



INTERNATIONAL TELECOMMUNICATION UNION
TELECOMMUNICATION DEVELOPMENT BUREAU

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

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For action

PLENARY MEETING

Lebanon

DRAFT RESOLUTION

**APPLICABLE METHODOLOGY BY THE ADMINISTRATIONS OF THE
DEVELOPING COUNTRIES FOR THE PROCESS OF LIBERALIZATION
IN THE TELECOMMUNICATION SECTOR, THE PARTICIPATION OF
THE PRIVATE SECTOR AND DEFINITION OF DUE RESOURCES
FOR ENSURING THE FINANCE OF THIS PROCESS**

The World Telecommunication Development Conference (Valletta, 1998),

considering

- a) that the agreement on goods and services signed under the auspices of the World Trade Organization (WTO), in particular the agreement regarding the telecommunication activities, would lead to the liberalization of the telecommunication activities in the world, and especially in the developing countries;
- b) that the studies made by the Telecommunication Development Bureau (BDT), or demanded by international financial institutions, especially by the World Bank, and the results of the working group of experts or the different international consulting agencies, concluded on the necessity for the liberalization of activities of the telecommunication sector in the developing countries;
- c) that the majority of the administrations in developing countries are convinced that the liberalization of telecommunication activities will increase the financial revenues and will be an important progress factor for the management of the financial and human resources of their administrations;
- d) that administrations of developing countries wish to participate in this process of liberalization of the telecommunication activities, and take legitimate benefits from the new revenues generated by this process,

estimating

- a) that the success of the liberalization of telecommunication activities resides on the maximum participation of the private sector in this process;
- b) that the majority of administrations in developing countries have taken the decision to go through the necessary steps that will facilitate the participation of the private sector in the process of liberalization of telecommunication activities, especially the participation of local companies;
- c) that the efforts of the administrations of developing countries to be successful in the liberalization of the activities of telecommunications, should be encouraged, in all possible ways, without political, economic, social and cultural harm or constraints;
- d) that a methodology to conduct this process of liberalization of telecommunication activities in the developing countries should be applied,

observing

- a) that despite the several proposals made on this matter, neither methodology nor precise model were applicable for conducting the process of liberalization of the telecommunication activities in developing countries, and until now no validation in any world telecommunication development conference has been made for it;
- b) that it is appropriate to propose and validate a methodology and a model to permit the administrations of the developing countries to conduct, with maximum security, the liberalization,

noting

- a) that the members of the private sector are engaged in the process of liberalization of telecommunication activities in developing countries, given that a logical method should be followed to a definite and total opening of the markets in those countries, and facilitate their implementation within the framework of competition;
- b) that the members of the private sector reaffirm, either directly or through the administrations which expressed their views, the full and irrevocable support of the general process of the global liberalization of the activities of telecommunications and their willingness to contribute, especially in the financial aspect;
- c) that it is appropriate in this domain, to classify the different operators and distinguish between the "global" operators which are economically present in the five continents, the "regional" operators whose activities are limited to a specific region, and "local" operators whose activities are limited to their national markets, denominating them respectively as "Multinational Operator", "Regional Operator" and "National Operator",

having observed

- a) that the process of liberalization of telecommunication activities in developing countries definitely leads to a change in the status of the national public operators, towards a total autonomy, and in other cases, towards a partial or total privatization;
- b) that this indispensable evolution of the national public operator is still facing different obstacles in developing countries;
- c) that governments of some developing countries are delaying the implementation of the legal steps and rules which will institute the transparency and the indispensable autonomy for the national public operator regarding the management of its financial and human resources;

- d) that the performance realized by the national public operators in managing the telecommunication activities varies between the different countries, and that the process of liberalization cannot be conducted in all the developing countries at the same level;
- e) that the absence of financial stock-markets in some developing countries makes it difficult to evaluate the assets of their national public operators, which delay the evolution of its internal status towards autonomy or privatization,

decides

- a) that it is convenient to encourage, in all possible ways, the process of liberalization of the telecommunication activities in all developing countries;
- b) that all Member Administrations of the ITU should accelerate the legislative reforms that offers a legal frame adequate to the national public operator ensuring its total autonomy, or to permit the private or mixed operators participation;
- c) to encourage the creation of a Private Fund for Telecommunication Development (PFTD) which should be established with contributions from the private operators - Sector Members of the ITU - in order to aid in financing the transition of the total public services towards the full liberalization of services in the developing countries,

invites BDT

- a) to accelerate the work of the "Private Sector Study Group" and transfer, without delay, the information related to this work to the administrations of developing countries;
- b) to coordinate with the representatives of the private operators - Sector Members of the ITU - in order to best assist them in using the funds which will be collected, and especially to help them against any possible discrimination in the aid for the developing country based on minor or vital interests that could exist in the respective markets;
- c) to pay attention that the creation of this PFTD will not lead to any bureaucratic constraint on the private operators and not disturb the efficient cooperation between the Sector Members of the ITU and administrations of developing countries.
