

At the same time, the developing countries so wishing should be helped to prepare for the future phase of negotiations on telecommunication services by advance consideration of the issues that will undoubtedly be discussed. These include, for example, e-commerce, convergence, the commercial approach to the radio-frequency spectrum, etc.

The programme 4 activities relating to tariffs provide a good example of such preparation.

In fact, some negotiators in the basic telecommunications group put forward the argument that the negotiations were not concerned with tariffs, but with the progressive elimination of regulatory barriers.

Since exemptions could jeopardize the hard-won compromise achieved by the negotiators, it was decided to place a moratorium on that issue which was to be reviewed in 2000 by the WTO ministerial conference (Seattle, United States). The conference did not arrive at a successful conclusion.

To judge by the latest deliberations of WTO Council for Trade in Services, however, it would appear that the moratorium will be carried on. Indeed, the note on accounting rates submitted by the ITU secretariat to the WTO Council for Trade in Services gave rise to the same discussions and arguments as in 1998 (Annex). Perhaps we shall have to await the forthcoming session of the Council for Trade in Services (6 October 2000) to obtain further information in the light of the outcome of the World Telecommunication Standardization Assembly (Montreal, 2000).

In any event, programme 4 activities enable many developing countries to adapt to the new environment that will be produced by the future negotiations on services by preparing in advance for the lifting of the moratorium.