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Valletta: new strategies

The Valletta Declaration

The Valletta Declaration encapsulates the main messages of the second World Telecommunication Development Conference and underlines the importance of translating the indisputable potential of telecommunications into tangible results to improve the lives of all people everywhere, especially those in developing countries. It recognizes that, in the prevailing environment of converging technologies and globalization, the time is ripe for restructuring the telecommunication sector in order to stimulate private sector investment and accelerate the pace of expansion and modernization of telecommunication networks in developing countries.

The Declaration underlines the positive changes in providing telecommunication services in rural and remote areas where they are generally becoming more profitable, as a result of the emergence of more cost-effective technologies and innovative and entrepreneurial approaches that can be used to implement such services. It highlights the fact that convergence is opening up new perspectives for the sector, providing opportunities for tele-education, telemedicine, environmental protection and many other applications which are highly beneficial for social and economic development. It recalls that the telecommunication sector has a high profit potential in every country of the world: however, telecommunication earnings in developing countries are not sufficient to finance all new projects (networks are underdeveloped and do not generate enough cash flow).

The Declaration emphasizes that to turn the situation around, adequate policies must be adopted within the framework of a stable and transparent environment aimed at promoting fair competition. At the same time, network integrity should be protected and the rights of users, operators and investors guaranteed.

As regards the global information society (GIS) and the global information infrastructure (GII), of which the Internet is a precursor, governance issues need to take into account the interests of all nations.

The Declaration underlines the special role which the ITU has to play in advising policy-makers on the options available to tailor policies and regulatory structures to fit a country's unique requirements. The ITU's commitment to focus development activities on the major facets of telecommunication development is reaffirmed; priority areas include sector and regulatory reform, accounting rate reform, management of technologies, finance and investment and human resources development. The ITU is urged to encourage and support universal service, global access and fair pricing and give special attention to the least developed countries (LDC).

The Valletta Action Plan

This Plan contains six programmes of action which aim to achieve universal access. There is also a special programme for LDCs and a programme of cooperation for governments, industry and regional/international organizations that are Members of the ITU's Telecommunication Development Sector (ITU-D).

Programme I — Reform, legislation and regulation of telecommunications

The purpose of this programme is to assist governments in the preparation and implementation of reform, bearing in mind the technological convergence of telecommunications, broadcasting and informatics. The programme will explore ways of assisting governments to develop the structures of regulatory bodies and mechanisms to finance these bodies in order to ensure their independence.

Programme 2 — Technologies and global information infrastructure (GII) development and applications, including GMPCS and Internet

This programme aims to assist developing countries to integrate new technologies as they plan, build, operate, upgrade and manage their networks and services. The programme will be based on applied research and the transfer of technological knowledge. It will also provide greater network reliability and quality of service and will focus on management issues, marketing techniques and the introduction of new services.

Programme 3 — Rural development and universal service/access

This programme aims to step up the promotion of universal access not only to basic telecommunications,

but also to broadcasting and to value-added services such as the Internet.

Priority will continue to be given to supporting the ongoing programme of rural multipurpose community telecentre pilot projects and the SPACECOM project, which were born of the Buenos Aires Action Plan.

Programme 4 — Finance and economics, including WTO issues, tariffs, accounting rates, etc.

This programme is intended primarily for LDCs to put in place the framework for the follow-up of the Second World Telecommunication Policy Forum (see *ITU News*, No. 4/98, pages 16–22).

In particular, governments will be assisted in the introduction of new financing schemes for the develop-



Part of Republic Hall, where the Conference was held

(ITU 980058)

ment of their telecommunication networks, including public service broadcasting networks. Another objective is to develop national competency in negotiation processes in view of the multilateral liberalization of services within the framework of the World Trade Organization (WTO). Advice will also be given on how to deal with the consequences of the reform of the international accounting and settlement system.

Programme 5 — Development partnership with the private sector

This programme aims to promote partnership with the private sector in all activities related to telecommunications, broadcasting and informatics development. This will involve:

- financing pilot projects;
- establishing development funds for rural development;
- funding international and regional projects;
- establishing joint ventures with and among public and private entities;
- sponsoring any activities related to telecommunication sector development and of mutual benefit to the partners.

Programme 6 — Capacity building through human resources development and management with a focus on using computer-based training, group training, etc.

This programme aims to provide support in the areas of human resource management and development (HRM/HRD) and in organizational development. Main activities include:

- assistance and guidance to telecommunication organizations in the areas of HRM/HRD, organizational and management development;
- transfer of know-how through training;
- sharing of experiences and know-how among ITU Members and ITU-D Members;
- dissemination of information.

Special programme for LDCs

The Valletta Action Plan also comprises the special programme for LDCs. Through this programme,

a new strategy has been adopted to seek to concentrate the Union's effort on selected LDCs in partnership arrangements with development partners which the ITU will help to identify. The programme seeks to make a difference in over half of the most needy LDCs in the next four years through a focused, result-oriented assistance scheme at the rate of four to eight projects a year, depending on resources.

The objectives are:

- 1) to reform the telecommunication sector so as to introduce new structures which are more amenable to faster and sustainable telecommunication development, with well managed, modern networks;
- 2) to increase the teledensity to levels that would help achieve universal access.

Programme of cooperation for governments, industry and regional/international organizations

Task force on gender issues

The programme of cooperation will be achieved through the work of world and regional telecommunication development conferences, at Study Groups or through the work of the Telecommunication Development Advisory Board (TDAB). A task force on gender issues will be established to provide a conduit for cooperation to women and other disadvantaged groups of society to participate fully in policy and decision-making and to gain access to telecommunication services and infrastructure. The three special sessions held on gender issues resulted in a resolution which was applauded by the Conference.

Pekka Tarjanne, Secretary-General of the ITU, commented that: "For the first time at the ITU, gender issues were brought up. But we must widen the scope of the discussion so as to include all underserved categories of society: the handicapped, the elderly or the youth. Without access to telecommunication and information technologies, underprivileged groups cannot live a normal life in an information society".



Participants in the special meetings on gender issues
(ITU 980059)

Election of Study Group Chairmen

The Conference elected the Chairmen of the two Study Groups which have been tasked to develop further and translate into concrete guidelines the main policy orientation identified by the Conference. Alberto Gabrielli, Director of the *Comisión Nacional de Comunicaciones* (Argentina) and Chairman of Committee A of WTDC-98, was elected Chairman of Study Group 1. Nabil Kisrawi, Permanent Representative of Syria to the ITU and Chairman of the WTDC-98, Working Group of the Plenary on the Valletta Action Plan was elected Chairman of Study Group 2.

Study Group 1 is responsible for telecommunication development, strategies and policies and Study Group 2 for development, harmonization, management and maintenance of telecommunication networks and services, including spectrum management.

Extracts from the closing ceremony

"As we tried to reach a compromise on various issues, and remove obstacles hindering us in achieving a consensus, we never doubted the ultimate

success of this World Telecommunication Development Conference. Let us start working on the Valletta Action Plan and other action points which have emerged from this Conference to make our vision a reality."

(Edgar Borg, Malta's Deputy Minister for Telecommunications and Acting Chairman of the Conference)



Mr S. Scerri, Conference Executive, Maltacom plc (left), greeting Mr N. Kisrawi, Chairman of Study Group 2

(ITU 980060)

"The Valletta Declaration and the Valletta Action Plan are an achievement of which this Conference should be proud. I am sure that these two documents give us the necessary mandates to direct our attention and our efforts towards those issues that will sustain our work over the coming four years and allow us to build on what has been achieved in the past and to look with optimism to the future. We shall leave with the firm knowl-

edge that we have together given our peoples well defined mechanisms that will see us through the new millennium and beyond. The commitments which we, governments and administrations, have agreed upon during this Conference must now be put into effect through the direct involvement and participation of our citizens."

(Joe Mizzi, Malta's Minister responsible for telecommunications)

"The real challenge now consists in transforming threats into opportunities for all partners. Like for all innovations and inventions, positive aspects are always accompanied by adverse effects which we must fence off. Liberalization, restructuring, privatization, new trade in services regime, new technologies, new GMPSC systems, can greatly contribute to the development efforts of developing countries — but only in so far as such efforts correspond to a willingness and indigenous process and are not based on external pressures.

"The Valletta Declaration, the Valletta Action Plan and the Strategic Plan may be the most visible outcome of the Conference. But more importantly, networking between men and women from all regions of the world to discuss development issues as partners on an equal footing made it possible to transcend our differences. The Valletta spirit clearly gives us the path to attain our common objective: access to communications for all men and women of the planet."

(Ahmed Laouyane, Director of the Telecommunication Development Bureau — BDT)

"When we began our work, I proposed that this Conference aspire to start a new telecommunications revolution, a revolution focused on human

values, a revolution whose goal would be universal access to basic communication and information services — the right to communicate. I am pleased to see from the results of your work that this aspiration has been an inspiration."

(Pekka Tarjanne, Secretary-General of the ITU)

"Today, in Africa, to move information, you move people. It is time-consuming, costly and inefficient. A telephone line today means much more than voice telephony. It means access to the Internet, video-based applications such as health-care or tele-education or exchange of information locally or globally. In other words, we cannot talk of a global information society if more than half the world does not have access to telecommunications."



From left to right: Messrs S. Pitroda, A. Laouyane and T. Ras-Work at the signing of the agreement between ITU and WorldTel

(ITU 980061)

(Henry Chasia, ITU Deputy Secretary-General, responding to a question on the significance of universal access in Africa, during a press conference held after the closing ceremony)

Cooperation agreements signed during the Valletta Conference

ITU and WorldTel

The ITU has signed a cooperation agreement with WorldTel, the London-based telecommunication development company created at the initiative of the ITU to define and fund telecommunication projects in emerging markets. WorldTel also has an office in Geneva.

The agreement was signed by Mr Laouyane on behalf of the ITU, and Sam Pitroda, Chairman of WorldTel, in the presence of Terreffe Ras-Work, WorldTel's Director of Business Development. The purpose of the agreement is to regulate the broad terms upon which both partners will cooperate and coordinate efforts on the basis of commercial arrangements aimed to close the global communications gap.

In the framework of the agreement, the partners will establish annual working programmes in which the ITU will assume full technical responsibility for identifying and formulating projects while WorldTel will retain the responsibility for taking decisions on the structure of and investments in selected projects.

"It is our policy to encourage the private sector to team up with developing countries as true partners in development. With the know-how of the BDT and the expertise of WorldTel in financing large-scale projects, our hope is that developing countries will be able to widen their options for improving access to telecommunications to their people", said Mr Laouyane.

Mr Pitroda said that the BDT with its network of technical experts around the world and the experience, local presence and credibility it had acquired over the years in the developing world puts it in a privileged position to give independent advice to countries. WorldTel is pleased to team up with the development arm of the ITU. We look forward to associating the BDT in the projects related to new funds that we will be launching shortly. WorldTel is currently structuring projects with governments and the private sector in Africa, Latin America and Asia.

WorldTel investors include GE-Capital and AIG of the United States, National Westminster Bank plc. of the United Kingdom, *Kuwait Financial Centre*, *IIG* and *Burgan Bank* of Kuwait.

ITU enters partnership with Canada

The ITU has announced that it has agreed to establish a strategic partnership agreement with Canada to help developing countries participate actively in the GIS.

Partnership arrangements are one of the most promising strategies for telecommunication development and naturally took centre stage at WTDC-98. The ITU-D strives to promote partnerships which benefit all partners, avoiding purely commercial approaches and concentrating on long-term benefits as opposed to short-term gains.

For Diane Marleau, Canada's Minister for International Cooperation and Minister responsible for *La Francophonie* and for the Canadian International Development Agency (CIDA) which will lead Canada's participation in the partnership: "This is a concrete step to start narrowing the gap between rich and poor countries in access to information and knowledge. It is also an expression of Canada's commitment to deliver on the promise of the Global Knowledge 97 Conference, which we co-sponsored with the World Bank in Toronto in June 1997, and where participants agreed on the importance of universal access to information and communication technologies", the Minister said.

Ms Marleau's announcement coincided with WTDC-98 in Malta, where the agreement to establish the partnership was also made public by the Head of the Canadian delegation, David Mulcaster, Director-General of Industry Canada.

The partnership agreement is expected to cover Canada's cooperation with the ITU and in particular:

- pursuing universal access;
- executive training;
- capacity building;
- joint pilot projects to encourage rural communications and applications in social, education and health services, especially in the LDCs;
- regional seminars on best practices;
- promotion of private sector, government and ITU partnerships.

The Director of the BDT welcomed this well-timed initiative: "In an increasingly liberalized and deregulated market-place, new forms of cooperation must be found and traditional mechanisms that did not yield results must give way to true partnerships between the vari-

ous players. This new type of agreement is hoped to be the first of a series and should send strong signals to the industry on the way to move development forward. The BDT has made it a key priority of its action to provide new opportunities that will ultimately speed up their telecommunication development worldwide and this agreement is a tangible outcome of this proactive approach."

Canadian Government participants including CIDA, the International Development Research Centre (IDRC) and Industry Canada will work with private Canadian companies. Canada's participation in this new partnership is the latest in a series of programmes undertaken by Canadian institutions to work with private companies, international agencies and financial institutions and non-governmental organizations to broaden access to knowledge technologies towards strengthening the GIS.

ITU and Brazil sign a cooperation agreement

An agreement was signed between the ITU and Brazil's recently created national regulatory body



*Signing of the cooperation agreement between ITU and Brazil.
From left to right: Messrs R. Blois, M. de Souza, Special Adviser to
ANATEL, J. L. Pereira-Filho and A. Laouyane*

(ITU 980062)

Agência Nacional de Telecomunicações (ANATEL) to provide advice on the structure and operations of ANATEL with a view to enhancing its efficiency.

The agreement covers 18 projects, most of which focus on priority regulatory issues. These include numbering and interconnection in a competitive environment, service and network quality obligations and open access and universal service within the framework of the GII. The projects also cover the development of regulatory competencies through training and the study of the micro and macroeconomic impact of the transition to an open and competitive telecommunication environment on the country's economy.

The projects, estimated to cost USD 22 145 000, are to be financed entirely by the Brazilian Government and are expected to be completed by the end of 1999. The objective is to enable ANATEL to create a stable regulatory environment that will ensure fair competition among the various players that are and will operate in Brazil's telecommunications market.

"This agreement demonstrates the unique position played by the BDT in providing independent advice to governments in the crucial phase of transition from traditional monopoly to open and competitive environments. It is clear that a strong and independent regulatory body will be able to send positive signals to the investment community that they intend to provide a stable and transparent environment. This will in future foster the development of capital markets for both domestic and foreign investors and of an institutional framework that should facilitate the effective participation of private enterprise and capital", said Mr Laouyane.

"This huge investment that Brazil is making by signing this contract with the ITU is a clear demonstration of the importance it gives to international cooperation. Today, we are committed to moving forward with all nations that want to join the global information economy openly and transparently and we are determined to take advantage of the new global telecommunication environment. Brazil has a great challenge ahead. Not only do we want to expand our networks, but we want all localities with a population of more than 100 inhabitants to have access to telecommunication and information technology and reap the benefits they can bring", said José Leite Pereira-Filho, member of the Board of Directors of ANATEL. ■