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# NECESSARY REFORMS TO THE STRUCTURE AND OPERATIONS OF ITU

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### Introduction

1. The past eight years, 1998-2006, have been a seminal period in the history of the International Telecommunication Union (ITU). This period has been marked by some major achievements, notably in the successful organisation of the World Summit on the Information Society (WSIS), but also by some challenges. This document, which is a personal contribution from the ITU Secretary-General, reviews what has been achieved since 1998, and what remains to be done. It also proposes recommendations for necessary reforms to the structure and operations of ITU, especially with regard to revitalising the Union's development mission. These reforms are necessary if ITU is to continue to play its role as the pre-eminent body in the field of information and communication technologies (ICTs) and to fulfil the expectations that have been raised by WSIS. The analysis and recommendations are based on the opening speech delivered to the 2006 session of Council and are presented for discussion and appropriate action by the 2006 Plenipotentiary Conference.

### Achievements

2. At the time of the elections for the 1998 Plenipotentiary Conference, five pledges were made concerning ITU's future:

- Creating a global information society for all humanity.
- Making ITU more efficient and effective.
- Coordinating policy issues on new services.
- Encouraging participation by the private sector.
- Strengthening ITU's public presence.

These goals remain relevant today and significant progress has been made over the last eight years in achieving them.

3. Creating a global information society for all humanity. Through the successful planning, preparation and implementation of the WSIS, we have together established a sound basis for building an inclusive, people-centred and development-oriented information society. The Summit recognized the fundamental role of ICTs in shaping our common future and we have successfully positioned ITU as the leader in this new world, especially in its role as one of the lead facilitating agencies in WSIS implementation.

4. Making ITU more efficient and effective. During the past eight years, ITU has successfully implemented operational planning and results-based budgeting. We have improved the efficiency of our work, eliminated the backlogs in the processing of satellite notifications, and reformed the business model of TELECOM. We have succeeded in absorbing additional requirements from the membership, for instance in the fields of language support and enhanced security, without any significant increase of the contributory unit. In total, efficiency measures of more than CHF 70 million have been implemented since 1998, making it possible to undertake more work with fewer resources.

5. Coordinating policy issues on new services. If ITU is to succeed in the new market environment, it must demonstrate its effectiveness as a place to do business. ITU has reasserted its relevance in a number of significant areas. For instance:

- ITU's support for the content team at WSIS enabled stakeholders to reach a historic agreement in a number of areas, including Internet Governance. ITU's role was recognized in its selection as one of the three lead agencies, along with UNESCO and UNDP, for the multi-stakeholder implementation of the WSIS outcomes. ITU also has specific responsibilities for action lines C2 and C5 on infrastructure and security (including countering spam) respectively.
- ITU played a key role in the adoption of the IMT-2000 family of standards for 3G mobile as well as in the development and spread of IP Telephony.
- ITU has also been developing standards that traverse the full range of consumer and business applications: from next generation broadband and web services, to encoding standards for video and music compression, from digital TV to NGN management. Work has also been initiated in new areas like networked RFID and IPTV, which shows that ITU continues to be at the cutting edge of technological change.
- The 2006 Regional Radio Conference brokered a treaty-level agreement that will see the transition to digital terrestrial broadcasting (radio and television) by 2015 throughout Europe, Africa, Middle East and Iran.

6. Encouraging participation by the private sector. One mark of this success is the fact that ITU's membership is growing, with some 150 or so new Sector Members and more than 60 Associates added to the Union since the start of 2004. Since the time of the 1998 Plenipotentiary Conference, Sector membership has increased by around 20 per cent.

7. Strengthening ITU's public presence. ITU has demonstrated that it can organize a successful World Summit. During November 2005, traffic to ITU's website was around 15 million page views per day, and this has brought the Union to a much wider audience. Thanks to the WSIS process, many Heads of State and Government have become aware of the importance of ITU. There has been an increase in the number of VIPs visiting ITU, including heads of state, as well as many more stories in the media.

## The challenge of revitalising the Development Sector

8. Nevertheless, despite this solid record of achievement over the last eight years, one particular challenge remains unfulfilled, and indeed has become pressing. That is, the urgent requirement to revitalise the work of the Development Sector. As Secretary-General, I have the nominal responsibility for the overall management of the Union but without authority over the management of the Sector Bureaux. Over the last seven years, I have been frustrated with the reality of not having the means to apply a solution. I have come to the conclusion that I have a moral obligation to present a solution. The BDT was created at the Plenipotentiary in 1989 as part of the last major series of ITU reforms. It consumes just over a quarter of the Union's overall budget. In some areas the BDT has been very successful, notably in its work on regulatory reform and on human capacity building. However, in other ways, it fails to meet the expectations of the membership. For instance:

- **The BDT is not really functioning as part of the development mainstream.** For many years it was outside the UN Development Group<sup>1</sup> and it did not participate in the work of the Development Assistance Committee.
- **The project execution mission of BDT has shrunk** from 66.7 million in 1999 to 10.9 million in 2005. UNDP project execution work has virtually ended and for Trust and TELECOM Surplus programmes, expenditure in 2005 was only 13 per cent of total available funds. Now that this function has been lost, much of the *raison d'être* for the regional presence has disappeared, as the programme work of the BDT is mainly driven from HQ. Without the impetus of project execution work, and with key positions remaining vacant, field offices have become nearly irrelevant.
- **BDT human resources.** Many good staff members have left the BDT and many more are still wishing to leave. Without its most important resource, The BDT's relevance in the development community would be impossible to sustain.
- **BDT outputs** are failing to generate much interest among the wider telecommunications community. Sales of Study Group publications are minimal, the Google page rank for websites shows ITU as a whole at 8/10, ITU-R and ITU-T at 7/10 but ITU-D at 0/10. The level of cost recovery from Sector Membership in BDT (23 per cent) is much lower than for the Union as a whole (42 per cent). Areas that were previously carried out under full cost recovery and external sponsorship (e.g., Youth Forum, TDS) now generate losses and areas that were traditionally among ITU's strengths have withered in recent years, such as work on telemedicine and rural telecommunications which is now only sustained by membership-driven Focus Groups, while it has increased its activities in areas already covered by other ITU Sectors, such as cybersecurity or combating spam.

## A package of reforms

9. The difficulties the BDT is facing arise from both structural and operational weaknesses. For this reason, it is necessary to propose a series of reforms that must be taken together as a package in order to revitalise the Development Sector.

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<sup>1</sup> At the initiative of the ITU Secretary-General, ITU is now a member of the UNDG.

**A. To put the functions of the BDT directly under the responsibility of the Secretary-General**

10. ITU work at the highest level, alongside other UN Agencies and with the private sector is only possible with the leadership and authority of the Secretary-General. Fund-raising and partnership activities would thus be more successful. Political leadership is required, especially for the strategic aspects of the Union's development mission. In the current political reality even ITU and the Secretary-General face many difficulties, however, the ITU was successful in organizing the WSIS, and the reputation of its Secretary-General should now be used to the fullest extent.

11. Before the creating of the BDT, the ITU's development function, including the regional offices, served directly under the Secretary-General. To return to this model would raise the status of the Union's development work and would enable the development function to be better integrated with the Union's policy and regulatory work. Integrating the current functions of the BDT with those of the General Secretariat and TELECOM would also generate savings and synergies.

**B. To upgrade the WTDC to a Plenipotentiary Conference**

12. The most important goal of the Union, namely to bridge the digital divide, should be discussed and determined at the Plenipotentiary Conference, the highest organ of the Union. Furthermore, ITU's development mission has to be adapted to the rapidly changing environment and to be embraced through firm commitments at the highest level.

13. This can be easily realized, without any additional burden on the membership, by upgrading the WTDC to a Plenipotentiary Conference and by organizing future Plenipotentiaries—as a forum for the discussion of strategic and policy issues—every two years, as recommended by the UN Joint Inspection Unit in 2001<sup>2</sup>. This would be consistent with the planning cycles of other UN agencies and would be more responsive to the rapidly changing ICT environment. Elections and budgetary discussions could still take place once every four years, but the membership would be able to use the mid-term Plenipotentiary Conference to debate strategic and policy issues and to shape the future development programme of the Union as a whole.

**C. To establish a separate budget for programmes and projects which are based exclusively upon extra-budgetary sources of income**

14. In the past, the Union have been successful in establishing programmes funded from voluntary contributions. In order to cope with a lack of resources, a new framework for the Union's activities should be created, just like other agencies of the UN system are doing today. A separate budget, financed through voluntary contributions and backed by a fund-raising campaign, should be established for extra-budgetary activities. This mechanism, will facilitate good planning and monitoring of the Union's extra-budgetary activities, and could become one of the mainstays of ITU's development work.

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<sup>2</sup> (see C01/37)

**D. To establish a UN liaison office in New York**

15. In order to gain the support and cooperation of the development agencies of the UN headquarters, it is essential to establish a UN liaison office in New York. This will make it possible for ITU to participate effectively in the UN Development Group, to establish a role in implementing the Millennium Development Goals, to rebuild relationships with UNDP and the World Bank, and to track the activities of the Global Alliance. A New York liaison office will also be an important component in fulfilling ITU's role in WSIS implementation, where ITU is playing the role of lead facilitation agency alongside the UNDP and UNESCO.

**E. To rename the Union, to counter misperceptions concerning its mandate**

16. In order to counter misperceptions concerning the Union's mandate, a number of Member States have submitted proposals for renaming the Union, to acknowledge the role that it is now playing in the context of the Information Society. However, it is difficult to rename an organisation without losing the positive aspects to its image that have been built up over past decades. For that reason, it is proposed to change the name without changing the acronym. One possible way of doing this would be to adopt, as a new name: Information and Telecommunication Union (ITU). This would facilitate understanding and support of all stakeholders that the ITU's mission is in the field of promoting a broader definition of telecommunications, namely the *application* of ICTs and not limited to the traditional telecommunication industry.

**Conclusion**

17. Taken together, these measures would help to revitalise the Union's development arm and place it at the forefront of UN system-wide activities. Some of the recommendations could already be approved at PP-06 while others may need more study before being considered by PP-10.

18. These proposals are put forward in a constructive spirit, to further strengthen ITU and facilitate its role in creating a future in which we can all share information and knowledge, and in which everyone has a voice.