



# INTERNATIONAL TELECOMMUNICATION UNION TELECOMMUNICATION DEVELOPMENT BUREAU

**WORLD TELECOMMUNICATION DEVELOPMENT  
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**PLENARY MEETING**

## **France Telecom**

### **PARTNERSHIP FOR TELECOMMUNICATIONS DEVELOPMENT IN DEVELOPING COUNTRIES**

It is now acknowledged that telecommunications development in developing countries can only be achieved within the framework of an approach based on a strong partnership between ITU and its membership, both public and private sector. But why is it so necessary to work together? And in particular, what role must each player take on in order to ensure that this strategy produces positive results that are acceptable to all parties?

#### **The reasons for a partnership**

The emergence of the partnership concept has to do with the changes that have occurred in recent years in the telecommunication sector and the overall economic environment. It is clear that the gulf between the developing and developed countries is widening in the area of telecommunications, particularly where new technologies are concerned. Moreover, the players in question are expressing new expectations.

The developing countries are calling for more know-how and the transfer of technology. Ever observant, they would like to have control of operations that concern them. Private companies, whose involvement is increasingly replacing that of states, and which are subject to pressure from their shareholders, expect a return on their investment from all projects in which they are involved. Returns and efficiency are hence the watchwords.

Against this background, it is clear that the existing working methods and structures have reached their limits. The most appropriate approach therefore lies in partnership, a "win/win" philosophy in an environment in which all the players are interdependent. Expansion in the developing countries will not be achieved without the involvement of private enterprise. On the other hand, private companies, which operate in a competitive environment, have to establish themselves in new and expanding markets if they are to survive and prosper.

We shall now go on to discuss the role of each player in the context of a successful partnership.

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## **The role of ITU-D**

ITU-D discharges the Union's dual responsibility as a United Nations specialized agency and executing agency for implementing projects under the United Nations development system.

As such, it plays a key role in the successful creation of development partnerships in line with developing countries' needs (control of operations and sharing of know-how) and the changing situation in the developed countries (in particular, reduced involvement on the part of states and increased participation by private companies).

ITU must thus be the intermediary, facilitating contact among all the players. Its involvement in specific projects amounts to a guarantee and ensures the project continuity which keeps private and public investors happy.

It can exercise this role as intermediary by helping to ensure that developing countries are better represented in its work, for example by:

- encouraging regional activities;
- participating in the organization of training seminars;
- signing agreements with other international organizations involved in development.

**ITU must also project a modern and dynamic image through the participation of private sector players. A more efficient ITU will attract even more participants from the development sector and will generate a real impetus for the implementation of specific projects in developing countries.**

## **The role of the developing countries**

The developing countries must make their needs clear to the other participants while also assuming their share of responsibility as sovereign states or national operators.

It is up to them to play an active part in identifying their problems, developing strategies to deal with them, making proper use of the relevant funds and meeting part of the project costs.

Lastly, they must also create an environment that is open to private investors and in line with WTO agreements.

**This is the price which countries must pay if they wish to have control of projects and turn them into genuine development tools. Such an attitude will also serve to strengthen relations with the private enterprise, whose potential as an investor cannot be ignored.**

## **The role of private companies**

The types of private company which could become involved in partnerships for telecommunications development include operators, component manufacturers, banks or any other private investor.

They will all have experience both in their respective fields and in the setting up of partnerships and opening up of capital - factors which are of particular interest to developing countries anxious to have reliable and usable information which meets their current concerns.

However, they must also know how to listen to the developing countries that are entrusting them with a strategic mission. The aim is to find the best solution for each country rather than impose "déjà vu" solutions.

**Companies must adhere to the "win/win" philosophy, which is the only way to ensure successful partnerships in the medium and long term. In addition to keeping the company's**

**shareholders happy, it will also generate new investment in the developing countries, whose needs are considerable.**

### **Possible stages of a partnership**

Let us take the example of an operator vis-à-vis international correspondants who stand to become partners and have a direct interest in improving the operation and functioning of the operator's telecommunication network.

The possible stages for this partnership might be:

#### **FTELECOM/34/1**

**First stage:** Implementation of the changes needed in order to establish a telecommunication management structure conducive to a partnership operation (ITU could create the conditions for achieving such a structure).

#### **FTELECOM/34/2**

**Second stage:** Implementation of a stabilization and regeneration programme within the framework of the new structure (ITU support; involvement in implementation of the programme by the operator(s) interested in a possible partnership).

#### **FTELECOM/34/3**

**Third stage:** Signing of a partnership agreement setting out the conditions of association, within the new structure, of partners who take a share in the capital through debt erasure and the contribution of fresh capital.

#### **FTELECOM/34/4**

**Fourth stage:** Implementation, within the framework of a financially stable structure and assured sound management, of programmes to extend the telecommunication network, it being henceforth possible to envisage recourse to foreign capital.

### **Conclusion**

"Think in terms of partnerships". This new philosophy has proved its worth in developed countries, particularly in the telecommunications field (partnerships for the "seamless" provision of services to enterprises such as GLOBAL ONE, Concert or Unisource, and also for the establishment and operation of telephone networks in countries which are opening up to competition, such as Mexico, Senegal, etc.).

However, in order for this philosophy to work in the development sector, each party has a duty to establish its own objectives in relation to those of its partners. For BDT, the task is to develop its structure so that it can be of service both to the developing countries and to the private concerns that will contribute to their growth.

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