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| Contribution from India (Republic of) |
| INDIA ON IDI METHODOLOGY |
| **Purpose**The document has been submitted to present the draft discussion points for finalizing methodology of ICT Development Index for 2023-2026 as per PP Resolution 131 subsequent to discussion in the meeting of EGTI/EGH held on 18-19 September 2023 in hybrid mode to discuss contributions made by India on IDI methodology.Formally, India has sent its suggestions to ITU on 25.08.2023. These suggestions included using PPP for measuring affordability instead of GNI per capita, inclusion of new indicators on cybersecurity, ICT regulatory environment, fixed broadband subscription with speed greater than 10 Mbps as % of fixed broadband subscriptions, providing equal weight to indicators rather than two pillars, disclosing methodology of estimation of 21% missing values, inclusion of growth rate of ICT infrastructure in the Index and grouping of countries based on geo/socio-economic considerations (copy enclosed). In addition, some issues /points emerged in the EGTI/EGH meeting which are being submitted to bring to the notice of ITU for consideration.**Action required by the Council**The Council is requested to **consider** the observations and suggestions provided by India to enable an inclusive methodology for helping the finalisation of true ICT indicators.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**References**[RESOLUTION 131](https://www.itu.int/en/council/Documents/basic-texts-2023/RES-131-E.pdf) (REV. BUCHAREST, 2022) - Measuring information and communication technologies to build an integrating and inclusive information society |

**INDIA’S PROPOSALS/SUGGESTIONS FOR IMPROVEMENTS IN ICT DEVELOPMENT INDEX** **METHODOLOGY**

**1.0 BACKGROUND**

India would like to extend its sincere thanks to ITU and its team working on finalizing methodology of ICT Development Index for 2023-2026 as per PP Resolution 131 and also for convening the meeting of EGTI/EGH during 18-19 September 2023 in hybrid mode to discuss contributions made by India on IDI methodology and indicators for the ICT Development Index (IDI). The discussion held in the meeting were fruitful. And India’s proposal (as per Annexure) found favour with lot of Member States which supported most of the proposal. However, some Member States expressed their observations that the proposals need more time for deliberations.

**1.1** However, India would like to bring to the notice of ITU Council the following observations:

**1.1.1 Delay in uploading India’s contribution on EGTI/EGH website:** The document containing eight suggestions from India was sent to ITU on 26 August 2023, however, it was uploaded by ITU very close to meeting date of 18-19 September 2023, which did not provide adequate time to member States to examine the proposal in time.

**1.1.2 Delay in uploading list of participants of meeting: -** As per practice, ITU uploads the list of registered participants to all meetings almost in real time. However, for the EGTI/EGH meeting of 18-19 September, the list of participants was uploaded only on 21 September 2023, that too only after India’s delegation requested for the list.

Due to delay in uploading the contribution as well as participant list, India did not have the opportunity to connect with participants before the meeting.

**1.2** India is of the firm view that discussion in upcoming ITU council meeting will provide member States an opportunity to make the ICT Development Index more comprehensive, inclusive and reflective of the gradual and incremental progress made by developing countries in ICT development in the recent past.

1. **INDIA’S PROPOSALS FOR IMPROVEMENTS IN ICT DEVELOPMENT INDEX**

Further, with reference to the discussions held during the meeting of EGTI/EGH during 18-19 September 2023 at Geneva, India would like to make the following suggestions for your kind considered:

**2.1** **Lack of transparency in estimating the missing values by ITU:** During the meeting of EGTI/EGH on 18-20 September 2023, in response to India’s intervention for ensuring transparency in estimation of missing values (which amount to whopping 21% of overall data points), ITU Secretariat stated that the process of approval of IDI Methodology and estimation of missing values will be carried out in parallel while India suggested to carry out these activities one after the other. This decision of ITU Secretariat implies that Member States will not be aware of data source, data estimation methodology and data values in respect of missing data which is being estimated by ITU, while they are being asked by ITU to approve the IDI methodology. This implies that the Member States will be denied the opportunity for taking an informed decision on approval or rejection of IDI methodology proposed by ITU. An email was sent to ITU on 21.09.2023 itself highlighting the above concerns. In response to it, Chair of EGTI through its email dated 29.09.2023 communicated that the approval of methodology and review of estimated data will be running in parallel due to paucity of time, justifying their action.

India again reiterates its stand that ITU should ensure transparency in data estimation and disclose the estimated data to member States along with data source and data calculation methodology transparently and IDI methodology should be sent by ITU for voting to member States only after they have been given sufficient time for responding to estimated data.

**2.2** **Proposing review of IDI methodology:** PP Resolution 131 mentions that the IDI structure and methodology would be valid for a period of four years. Given the extremely small number of indicators, extraordinarily high number of missing data points (21%), rapidly changing ICT technology scenario, non-availability of data for important indicators and lack of transparency in finalizing the IDI methodology, ITU may consider for reviewing the IDI methodology in 2024 itself, if at all the proposed methodology is approved by member States to kick-start the IDI methodology publication in 2023. This will provide an opportunity to dissenting countries to put forth their views in the intervening period to make the revised methodology more inclusive and acceptable.

**3.0 Proposal and Potential Way forward**

**3.1** ITU has well laid down procedure of studying complex issues through the Study Groups wherein member states have proper consultation process. In PP resolution 131, it has been decided that IDI methodology should be finalized through EGTI/EGH mechanism instead of Study Group. India is of the view that IDI methodology should be finalized through Study Group Mechanism.

**3.2** All the above-mentioned suggestions of India along with the submissions made by India in the 14th EGTI meeting held in September 2023 in Geneva should be deliberated in detail.

**3.3** Based on the above, ITU may consider the review of the IDI methodology now. This will provide an opportunity to dissenting countries to put forth their views to make the revised methodology more inclusive and acceptable.

We seek support of all member States for the proposals contained in this Note, which we believe, will go a long way in ensuring that the Index meets the expectations of the Member States and serve their interests, particularly of the developing countries.

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Annex

**India’s proposals submitted in ETGI/EGH meeting held on 18-21 Sep 2023**

**1.0 BACKGROUND**

We are thankful to Director BDT ITU for agreeing to the request of India and several other member states for agreeing to an additional round of consultation in hybrid mode with the member states on **18-19 September 2023 at Geneva**, to discuss the methodology and indicators of the ICT Development Index (IDI).

We are hopeful that this meeting will provide an opportunity to make the ICT Development Index more comprehensive, inclusive and reflective of progress made by developing countries in ICT development in recent past.

**2.0 INDIA’S PROPOSALS FOR IMPROVEMENTS IN ICT DEVELOPMENT INDEX**

India would like to take this opportunity to submit this contribution to put forth its suggestions for improvements in the ICT Development Index. The suggestions are broadly divided into following three categories,

* Changes in indicators proposed in Version 3 of IDI
* Addition of new indicators in the IDI
* Changes in methodology of IDI

These suggestions are elaborated in the following sections.

**2.1 Changes in the Indicators Proposed in Version 3 of IDI**

Version 3 of IDI uploaded by ITU presently consists of 9 indicators under the two pillars, namely, *‘Universal Connectivity’* and *‘Meaningful Connectivity’*. While the number of indicators in this complex index are far less as compared to other global indices (as elaborated later in the document), some of the proposed indicators themselves need to be examined afresh, as sufficient attention seems to not have been paid by ITU to the views expressed by several member states in earlier virtual meetings.

* **Measuring Affordability:** Under the Pillar “Meaningful Connectivity”, Version 3 proposes two indicators for measuring affordability - namely, *‘Mobile data and voice high-consumption basket’* and *‘Fixed broadband basket’*. ITU has proposed that both indicators are to be taken as a percentage of GNI per capita, overriding the proposal of many countries, including India, that these indicators of affordability should be calculated in terms of Purchase Power Parity (PPP).

The argument put forth by ITU in support of their decision to express prices of the baskets as a share of gross national income per capita, as mentioned on page 15 of Version 3 states that *“using prices, including expressed in international dollars (or power purchasing parity dollars) does not provide a measure of affordability; indeed a price in country X may be lower than in country Y, but if income in X is even lower than in Y, X is less affordable, because someone in X must spend a higher share of her income than someone in Y for the same basket.*”.

However, this argument of ITU fails to note that PPP is a well-established economic principle and the globally accepted measure of affordability. Several international organizations, including World Bank (WB), International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD) etc. recommend to use PPP as the method of price comparison.

Further, PPP is widely used by the international entities for the construction of Index like the Global Innovation Index (GII) where PPP is used for various indicators in the PPP$GDP such as Venture capital deal/bn PPP$GDP, Joint venture/strategic alliance deals/bn PPP$GDP and scientific and technical articles/bn PPP$GDP etc.

**In view of above, India proposes that affordability indicators of ICT Development Index be normalized in PPP$ instead of normalizing absolute value of price baskets with GNI per capita.**

**2.2 Suggestions for Addition of New Indicators in the Index**

The index, proposed by ITU in Version 3, includes only 9 indicators in place of 13 indicators in previous version of IDI, which are highly insufficient to capture the complex landscape of ICT development in the countries with significant variations in socio-economic and geographical status. In comparison, other well-known global Indices, such as the Global Cybersecurity Index (GCI) of ITU has 82 questions under 20 performance indicators while the Global Innovation Index (GII) released by the World Intellectual Property Organization (WIPO) has 81 indicators. Therefore, there is an urgent need for increasing the number of indicators in the Index.

Following two additional indicators are suggested for inclusion in the Index:

1. **Inclusion of new indicator of Global Cybersecurity Index rank under the Meaningful Connectivity pillar**

ITU has mentioned in Version 3 that during the IDI meeting, several countries had expressed the need to include the enabler ‘Safety and security’ in the proposed index and a proposal was made to use ITU’s Global Cybersecurity Index (GCI). ITU has also acknowledged that this enabler is of critical importance.

In Version 3 ITU has explained that the GCI was excluded due to following reasons:

* GCI does not fit the framework of IDI which focuses on outputs rather than inputs.
* GCI’s methodology is still evolving and is not stable yet.
* Introducing it in the IDI would affect comparability over time, as a change in this indicator may be due to a change in the methodology rather than a change in the performance. Therefore, the inclusion of the GCI was excluded.

However, none of the reasons mentioned above by ITU justify the extreme act of excluding this important parameter from IDI, as can be seen from following arguments:

* It is incorrect to say that GCI does not fit the framework as ITU itself agrees that security is an essential part of meaningful connectivity, which the index is striving to measure.
* Further, the argument made by ITU that the methodology of GCI is not stable is just an opinion but not based on facts, and is not tenable as it has continuously been published by ITU for several years. It is pertinent to mention that 5th edition of GCI is being readied for publication by ITU. By arguing that the methodology is not stable, ITU is questioning the methodology of its own index which has received trust of all countries world-wide.
* ITU’s suspicion that the methodology of GCI will drastically change over next couple of years, leading to comparability issue of IDI scores over time is not based on facts. In fact, it amounts to adversely prejudging good work being carried out over several years by another division of ITU itself.
* This indicator meets all the 6 criterion of indicator selection laid down by ITU, namely - relevance to concept, clarity, source, reliability, applicability to measure country’s performance and timely availability. It may be noted that data for this indicator is available for 195 countries.

**In view of above, India proposes that the indicator based on ranking of the country on the Global Cybersecurity Index should be included in the Meaningful Connectivity pillar.**

1. **Inclusion of new indicator ‘ICT Regulatory Environment’ under Meaningful connectivity**

Another indicator for measuring the Security could be the ICT Regulatory environment of that country. Need for security and safety has been pointed out by various stakeholder during consultation for Version 2 of ICT Development Index. It may be noted that one of the important parameters in Network Readiness Index (NRI) is ICT Regulatory environment. The score of ICT Regulatory Tracker Composite Index of ITU is the data source of this indicator.

ICT Regulatory environment can be considered as one of the indicators for Security under Meaningful connectivity because

* ICT Regulatory framework would promote security, protection and control of ICT system which are most important factors of data security.
* It provides measures of existence and features of ICT legal and regulatory framework. Security of the ICT systems can be ensured through proper legal and regulatory framework.
* ICT Regulatory environment helps in nurturing the balanced growth of ICT sector in any country so as to enable the country to play a leading role in emerging global information society.
* Regulatory environment spurs the innovation and subsequent expansion of the telecom and ICT sectors making them key enabler of Digital Communication which is the ultimate aim of meaningful connectivity.

**In view of the above, India proposes that ICT Regulatory environment that can be derived from the data of ICT Regulatory Tracker Composite Index of ITU, should be considered as one of the indicators for Security in the Meaningful Connectivity pillar.**

1. **Inclusion of new indicator ‘Fixed Broadband Subscription with speed greater than 10Mbps as % of fixed broadband subscriptions’ under the Universal Connectivity pillar:**

Version 3 recognizes the need for inclusion of fixed broadband penetration in the Index. However, it is not included in the final version as the choice of denominator is considered problematic (i.e. it could not be decided whether the denominator in this indicator should be ‘per 100 inhabitants’ or ‘number of households’). It is mentioned that this is a big loss for the index, because the indicator is very relevant for the ICT development of countries.

India proposes to include the indicator *‘Fixed broadband subscription by speed greater than 10Mbps as % of fixed broadband subscriptions’* under the Meaningful Connectivity pillar due to following reasons:

1. Meaningful connectivity is possible only if users get to enjoy an enriching and productive online experience.
2. ITU itself has set the aspirational target for this indicator as 100% by 2030. (Page 13 of Background Paper on Achieving universal and meaningful digital connectivity setting a baseline and targets for 2030).
3. Data is available for 154 countries (Page 13 of the Background Paper on Achieving universal and meaningful digital connectivity setting a baseline and targets for 2030).

**India proposes to include the indicator ‘Fixed broadband subscription by speed greater than 10Mbps as % of fixed broadband subscriptions’ under the Meaningful Connectivity pillar.**

**2.3 Suggestions for Changes in the Methodology of IDI**

Apart from the changes proposed in existing indicators and addition of new indicators, India also proposes following changes in the methodology of the Index:

1. **Skewed weightage of indicators**:

In the present version of IDI, it is proposed to give equal weightage to the two pillars of *‘Universal Connectivity’* and *‘Meaningful Connectivity’*. As a result, the 3 indicators in the Universal Connectivity pillar will have disproportionate weightage as compared to the 6 indicator which are included in the *Meaningful Connectivity* pillar in the proposed ICT Index. This methodology may adversely affect the score of the countries whose *‘Universal Connectivity’* is not being captured due to non-availability of suitable indicators for that pillar.

Moreover, ITU has not given any strong reason in Version 3 for choosing the proposed method of equal weightage for pillars over the method of equal weightage for indicators. It is just mentioned that *“after some debate, the participants agreed to use the first approach”*. We do not recall any such agreement having been arrived at during the discussions and the decision appears to have been taken by ITU on its own.

In view of above arguments and keeping in view that the number of indicators available in the Index are very few and unequally distributed over the two pillars, **India proposes that weightage for indicators should be equally divided rather than being divided equally over two pillars. This approach will remove the potential adverse bias in the overall score of countries which may have lower score on Universal Connectivity pillar as compared to the Meaningful Connectivity pillar.**

1. **Issues in estimation of missing values:**

Table 5 on page 19 of Version 3 document clearly shows that with the methodology proposed in Version 3, ITU will be required to estimate values for as many as 21% of data points for the indicators proposed in IDI. ITU has not provided any information on methodology that will be followed for estimation of nearly 21% of data points. This is a very high figure of estimation and can lead to serious implications, if estimation of missing values is not agreed by the member states.

In such a scenario, legitimacy of the Index can be ensured only if the method of estimation of *all* missing data and the values of estimation are transparently shared by ITU with the member states, well in advance of seeking voting on the proposed methodology.

**In view of above, India proposes that ITU should share the estimation method and estimated values of all missing data with the member states, provide sufficient time to them to respond to their queries and then to proceed with voting on IDI only after entire data set is displayed transparently to all member states.**

1. **Inclusion of growth rate of ICT infrastructure in the Index:**

As the name of ICT Development Index implies, it must include indicators to measure the development of ICT in the countries. In this scenario, efforts made by the countries to develop their ICT infrastructure is as important, if not more, than the state of ICT which has been achieved. During the course of consultation for Version 2 document, India made the suggestion for inclusion of growth parameter in the Index. It was turned down by ITU stating that using a growth measure would penalize countries that have very high connectivity, are near or at the ideal state, and cannot grow much more. However, with this argument, ITU failed to recognize that by not including the growth parameter, they are actually penalizing the countries which are aspiring to improve their ICT infrastructure for universal and meaningful connectivity.

**India proposes that efforts of developing countries should be duly recognized in the Index by giving due weightage to growth rate for, say past 5 years, for all indicators included in the Index.**

1. **Grouping of countries based on geo/socio-economic considerations:**

The PP Resolution 131 states that the Index will not attempt to rank the member states. However, once ITU provides the actual scores of each country in IDI, ranking will be a foregone conclusion, even though ITU may not publish it officially.

To overcome this limitation of publication of score and to respect the intention behind the caveat under Resolution 131, **India proposes that ITU may internally categorize the countries on the basis of score obtained by them in, say, four or five bands.** Band-wise list of member states may be published on overall score as well as on individual indicators. This approach will provide sufficient policy guidance to the countries, while preserving the intent of not ranking them as envisaged in PP Resolution 131.

**3.0 WAY FORWARD**

India invites all member states to consider the suggestions made by India in this document for open, transparent and constructive discussions during the meeting scheduled to be held in hybrid mode **at Geneva on 18-19 September 2023.** We reiterate thatIndia fully supports publication of the Index by ITU within the desired time frame, provided the methodology to be followed for preparing the Index is inclusive, progressive and transparent. The Index must accurately capture the progress made by member States, particularly the developing countries, which have been taking earnest steps to develop their ICT sector.

We seek support of all member states and the ITU for the proposals contained in this note, which we believe, will go a long way in ensuring the acceptability of the Index among the Member States and bring the efforts made by ITU to a logical and fruitful end.

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