Report of the
High Level Committee
to review the
structure and functioning
of the
International
Telecommunication
Union (ITU)

TOMORROW'S ITU: The Challenges of Change

Geneva, April 1991

INTERNATIONAL
TELECOMMUNICATION
UNION
ITU

REPORT OF THE HIGH LEVEL COMMITTEE
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TOMORROW'S ITU:

THE CHALLENGES OF CHANGE

Dedication

to

POUL HANSEN

Mr. Hansen became ill during our fourth session and passed away in March 1991. As Chairman of the Advisory Group on the Changing Telecommunication Environment, and as a valued and forward-looking member of our Committee, he led the way in identifying the issues, in challenging us to address them, and in stimulating change in the ITU.

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I. SUMMARY

1.   The world of telecommunications is undergoing rapid change in technology, in the creative and world-wide application of that technology, and in its immensely varied commercial applications. The information and telecommunications revolution - almost a cliché in the hands of writers and analysts - is a daily practical reality in the work of the ITU. The ITU remains unique and irreplaceable as an intergovernmental organization, both in its leading role in the global information economy and society and in the manner in which it addresses the needs of developing countries and engages the private sector in its work as part of the wider ITU family.

2.   Our Recommendations aim to help the ITU to meet the challenges of change and to continue to play its leading role in world telecommunications. Our principal recommendations are as follows.

3.   The ITU should not seek to broaden or change its overall mandate, but should play a stronger and more catalytic role in stimulating and coordinating co-operation between the increasing number of bodies concerned with telecommunications. It should also recognize the growth of regional bodies and develop with them relationships which retain the ITU's primary role but allow for necessary, complementary activities.

4.   The supreme body should remain the Plenipotentiary Conference, meeting every four years. It should be supported by the Administrative Council, to be renamed ITU Council, playing a broader and more strategic role.

5.   The substantive work of the ITU should be organized in three Sectors: Development , Standardization and Radiocommunication. The Standardization Sector should include the current work of the International Telegraph and Telephone Consultative Committee (CCITT) and some standardization work currently done by the International Radio Consultative Committee (CCIR). The Radiocommunication Sector should include most of the current CCIR work and that of the International Frequency Registration Board (IFRB) and its specialized secretariat. The division of responsibilities between the Standardization and Radiocommunication Sectors will be kept under review and adjusted when necessary to meet changing needs and to ensure efficiency. The Development Sector should encompass the current work of the Telecommunications Development Bureau (BDT). The distinct functions originally envisaged for the Centre for Telecommunications Development should be integrated into the BDT.

6.   The current full-time five-member IFRB should be replaced by a part-time nine-member Radio Regulations Board.

7.   For each Sector, the supreme body should be a World Conference, supported by Study/Working Groups. World Conferences should be held between Plenipotentiary Conferences, in a regular cycle, to promote more effective planning.

8.   For each Sector, elected Directors should head Bureaus at ITU headquarters. They should also chair Advisory bodies which, according to the needs of the Sector, should review its strategies, priorities and activities and help ensure coordination of work and adaptation between conferences to changing needs and circumstances.

9.   Each Sector should have its own budget, with all costs and revenues clearly identified, to ensure that all costs are assigned to the appropriate "end user" Sector.

10.   The Secretary-General is the chief officer of the Union, with a key role in strategic planning, management and coordination. This role should be strengthened. He should be supported by a new Strategic Policy and Planning Unit, reporting to him but serving the needs of all Sectors. He is also encouraged to set up a Business Advisory Forum through which he can conduct a dialogue with business leaders.

11.   At the same time, and supported by improved management systems, he should delegate responsibility to Directors for the management of their budgets and staff, within agreed parameters. The Coordination Committee should play a stronger collegial role in conducting and managing activities.

12.   Specific improvements should be made in the internal management of ITU headquarters, in the fields of finance, personnel and information systems. The primary aims are to: improve strategic planning and provide more effective financial, personnel and information management; promote, within this improved framework, delegation of responsibility, greater co-operation between staff and greater exercise of initiative; and, importantly, enable the staff more fully to realize their potential within a well managed organization.

13.   Our Recommendations seek to encourage greater participation by all those who have important interests in ITU activities. The ITU is an intergovernmental organization and Members are States represented by Administrations. But it exists to meet a wide range of interests: to facilitate provision of services to end users by operators, service providers and equipment manufacturers; and to assure effective use of the radio-frequency spectrum by all users. Non-Member participants also make a great contribution to its work. Their even greater participation should be encouraged.

14.   Our Recommendations will increase some costs, but also lead to savings. With effective implementation, changes in the culture of the organization and the goodwill and support of the staff, we believe that the cumulative impact will have a positive effect on the finances of the ITU and will enhance performance. We have no doubt that the quality and dedication of all who work in the Union will ensure that the ITU does respond to the challenges of change.

15.   Our proposals for implementing our Recommendations are in Chapter VII. It is vital that the ITU not lose momentum in taking action on this report and in implementing its Recommendations. Any delay will weaken the ITU's capacity to respond to the rapidly changing telecommunication environment.

II. **INTRODUCTION**

1.1   At its last Plenipotentiary Conference (Nice, 1989), the ITU decided in Resolution No. 55 that a High Level Committee (H.L.C.) should be established to recommend, on the basis of an in-depth review of the structure and functioning of the Union, measures to enable the ITU to respond effectively to the challenges of the changing telecommunication environment. At its Extraordinary Session in November 1989, the ITU Administrative Council in Resolution No. 990 set out the detailed tasks to be carried out by the H.L.C. and selected 21 Member States to designate representatives to serve on the Committee.

1.2   For those of us honoured by our Administrations by being chosen as Members of the H.L.C. (Annex 1), it has been a daunting but rewarding experience. There were times when we wondered whether it would be possible to do the job in the relatively short time available, particularly considering that all of us have other responsibilities. By working together as members of a dynamic team, however, we have completed our work on schedule.

1.3   Our five main working sessions were held at ITU headquarters in Geneva. At our first session (22-26 January 1990), we concentrated on organizing our work. We chose Mr. G. Warren (Canada) as Chairman, and Mr. A. Boussaid (Algeria) as Vice-Chairman. We appointed Mr. D. Schuster of the General Secretariat as our Secretary.

1.4   At our first session, and with additions at later sessions, we designated the following rapporteurs, from among our members, to coordinate our analysis of each of the principal subjects to be reviewed:

Task	Subject	Rapporteur	
1	Standardization	Mr. G. Hams	(Australia)
2	Regulation		
	a) Radiocommunication	Mr. I. Stojanovic	(Yugoslavia)
	b) Telecommunication Services	Mr. M. Toutan	(France)
3	Development	Mr. S. Regueros	(Colombia)
		Mr. S. Pinheiro	(Brazil)
4	ITU Conferences	Mr. A. Berrada	(Morocco)
5	General Secretariat	Mr. M. Dandato	(Zimbabwe)
		Mr. A. Boussaid	(Algeria)
6	Impact of Changing Telecommunication Environment	Mr. P. Hansen	(Denmark)
		Mr. J. Parapak	(Indonesia)
7	Improved Financial and Personnel Management and Use of Information Technology	Mr. G. Helman	(U.S.A.)

1.5   At our second session (7-16 May 1990), we had the benefit of oral presentations from the Secretary-General and the other ITU elected officials, followed by useful dialogues. Our rapporteurs then presented interim analyses of the first six tasks based on contributions forwarded since the first session by H.L.C. members and other contributors. After an exchange of views on each task, a consolidated list was drawn up of the most significant issues that would be reviewed in detail under each task.

1.6   Our progress report, containing the consolidated list of issues, was considered by the Administrative Council in June 1990. This report was then circulated widely by the Secretary-General, with a request for suggestions and comments, to Administrations, Recognized Private Operating Agencies (RPOAs), Scientific or Industrial Organizations (SIOs), interested intergovernmental organizations and operating agencies, and the ITU Staff Council.

1.7   We also explained the procedures we had followed for selecting a recommended consultant. The Administrative Council approved our recommendation to authorize the Secretary-General to hire Booz, Allen & Hamilton as consultants to make recommendations to the H.L.C. on task 7 (Improved Financial and Personnel Management and Use of Information Technology).

1.8   At the invitation of Mr. P. Hansen and the Danish Administration, the H.L.C. held a special informal meeting 19-21 September 1990 in Copenhagen to consider the impact of the changing telecommunication environment on the ITU (task 6). At our first session we had asked ourselves whether it was necessary to devote a separate task, and to designate co-rapporteurs, to this general subject since, under each of the other tasks, we would certainly be analysing the impact of the changing telecommunication environment. In Copenhagen, under the chairmanship of Mr. Hansen, we realized that we had, indeed, been wise.

1.9   Our general and detailed discussion over the three days in Copenhagen forced us to analyse the ITU's role and specific activities from a broad (a truly "High Level") perspective. It was in Copenhagen that we discovered that the vision of the Secretary-General, after ten months on the job, was along lines compatible with our own. The creative dialogue in Copenhagen, in this way, put into play ideas for adaptation and change that we were able to consider in detail and approve at our later formal sessions.

1.10   At our third session (19-30 November 1990), we heard oral presentations from, and exchanged views with, officials of the European Telecommunications Standards Institute (ETSI), International Telecommunications Users Group (INTUG), Centre for Telecommunications Development (CTD) and the ITU's Executive Director of TELECOMs. Guided by our rapporteurs, we then gave in-depth consideration to the issues under tasks 1 (Standardization), 2 (Regulation) and 6 (Changing Telecommunication Environment), and less comprehensive consideration to the issues under tasks 3 (Development), 4 (ITU Conferences) and 5 (General Secretariat). We also considered the interim report of our consultants on task 7 (Improved Financial and Personnel Management and Use of Information Technology). Our second progress report, which we approved at our third session, was given wide circulation by the Secretary-General.

1.11   Our work was then advanced by two special informal meetings held in Geneva, the first (11-12 February 1991) dealing with task 1 (Standardization) and the second (13-15 February 1991), dealing with task 3 (Development), during which we benefited from the experience of Mr. B. Wellenius, Principal Telecommunications Specialist of The World Bank. These special meetings were followed by our fourth session (18 February-1 March 1991), during which we gave in-depth consideration to the Final Report of our consultants under task 7, to our rapporteur's reports under tasks 4 and 5, and to our conclusions and recommendations under all tasks. Our consideration of the issues of improved personnel management was facilitated by our dialogue with the ITU Staff Council.

1.12   During our fifth session (18-26 April 1991), we approved the details of our Final Report on the basis of a draft circulated in advance by our Chairman. Mr. M. Morris (U.K.) served as our general rapporteur.

1.13   In our work we have received the full co-operation of the Secretary-General, other elected officials and ITU staff. We have sought comments and ideas as widely as possible and have tried to work transparently. We are grateful that, in addition to the 24 written contributions received from H.L.C. members, we received 69 written contributions from 38 Administrations, 12 from other international organizations or agencies, and 31 from the Staff Council and individual staff members. In addition to the oral presentations noted above, Mr. J. Voge, of the French Ministry of Posts, Telecommunications and Space, gave us his perspective on the changes the Union will have to face.

1.14   We, the 21 members of the H.L.C., represent a cross-section of the membership of the ITU. Our members have drawn from a variety of personal experience, including detailed knowledge of ITU activities, expertise in modern management techniques and strategic planning, and involvement in the broader questions of the UN system and multilateralism. We are proud that we have been able to reach a consensus on recommendations which, if adopted, should ensure that the ITU will continue to adapt itself to play the dynamic and vital role needed to meet the challenges of the years ahead. We trust that the mutual respect and spirit of give-and-take, which characterized our work and which animates the whole ITU family, will lead to the approval and timely implementation of our main recommendations.

1.15   We have tried to keep our sights "high" but our feet planted firmly on the ground. In this spirit, we offer our recommendations for endorsement.

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III. IMPACT ON THE ITU OF THE CHANGING
TELECOMMUNICATION ENVIRONMENT

1.1   The ITU, the UN Specialized Agency responsible for international telecommunications, is the oldest existing intergovernmental organization. Since 1865 it has been adapting itself progressively to a changing environment. Its 164 Member Administrations, and the much wider network that forms the ITU family, are proud of the ITU's record of achievement in keeping pace with technological change.

1.2   It will be impossible for the ITU to sustain this record, however, unless it adapts itself quickly to respond on a continuing basis to the accelerating currents of change. Most main actors in the telecommunications sector, not just the ITU, are reviewing their roles and strategies. Our own review of the role of the ITU has confirmed that it is more important than ever for the ITU to remain the pre-eminent organization in the coordination of international telecommunications. But to ensure that this key role remains true in practice, not just in theory, will require creativity, dedication and flexibility. We offer our analysis and recommendations as a forward step in this direction.

1.3   Over the period since the 1979 General World Administrative Conference (WARC) and the 1982 Nairobi Plenipotentiary Conference, the ITU family has been struggling to keep up with an accelerating pace of change in an ever more complex environment.

1.4   The analysis and recommendations contained in the 1985 Report of the Maitland Commission ("The Missing Link"), which were endorsed in the Arusha Declaration on World Telecommunications Development, have been important in sensitizing the international community to the inextricable link between telecommunications and development. However, the ITU's Centre for Telecommunications Development (CTD) has not been able to play a sufficiently distinct catalytic role, as envisaged by the Maitland Commission, in mobilizing action and resources for telecommunications development.

1.5   Between Nairobi and Nice, the site of the 1989 Plenipotentiary Conference, there were, in addition to regular TELECOM exhibitions and associated policy fora and the heavy schedule of CCITT and CCIR meetings, four World Administrative Radio Conferences (in six sessions) and nine Regional Administrative Radio Conferences (in twelve sessions). Indeed, starting in the second half of 1988, the ITU went through the busiest year in its long history, the highlights being the second session of the ORB-88 WARC, the first World Administrative Telegraph and Telephone Conference (WATTC) since 1973, and the culmination, the Nice Plenipotentiary Conference.

1.6   It became clear during this period that the ITU practice - of achieving "consensus by exhaustion" in final marathon sessions - would be inadequate to sustain the ITU in the even more complex environment of the future. In fact, the success of the WATTC, which was exploring the grey areas between technical regulation and trade and commercial considerations, was in serious doubt until the last minutes.

1.7   Leading up to Nice, the case for the ITU to broaden its perspective and adapt itself was articulated clearly, and in balanced fashion, in the February 1989 Report of the Secretary-General's Advisory Group on the Changing Telecommunication Environment, chaired by H.L.C. member Poul Hansen. At Nice, the Plenipotentiary Conference, in Resolution No.14, commended the Hansen Report and called upon the ITU to analyse the impact of the changing telecommunication environment on the Union's role and to continue to adapt itself to meet the challenges of this environment.

1.8 At Nice the retiring Secretary-General, Mr. Richard Butler, and a number of Member States believed that the impact of the changing telecommunication environment required the immediate approval of comprehensive changes to ITU structures. It was possible to reach consensus in Nice on upgrading the ITU Development function to the level of its Standardization and Regulation functions, namely by converting the Technical Cooperation Department (TCD) of the General Secretariat into the Telecommunications Development Bureau (BDT), to be headed by a Director to be elected at the next Plenipotentiary Conference. It was decided, however, to base further structural changes upon a consideration of the H.L.C.'s analysis and recommendations.

1.9 What are the main changes in the telecommunication environment which will have a crucial impact on the ITU's role as we move toward the 21st century?

2. Globalization

2.1 With the accelerating globalization of telecommunication networks and services, and new international alliances being forged in the telecommunications sector, national borders are becoming less and less relevant to telecommunications. It will become increasingly difficult to draw a line between a Member State's national and international telecommunication policies. It was in this context that, in Resolution No.14, the Nice Plenipotentiary Conference called upon the ITU to:

> "5. assist Members to analyse the impact and challenges of the changing telecommunication environment on national telecommunication structures and policies, and encourage Members to exchange information, or sources of information, on the range of options available to enable them to adapt their telecommunication policies and structures".

3. Pace of Technological Change

3.1 One of the most dynamic forces for change is the convergence of telecommunication, computer, broadcasting and information technologies to create an expanding number of new value-added and integrated communication services. This has created a demand for open global networks capable of simultaneously transmitting voice, data and images to multi-purpose terminals.

3.2 The ITU's roles in standardization, regulation and development must be streamlined to keep up with this pace of change. If the ITU mechanisms tend to restrain promising new technologies, the ITU will be by-passed. Analysis of the impact of changes on the ITU's role, and adaptation of the ITU to accommodate significant changes, must be part of an on-going process of strategic planning and not the subject of a one-shot review every few years.

3.3 The pace of technological change and convergence of technologies also means that ITU activities must be restructured, with clear objectives for each Sector, transparency of costs and budgets, and clear accountability. ITU staff should have the opportunity to keep up-to-date, be enriched regularly by the infusion of fresh talents, and work as a team horizontally across the ITU's vertical sectors.

4. Information Economy and Society

4.1 Telecommunications is not just a dynamic sector in its own right. It is now recognized as a key technology underlying the whole global information economy and society, with important implications for political, economic, social and cultural development. The importance of telecommunications to economic viability and competitiveness is leading to its inclusion in bilateral, regional and multilateral trade agreements.

4.2 The ITU obviously has "a" leading role to play in facilitating intergovernmental co-operation to deal with the broader issues of the global information economy and society. It cannot, however, be expected to play "the" leading role since no single international organization has, or could effectively have, that broad a mandate.

4.3   As the discussion of trade in telecommunication services in the current Uruguay Round of the Multilateral Trade Negotiations (MTN) is showing, it is difficult to draw a clear dividing line between the technical aspects of telecommunications and its wider economic and trade policy implications. This means that the ITU and the GATT will have to continue to work co-operatively together.

4.4   The UN Committee on Information, whose annual report is considered by the UN General Assembly, is supposed to maintain an overview on information issues within the UN system. It has not, however, played any real integrating function.

4.5   In the development area, the ITU must interact with a network of international, regional and bilateral financial and development agencies.

4.6   UNESCO has complementary responsibilities in facilitating international co-operation and development in the areas of communication (meaning .the mass media). Its International Programme for the Development of Communication (IPDC), however, has faced the same problems as the ITU - the ability to attract only limited voluntary contributions in the face of the vast requirements of developing countries.

4.7   In the field of space communications, the work of the ITU and the UN Committee on the Peaceful Uses of Outer Space are mutually reinforcing.

4.8   Important policy issues concerning the global information economy and society are discussed within the OECD's Committee on Information, Computers and Communications Policy (ICCP). But this forum is restricted to its developed country members.

REC 1

4.9   Faced with this network of intergovernmental organizations, we considered the possibility of recommending a consolidation of mandates and structures at the intergovernmental level. We concluded, however, that this would be impossible to implement. **We recommend that the ITU play a leading role by working co-operatively, more strategically, and in a more systematic manner, with other intergovernmental and non-governmental organizations to ensure that, at the international level, a more comprehensive approach be taken to the broader issues of the global information economy and society.** In this recommendation, we share the perspective which led the Nice Plenipotentiary Conference, in Resolution No.14, to call upon the ITU to:

"6. make its role in coordinating international telecommunications even more effective by:

6.1 - strengthening its cooperation, on subjects of mutual interest concerning telecommunications, with other United Nations organizations such as UNESCO and UNCTAD, with other international organizations having a specific relationship with the United Nations such as the GATT, with other multilateral organizations such as the OECD, with regional and subregional telecommunications organizations and the United Nations regional economic commissions, with regional and sub-regional broadcasting organizations, and with the principal non-governmental international organizations and institutes and academic institutions concerned with telecommunications."

5. Rising Importance of Regional Organizations

5.1   The past few years have witnessed the growing importance of regional organizations concerned with such key telecommunications issues as policy harmonization and strategic planning, infrastructure development, standardization, and research and development. This regional impact will probably intensify. How will this affect the ITU's role as the principal intergovernmental organization responsible for coordinating international telecommunications?

REC 2   5.2   All regional organizations take the position that it is in their own interest that the ITU continue to play a pre-eminent role in international telecommunications. **To enable the ITU to play this role in practice, however, *we recommend* that the ITU should sharpen its focus in its main areas of activity, achieve more timely results, and work in a co-operative fashion, and more strategically, with the main regional organizations.** If it does not do this, the ITU may be increasingly by-passed.

REC 3   5.3   The ITU already co-operates with a number of regional telecommunication organizations who, *inter alia*, facilitate regional preparations for major ITU activities. **We recommend that co-operation with regional organizations should be improved. The ITU family should also be broadened to include closer links with regional development and financial institutions, telecommunications users organizations, and broadcasting organizations.** This strengthening of co-operation was emphasized in Nice Resolution No.14.

5.4   The increasing impact of regionalization on the ITU's role is perhaps best illustrated by the comprehensive initiatives being taken by European Community countries and more widely in Europe to achieve a common telecommunications policy and by the expansion of the membership of CEPT and ETSI to include more European countries. In this context, a positive initiative has been the informal dialogue, begun in Fredericksburg, Virginia in February 1990, to ensure that the ITU's CCITT/CCIR and the main regional standards organizations (ETSI, U.S. T1, Japanese TTC) work more effectively together and with other standards bodies with mutual interests such as ISO and IEC. This dialogue should be broadened and incorporated in the ITU's normal standardization planning process (see Chapter V § 6.2).

6. The Development Gap

6.1   Thanks to the work of the ITU and the Maitland Commission, there is a growing recognition of the pivotal role which telecommunications can play in all major areas of development. There is also enormous goodwill, among the members of the wider ITU family, that can be tapped to ensure that telecommunications realizes its potential.

6.2   The reality, however, is that the telecommunication requirements of developing countries are immense, but the technical and development resources allocated to telecommunications development are limited. Moreover, at present, multilateral agencies are the source of only about 5% of telecommunications investment in the developing world, with bilateral and commercial arrangements accounting for about 25%, and internal generation of funds accounting for the lion's share of about 60%. The Centre for Telecommunications Development (CTD) has had limited success in mobilizing additional resources for development projects. These figures relate to developing countries as a whole; they vary from one group of countries to another.

REC 4   6.3   If telecommunications is going to be a positive force in fostering development, rather than having the unintended result of perpetuating gaps, the ITU will have to sharpen its focus. **We recommend that the ITU should play a more clearly-defined catalytic role, as envisaged in Nice Resolution No.14, by working co-operatively with international, regional and bilateral development and financial agencies, and by presenting to developing countries the range of policy and structural options that will generate greater resources for telecommunications development.**

7. The ITU Family is Growing

7.1   The ITU family has traditionally been composed of national telecommunications Administrations, Recognized Private Operating Agencies (RPOAs) and Scientific or Industrial Organizations (SIOs). But with an accelerating trend in the provision of telecommunications services toward liberalization, privatization, de-regulation and re-regulation, and the development of new value-added and integrated communication services, the ITU family is growing to include many new actors with important telecommunications interests. These include governmental and private sector commercial operating agencies, business users and other groups representing specialized users, multilateral and regional telecommunications operating agencies, regional and national broadcasting organizations, and international, regional and bilateral development and financial institutions.

7.2   In recent years the ITU has made a good start in broadening its perspective to meet the interests of this wider group. Looking outwards, for example, it has broadened the scope of policy fora held at ITU TELECOMs, by sponsoring ITU-COM 89 dealing with new media services, and by co-operating in USERCOM. But the participation of this wider group must be enhanced in the most important relevant activities of the ITU.

7.3   As regards the ITU itself, it is and should remain an intergovernmental organization whose Members are states. But it directly serves a wide range of interests. Non-Member participants make a massive contribution to its work. The number, and interest in ITU work, of such participants are growing. They are categorized in a number of groups, with different rights and obligations. We have considered two questions - how to encourage greater participation and whether conditions of participation can be rationalized.

7.4   Many of our recommendations, taken together, should help to encourage greater participation. If the ITU itself becomes more responsive to change and to the needs of all members of the ITU family, this in itself will provide the greatest encouragement. More specific measures include: the greater clarity of responsibilities and transparency of budgets and costs, which will show more clearly how contributions are spent; the participation of business representatives in the Business Advisory Forum and in important Advisory bodies for each Sector; and the retention, in the future Sector conferences, of committees open to all Study Group participants.

7.5   We also made an initial review of the different categories and conditions of participation. There is likely to be scope for simplifying these arrangements. However, the matter is complex and cannot be settled quickly. Final decisions will also be affected by decisions of Council and of the Plenipotentiary Conference on our recommendations affecting the structure of the ITU; and they should take account of the views of the participants themselves. In the meantime, the present arrangements have provided sufficient flexibility for the admission of a wide variety of new participants. We have no doubt that the Council will be able to take advantage of them in facing new requests in the short term. ***We recommend* that the Council should initiate a review of the categories, conditions, rights and obligations of non-Member participants.**

REC 5

7.6   We recognized the importance of intergovernmental organizations operating satellite systems in associating countries in space activities. However, their present status prevents them attending all meetings. ***We, therefore, recommend* that these organizations be given a status similar to that of Regional Telecommunication Organizations.** As a provisional solution to this problem, until such time as new rules are established, the Council could, by consulting Members if necessary, approve a Resolution whereby intergovernmental organizations operating satellite systems are <u>provisionally</u> treated as Regional Telecommunication Organizations for the purposes of their participation in ITU activities.

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IV. FUTURE STRUCTURE AND FUNCTIONING OF THE UNION

1.1   The H.L.C. believes that the statement of purposes of the Union (Article 1 of the Nice Constitution) is sufficiently flexible to enable the ITU to respond to the changing telecommunication environment. The H.L.C. examined a number of proposals for alternative institutional arrangements to fulfil the purposes of the Union, but concluded that the optimum organization can be achieved with a limited, yet significant, number of changes to the existing structure and functioning.

2.   Federal structure

2.1   The federal structure has served the ITU and its Members well over the years. However, if the Union is to keep up with the pace of technological change, improve its effectiveness and make the most efficient use of resources within the federal structure, the Sectors must co-operate closely and the Directors must work together as a management team under the leadership of the Secretary-General.

REC 7   2.2   **We recommend that the ITU's main functional activities be grouped into the following three vertical Sectors: Development, Standardization and Radiocommunication.** Each Sector should include: its own Conference, open to all Members, supported by Study and Working Groups; an elected Director, heading a Secretariat (which we recommend should be called Bureau); and an Advisory Board or Committee. Standardization should include the standardization activities of the CCITT and some of the activities of the CCIR. Radiocommunication should include the remaining work of the CCIR and the present activities of the IFRB; an elected Director should manage a Bureau supporting both activities; key decisions in the IFRB field should be referred to a part-time Board. Development would include the Telecommunications Development Bureau (BDT) into which would be integrated the distinct functions originally envisaged for the Centre for Telecommunications Development (CTD). The vertical structure, functions and activities of each Sector are described in Chapter V.

2.3   As foreseen in the Nice Constitution, the functional Sectors should have equal status. Under the enhanced management system proposed by the H.L.C., each Director would assume greater delegated responsibility and accountability for the deployment of financial and human resources.

3.   New features of the federal structure

3.1   The H.L.C. considers that this increased vertical responsibility and accountability must be balanced by reinforcing the horizontal mechanisms to enable the Secretary-General, as head of the ITU management team, to carry out his responsibility for overall management of the Union and coordination of all ITU activities. This could be facilitated in the following ways.

3.2   Strategic Policy and Planning Unit - Nice Resolution No. 14 calls upon the ITU, *inter alia*, to analyse the impact and challenges of the changing environment, take them into account in its work, stimulate a broad multidisciplinary approach to telecommunications policy issues, and assist Members to react to the changing environment. The ITU must become more forward-looking in planning its activities and adapting its work programmes and policies to a rapidly changing environment. **We, therefore, recommend that a Strategic Policy and Planning Unit be set up in the Office of the Secretary-General.**

REC 8

3.2.1   Overall responsibility for strategic policy and planning lies with the Members, who should exercise it in Plenipotentiary Conferences and Sector Conferences, and as Members of the Administrative Council. At ITU headquarters, responsibility for strategic policy and planning should rest with the Secretary-General with the advice and assistance of the Coordination Committee. The Secretary-General will prepare reports and recommendations for consideration by the Council.

3.2.2   The Strategic Policy and Planning Unit should identify changing trends in the environment and analyse the implications for the ITU. On the basis of this analysis, the Unit would develop options, proposals and plans for the Secretary-General and the Coordination Committee relating to the purposes of the Union as a whole and the policies, actions, changes and adaptations needed to achieve them. Its responsibilities would include helping to determine priorities for the use of scarce resources, co-operating with the Directors of the Bureaus and the Finance Department in the preparation of the Strategic Budget, assisting in developing a coherent framework for managing the ITU's external relations, and assisting the Secretary-General in ensuring the optimum overall effectiveness of ITU headquarters and of relations (including information exchange) between the headquarters and Members. The Unit would have input from each Sector via the Coordination Committee and by working collegially with the focal points

REC 9   responsible in each Sector for strategic policy and planning. **We recommend that the Head of the Strategic Policy and Planning Unit should be closely associated with the Coordination Committee, perhaps serving as Secretary of this Committee.**

REC 10 3.3   **We also recommend that within the Strategic Policy and Planning Unit there should be an Operation Analysis function to identify opportunities for operational improvements and assist the Secretary-General and the Coordination Committee in implementing an integrated management structure.**

3.4   Enhanced TELECOM Fora - Since the first TELECOM exhibition was held in 1971, these events have been broadened to include fora and seminars on policy, technical and legal issues, with an emphasis on analysis of future developments. Regional TELECOMs, designed to focus on regional concerns, have been added to the four-year TELECOMs in Geneva and, in bringing the ITU closer to its Members, have been useful in heightening awareness of the importance of telecommunications and ITU activities. Specialized TELECOMs, such as ITU-COM 89 with its focus on new media, are an important venue for discussion of emerging priority themes, issues and technologies and for testing out new ideas. The increasingly competitive situation and the growing needs of the Members lead to the need for continuous improvement in the management and overall efficiency of the TELECOM activities.

REC 11 **3.4.1**   *We recommend* that the TELECOM activities be enhanced.

Specific recommendations are:

i) **TELECOMs should be identified as a separate activity, but one supporting the main purposes of the Union;**

ii) **they should be run profitably or at least without loss. Costs and income should be clearly identified. The Council should decide on the use to be made of any surplus, or funding of a loss;**

iii) **a constructive dialogue with the exhibitors should be maintained to ensure the success of TELECOMs;**

iv) **regional TELECOMs should be held in conjunction with Regional Development Conferences where feasible. Development issues will be very relevant to most regional TELECOMs. This will help to promote attendance at both and help funding of the development conferences;**

v) **TELECOM activities should be organized by a department in the General Secretariat. It should work collegially with the Strategic Policy and Planning Unit and the other functional Bureaus;**

vi) **in addition, the Secretary-General should be assisted by a Board containing appropriate representatives from ITU headquarters and impartial expertise from outside the ITU.**

REC 12 **3.5**   **Business Advisory Forum** - *We recommend* **that the Secretary-General establish a Business Advisory Forum composed of chief executive officers or comparable top management representatives to give him the views of the private sector on the telecommunication environment and how, in the light of the changing environment, the ITU's principal activities can be carried out effectively.** Although the Forum would be formed at the discretion of the Secretary-General and should be informal, it is expected that it would meet yearly and that its discussions and ideas would be an important input to the Strategic Policy and Planning Unit and to the ITU's functional Sectors.

3.6   Coordination Committee - An effective Coordination Committee plays a key role in the REC 13 operation of the Union. *We recommend* **that the Coordination Committee should be chaired by the Secretary-General and also include the Deputy Secretary-General and Directors of the three Bureaus. It should operate as an internal management team to ensure the effective and efficient functioning of the Union. Although priorities should be set within each functional Sector, matters that cut across the functions should be coordinated in the Committee.** The effectiveness of the Coordination Committee will be strengthened by the analysis of the Strategic Policy and Planning Unit and by the implementation of the improved management practices outlined in Chapter VI.

4. ITU Conferences

4.1   The Committee considered a number of proposals to facilitate the more efficient management of Conferences, including proposals to limit the duration of statements by Heads of Delegation as practiced in some international organizations, and deadlines for the submission of proposals. The H.L.C asked the Secretary-General to consider ways of managing more efficiently the time during major conferences. The Secretary-General, acting under No. 85 of the Nice Convention, could make specific recommendations, in advance to Members, on how to facilitate the most efficient use of time, for consideration and approval by Heads of Delegation at the beginning of major conferences (including a possible time limit for statements by Heads of Delegation, with full texts being circulated).

REC 14

4.2   The Plenipotentiary Conference remains the supreme body of the Union. It is the highest forum to approve changes which are necessary to adapt the ITU to the changing environment. To keep up with the pace of change, *we recommend* **a set interval of four years between Plenipotentiary Conferences. This would enable future Plenipotentiary Conferences to be of shorter duration and to focus on longer-term policy issues.**

4.3   Beneath the Plenipotentiary Conference in the ITU structure are the Conferences of the functional Sectors: World and Regional Radiocommunication Conferences, World Standardization Conferences, World and Regional Development Conferences, and World Administrative Telecommunications Conferences if one is required in future. These conferences are considered in Chapter V. To permit the ITU to be able to respond to the requirements of the rapidly changing environment and to allow for the better management and use of the resources required for the preparation of and assistance in conferences, we recommend a regular four-year cycle of conferences:

- one Plenipotentiary Conference;

- two Radiocommunication Conferences separated by a two-year interval;

- one Standardization Conference and, if considered necessary by the Council, a second one at the two-year point in the cycle;

- one World Development Conference, Regional Development Conferences being scheduled by the Council as appropriate.

4.4   The public and press have a legitimate interest in the main activities of the Union. It is in the ITU's interest that its activities should be well known and understood. The general practice of the United Nations itself and of its agencies is that intergovernmental meetings are normally open. ITU practice is more restricted. It is preferable that the press be fully informed by attendance at meetings and by ITU briefings, than through informal, incomplete and perhaps partisan contacts. The same considerations do not apply to all meetings at all levels. Some ITU meetings, for example, are not open to all Members, and many Study Groups could not operate effectively if they were open. The public and press would, of course, have no right to speak at meetings.

REC 15

We recommend that:

i)   **conferences should normally be open to the public and other meetings should normally not be open;**

ii)   **conferences and meetings should themselves decide if exceptions to i) should be made for all or part of any meeting;**

iii)   **the ITU should ensure that the press and media are kept well informed of its activities.**

5.　Council

5.1　Discussions concerning the Administrative Council focused mainly on the need to
REC 16 upgrade the level and scope of analysis by the Council. **We recommend that the name of the Administrative Council be changed simply to the ITU Council, to reflect a broader role of Council beyond administrative matters.**

5.2　The Council should retain its essential function to act for the Plenipotentiary Conference in the interval between conferences. It should maintain its supervisory role for the overall management and administration (financial, personnel and information technology) of the Union, such as an oversight of resource levels established by the Plenipotentiary Conference and approval of the consolidated budget of the Union. The Council should, in this capacity, continue to be the link between the activities of each Sector and the Plenipotentiary Conference. With the improved management practices outlined in Chapter VI, particularly those relating to transparency of cost allocations and budgetary controls, we also see scope for the Council to delegate to the Secretary-General, and in turn to Bureau Directors, more responsibility for the management of resource ceilings and budgets and related administrative matters.

REC 17 5.3　**We recommend that Council should focus more of its attention on broad policy issues. In the changing telecommunication environment, the Council should be empowered to adapt the policies and decisions approved at the Plenipotentiary Conference within the limits defined by the Constitution and Convention and specific guidelines set from time to time by Plenipotentiary Conferences. Article 3 of the Nice Convention should be reviewed to state in more general terms the duties of the Council.**
REC 18 **We also recommend that, when adopting the two-year budget and considering the Union's four-year strategic plan (see Chapter VI), the Council should review the Secretary-General's annual report on the policy and strategy of the Union and take appropriate decisions on questions raised in the report.** The Council may consider, in this respect, the setting up of special committees of the Council.

6.　Elections

REC 19 6.1　**We recommend that the Plenipotentiary Conference continue to elect the Secretary-General, Deputy Secretary-General, Directors of the three Bureaus, Members of the part-time Radio Regulations Board, and Members of the Council.** We recognized that the ITU has many more elected officials than other UN Specialized Agencies, and examined the option of electing only the Secretary-General and having the Secretary-General, after wide consultations, recommend, for approval by the Council, individuals who should be elected as Deputy Secretary-General and as the three Bureau Directors. We also considered whether the three Bureau Directors and/or Members of the part-time Radio Regulations Board should be elected at Sector Conferences rather than at the Plenipotentiary Conference. However, we decided to recommend no change. We noted that a shorter set interval of four years between Plenipotentiary Conferences, coupled with a limitation of two terms for elected officials (Nos. 80, 87, 107, 123 of the Nice Constitution), would reduce the maximum period for which elected officials might serve. We noted that the Plenipotentiary Conference might wish to consider this issue.

6.2   We examined a number of proposals from our members and from Administrations, as well as those contained in the documents of the Nice Plenipotentiary Conference, concerning election to the Council, including rotation of all members, or creation of a permanent membership category for some Members and rotation within other categories, as exists in some other UN executive bodies. Although the desirability was recognized of encouraging wide participation in the Council, we reached the conclusion that each of the many proposed systems has advantages and disadvantages but that on balance the present system of voting for all Council seats by all ITU Members should be retained.

7.   Management of the Union

7.1   Secretary-General

7.1.1   The Secretary-General is the senior elected official of the Union by virtue of the responsibilities assigned to him, under Article 4 of the Nice Convention, for the direct management of the General Secretariat, the overall management of Union resources, and coordination of all ITU activities. We agree with the Secretary-General that the Office of the Secretary-General should include three units: Strategic Policy and Planning (including Operations Analysis); Legal Affairs; and External and Public Relations. The Secretary-General should also be advised by a Business Advisory Forum as recommended previously in paragraph 3.5.

7.1.2   Under the integrated management structure envisaged by the H.L.C., the Secretary-General should retain authority for financial and personnel management, but delegate responsibility for managing resources, within agreed appropriate limits, to the individual Bureau Directors. Directors would become accountable to the Secretary-General and Council for the budgets of their Sectors. The Secretary-General, in his capacity as Chairman of the Coordination Committee, would ensure that, in areas of overlapping jurisdiction, the most efficient use is made of scarce resources. The Secretary-General would continue to be responsible for the preparation of the consolidated Union budget, with appropriate input from the Directors.

7.2   Deputy Secretary-General

REC 20

We recommend that the position of Deputy Secretary-General be retained to assist the Secretary-General. He should be elected by the Plenipotentiary Conference and, in addition to serving as the alter ego of the Secretary-General, be delegated specific management functions by the Secretary-General.

7.3   General Secretariat

The Secretary-General is head of the General Secretariat, which includes five departments: Personnel, Finance, Common Services, Information Services, and TELECOMs. The General Secretariat should continue to provide coordinated central support for the Secretary-General, the Deputy Secretary-General and the ITU functional Directors.

V. PRINCIPAL FUNCTIONS OF THE UNION

(a) DEVELOPMENT - THE STILL "MISSING LINK"

1.1   After years of experience, research and discussion, it is now generally recognized that telecommunications is an essential engine of socio-economic development and the global information economy and society. The 1985 ITU Maitland Commission Report ("The Missing Link"), the 1985 Arusha Declaration on World Telecommunications Development and the 1989 Hansen Report ("The Changing Telecommunication Environment"), all reiterate the positive force of telecommunications in closing the development gap between developed and developing countries and within individual countries. It was from this perspective that the H.L.C. examined the ITU's development function.

1.2   The reality of the development challenge is a vast divide between the enormous telecommunications needs of developing countries and the scarcity of resources. Without a much greater mobilization of resources multilaterally, bilaterally and within individual countries, technological advances in telecommunications may inadvertently perpetuate or even exacerbate gaps in development.

1.3   The Maitland Commission and its offspring, the Centre for Telecommunications Development (CTD), have sensitized the world telecommunications sector and the development and financial sectors to the importance of telecommunications in development. The CTD, despite its efforts, could not, however, play the hoped-for catalytic role distinct from the ITU's former Technical Cooperation Department (TCD) or new Telecommunications Development Bureau (BDT). It will be a task of the BDT to mobilize and channel the goodwill regarding development that exists among the wider ITU family.

1.4   The Nice Plenipotentiary Conference gave Development equal status with Standardization and Radiocommunication. The result was the creation in 1990 of the BDT as a full-fledged ITU permanent organ, with increased resources that would better enable the ITU to perform its dual role as an Executing Agency of the United Nations Development Programme (UNDP) and as the UN Specialized Agency responsible for telecommunications.

1.5   At present, only about 5% of telecommunications investment comes from multilateral sources, including the support activities of the ITU. Bilateral and commercial arrangements account for about 25%. Internal generation of funds within individual developing countries accounts for the lion's share of about 60%. These figures relate to developing countries as a whole. They vary from one group of countries to another. This reality does not lessen the importance of working to increase the share of funds coming from multilateral sources, and to convince multilateral and bilateral agencies to treat telecommunications as a higher priority. There does not, however, seem to be enough support at present to convince us that a proposal to establish a new international investment agency devoted to telecommunications development would attract sufficient resources to be viable.

1.6   When establishing the BDT and the ceiling for its budget, the Nice Plenipotentiary Conference made a special budget entry for the least developed countries. We recognize that it is in these countries that the gap is widest, requiring exceptional efforts from multilateral co-operation. **We *recommend* that the BDT give special attention to the requirements of the least developed countries.**

REC 21

1.7   Viewed in this perspective, the ITU has an essential catalytic role to play in mobilizing action to assist developing countries. It would be misleadingly egocentric to refer to this as "the" leading role. But it must play "a" leading role, working more co-operatively and strategically, and

in a more systematic manner, with other international, regional and bilateral organizations and agencies. It was in this spirit that Nice Resolution No. 14 called upon the ITU to:

"6. make its role in coordinating international telecommunications even more effective by:

6.2 - giving even greater attention to the requirements of developing countries by continuing international initiatives to close the "telecommunications gap" between developing and developed countries;

- promoting co-operation with the principal international, regional and national development and investment agencies to assess the availability of financial resources for telecommunications and to examine how telecommunications can be given a higher priority in the broader development strategies of these agencies".

1.8 The Nice Plenipotentiary Conference increased the ceiling for the share of the ITU Budget allocated to Development to 15 million Swiss Francs in 1990, rising to 22.5 million in 1994. Although this represents a substantial increase in ITU terms, these amounts are not large in terms of the immense requirements of developing countries individually or on a regional basis. The BDT will have to manage these resources carefully and imaginatively.

1.9 A crucial ITU activity will be to present to developing countries the range of policy and structural options that will generate greater resources for telecommunications development. Recognition that this is the key to closing the "telecommunications gap" was an important breakthrough at the ITU Regional African Development Conference in Harare in December 1990.

2. Vertical structure

2.1 To fulfil the upgraded development mandate, the Nice Plenipotentiary Conference (Article 14 of the Constitution) established a new vertical structure for the Development Sector, made up of Development Conferences (World and Regional) and the Telecommunications Development Bureau (BDT), with a Director to be elected at the next Plenipotentiary Conference. Article 14 sets out the duties of the Bureau, considerably expanding the mandate of the former Technical Cooperation Department (TCD) and, to a large degree, covering the mandate of the Centre for Telecommunications Development (CTD). In June 1990 the Administrative Council examined and provisionally approved the organizational plan for the BDT.

2.2 Given the very recent implementation of the Nice decisions, we favour retention of the new vertical structure, until sufficient time has elapsed to permit an assessment based on experience. In specific areas, however, we do make recommendations.

3. Development Conferences

REC 22

3.1 Although provision is made in the Nice Constitution for the convening of World and Regional Development Conferences, there is little elaboration of their exact role or functions. *We recommend* that the Development Conferences should play a dual role. The first role should be as a forum for the discussion and consideration of topics, projects and programmes relevant to telecommunications development. The second role for the World Development Conferences should be to provide direction and guidance to the BDT, while the Regional Development Conferences should give advice and interact with the BDT, so that account is taken of the specific characteristics of the various Regions. In both capacities, Development Conferences should set goals for world and regional telecommunications and provide a framework for the consideration of policy, organizational, operational, regulatory, technical, financing and related questions. In accordance with the Nice decision, Development Conferences will not produce Final Acts with legal force; their results will take the form of resolutions, decisions, recommendations, etc. The General Rules of Procedure of other ITU Conferences should, however, apply.

REC 23   3.2 . **We recommend** that Development Conferences should be attended by a wide cross-section of senior-level representatives from governments (including officials with responsibility for planning and economic development), the private sector, regional telecommunications organizations, multilateral and bilateral financing and development agencies. This will permit a productive exchange, between partners in development, of experience, information and ideas related to telecommunications development. The objective is to ensure that programmes are effectively coordinated and that duplication of effort and dispersion of resources are avoided. In Regional Conferences, it will be important to encourage broad participation from Members from other Regions, as well as by representatives from important organizations and agencies with interests complementary to those of the ITU.

3.3   We considered at length the appropriate relationship between Development Conferences REC 24 and the BDT. **We recommend** that World and Regional Conferences should examine relevant BDT reports and evaluate BDT activities within their respective spheres of competence. Similar to World Standardization Conferences, World Development Conferences should establish work programmes and guidelines for defining development priorities and planning BDT activities, whereas Regional Conferences should, within their competence, submit recommendations and provide guidance to the BDT. On their agendas, Development Conferences should include the development aspects of the other ITU functions. Following the recommendation of the H.L.C. in Chapter V (b) to discontinue CCITT/CCIR Plan Committees, the H.L.C. is of the view that the technical assistance component of Plan Committee activities should be covered within Development Conferences.

REC 25   3.4   **We recommend** that there should, in principle, be one World Conference, and (subject to need, resources and priorities) one Regional Conference for each region, between Plenipotentiary Conferences. Funding for World and Regional Development Conferences should come from the regular budget of the Union although some contributions may also come from the host country and some participants. It is important, however, to ensure that not too great a share of the BDT's resources is spent on conferences at the expense of other development priorities. The number of conferences should be managed carefully in the interests REC 26 of quality control and in the light of funds available. **Moreover, we recommend** that whenever feasible, Regional Development Conferences should be held in parallel with Regional TELECOMs.

3.5   We considered the mechanisms by which the work programmes established by Development Conferences could be carried out. **Applying the method that has been applied** REC 27 **successfully in CCITT/CCIR activities, we recommend that World Development Conferences should be able to set up Development Study Groups and Working Groups.** These Groups would replace, *inter alia,* the CCITT Special Autonomous Groups (GAS) which study specific questions of interest to developing countries.

REC 28   **3.6   We recommend** that Study Groups should be limited in number, in accordance with the availability of resources, to subjects of highest interest. Regional Conferences should also be able to establish Working Groups subject to the same conditions. Study/Working Groups should have specific terms of reference, be created for a limited period of time, and be project-oriented. The BDT should be responsible for their coordination and support, with assistance as appropriate from the Radiocommunication and Standardization Bureaus. To complement the activities of the Study/Working Groups, Task Groups could also be set up by the Director on appropriate specific questions. Participants could include representatives of Member States, RPOAs and SIOs, financial institutions, and development planning organizations.

3.7   We concluded that the question of financing the participation of developing countries in Study/Working Groups, and details of the arrangements for the funding of development activities performed by the Radiocommunication and Standardization Sectors, required further study.

3.8　　We discussed several examples of possible Study Groups, including Study Groups on: Development Policy and Financing; Network Planning, Operations and New Services; and Development Conference Preparation and Implementation. The output of the Study Groups could take various forms, including issue papers, reports, handbooks, manuals, and model policies that countries might apply.

4.　　Telecommunications Development Bureau (BDT)

4.1　　While we agreed that the BDT's functions should correspond to those defined in Article 14 of the Nice Constitution (Nos. 114 to 120), we found that one of the purposes of the Union in No.16 of the Constitution regarding relations with financial institutions was not reflected in the statement of functions of the BDT. **To harmonize the objectives of the Union with the functions of the BDT, we recommend that the following new provision (No. 116 bis) be added to Article 14:**

REC 29

No.116 bis:

"to act as a catalyst in mobilizing resources for development, and in promoting the establishment of favourable lines of credit, by creating awareness among the governmental authorities of developing countries of the importance of telecommunications in national development and of the priority which might be assigned to this sector, and also by co-operating with international and regional financial and development organizations."

4.2　　We consider that the new purpose of the Union contained in No.16 should be enlarged to cover in more general terms the needs of developing countries. **We further recommend that No.16 of the Constitution include a reference to international development organizations. The proposed text might read:**

REC 30

No.16

"i) promote, with international financial and development organizations, the establishment of preferential and favourable lines of credit to be used for the development of social projects aimed, inter alia, at extending telecommunications services to the most isolated areas in countries."

4.3　　With regard to the structure of the BDT, we had the opportunity to examine the organization plan for the BDT put forward by the Secretary-General to the June 1990 session of the Administrative Council. The Council provisionally accepted the proposed functions and organizational structure for the Bureau, based on the nucleus of the former Technical Cooperation Department (TCD) of the General Secretariat. The plan further develops an organizational structure for the enhanced regional presence of the ITU as decided in Nice.

4.4　　This structure has three principal functional departments: Policies, Strategies and Programming; Field Operations; and Programme Support-Organization and Methods. A fourth unit is responsible for Evaluation. The BDT's field structure includes regional offices for Africa, the Americas, Asia and the Pacific, and Arab States.

4.5　　We did not examine the structure of the BDT with a view to proposing changes since we considered that insufficient time had elapsed to provide enough experience upon which to make an informed judgment.

REC 31   4.6   **However, *we recommend* that the BDT, working within the Development Sector and collegially with other Sectors of the ITU, should ensure that the ITU's catalytic role in stimulating telecommunication development is strengthened.** When its performance is judged at future Plenipotentiary Conferences, at Development Conferences, and by the Council, the BDT must be able to demonstrate that it has pursued with dynamism and efficiency the ITU's catalytic functions, such as mobilizing resources and advising developing countries on a range of policies and restructuring models for generating more internal funds for telecommunications development.

5.   Centre for Telecommunications Development (CTD)

5.1   The Nice Plenipotentiary Conference directed the Administrative Council to decide, at its May-June 1991 session, the future of the CTD. We recognize the results, achieved by the members who have served on the CTD's Advisory Board and by the CTD staff, in sensitizing the wider ITU family to the importance of telecommunications development. However, the CTD could not establish a catalytic role distinct from the role of the TCD/BDT. We agree with the views of the CTD's Advisory Board, and of consultants engaged by the Secretary-General to study BDT/CTD

REC 32   activities, **and *recommend* that the distinct functions originally envisaged for the CTD should be integrated into the structure of the BDT, without maintaining the CTD as an identifiable unit within the BDT.** Appeal for voluntary contributions to promote telecommunications development can only be successful if the BDT's processes are transparent. Donors will want clear accountability for funds contributed. Ensuring the transparency of its processes should be a high priority for the BDT.

6.   Development Advisory Board

6.1   We consider that the type of Advisory Board established for the CTD should be retained and adapted to the ITU Development Sector. If the BDT is going to fulfil its catalytic role in promoting telecommunications development, including in mobilizing resources, the BDT will need a similar mechanism to facilitate outside participation.

REC 33   6.2   ***We recommend*** **that the Director of Development establish a Development Advisory Board to promote external participation by a cross-section of senior-level individuals with special interests and expertise in telecommunications development.**

6.3   A non-exhaustive list of participants for the Advisory Board would include: Administrations, bilateral and multilateral aid organizations, public network operating agencies and other service providers, manufacturers, financial and investment institutions, consultants and user associations. **We *recommend* that Members of the Advisory Board be appointed by the**

REC 34   **Director of Development in consultation with the Secretary-General. The Advisory Board would be chaired by the Director, and the Secretary-General would attend meetings.**

6.4   As indicated by its name, the Advisory Board would fulfil an advisory function for the Director of the BDT and would not have supervisory functions over the BDT.

6.5   We noted that Nos. 75 and 77 of the Nice Constitution give the Council special duties concerning technical assistance and technical co-operation that are not given concerning Standardization or Radiocommunication. We considered whether these special duties were consistent with the upgrading of the BDT to equal status with the other Sectors. **We *recommend***

REC 35   **that the Council should exercise the same control that it exercises over the other Sectors. In this respect, provisions Nos. 75 and 77 of the Constitution should be reviewed by the Plenipotentiary Conference.**

(b) STANDARDIZATION

1.1   The ITU's standards-making function exemplifies the urgent requirement for the ITU to adapt itself to the changing environment. The emergence of related international, regional and national standards bodies, the unprecedented rate of development of new telecommunications technologies with the need for standards to keep pace, the convergence of information systems and telecommunications networks, and the impact which standards are having on global markets and trade issues, are factors favouring an invigoration of the Union's standardization function. Otherwise, the ITU will be unable to sustain its pre-eminent international role.

1.2   The Nice Plenipotentiary Conference considered a number of contributions aimed at increasing the effectiveness of the ITU in carrying out its standardization function. The Plenipotentiary Conference, however, chose not to recommend any specific structural nor organizational change. It asked the H.L.C. to review the structure and functioning of the organs which carry out this standardization function, the CCITT and CCIR.

1.3   We began our task by reflecting on the continuing relevance of the ITU standardization function. The ITU remains the only truly global organization in which most governments and the world-wide telecommunication industry come together to agree on global telecommunication standards. The ITU has a distinguished record in the area of standardization. Its active involvement in standards has enabled nations to develop their domestic telecommunications infrastructure and to interconnect their networks into regional as well as global networks. These networks have contributed significantly to economic and social development, and have become the essential web tying together people and enterprises throughout the world. Global standards have led to the creation of global markets for telecommunications equipment and services. Continuing technological advances are opening the way to wider communications possibilities and to the facilities and services desired by users at the lowest cost.

2.   Deficiencies in the ITU's standardization function

2.1   We reflected on those aspects of the ITU standardization process requiring improvement. First, the CCIs must respond more effectively to the priorities of the international telecommunications sector and user community. Telecommunications manufacturers, service providers and users should play a larger role in the decision-making and strategic planning processes of the ITU.

2.2   Second, the relationship between the ITU and other standards bodies needs to be better defined. With the emergence of a growing number of national, regional and international standards organizations playing greater roles in international telecommunications, the ITU must harmonize its activities with these standard bodies in a more strategic, integrated and systematic way.

2.3   Third, major improvements must be made to speed up the standards process, improve working methods and procedures, streamline study group structures, and eliminate overlapping. More attention must also be given to the strategic planning and management functions and to closer integration of standardization work with the ITU's related work in radiocommunication.

2.4   Finally, the ITU's standardization work must attract, to a greater extent, the interest of developing countries. This requires close coordination with the BDT.

3. Establishment of a new Standardization Sector

3.1. We believe that the fields of activity currently addressed by the CCIs should be carried out within two major Sectors of the ITU, one devoted to telecommunications standardization, and the other essentially to the efficient management of the radio-frequency spectrum in terrestrial and space radiocommunications but with other related duties in Radiocommunication. **The**
REC 36 **H.L.C., therefore, *recommends* the establishment of a new ITU Standardization Sector.** The responsibilities of this new sector should include all the Standardization activities currently carried out by the CCITT, and some activities currently carried out by the CCIR. In Chapter V (c) (i), we recommend that the rest of the work currently assigned to the CCIR should be carried out in a new Radiocommunication Sector. **The H.L.C. *recommends* that the initial division of**
REC 37 **CCITT/CCIR work between the Standardization Sector and the Radiocommunication Sector should be based on the following specification of roles:**

i) **The duties of the Standardization Sector shall be to study technical, operating, and tariff questions and to issue recommendations on them with a view to standardizing telecommunications on a world-wide basis, including recommendations on interconnection of radio systems in public telecommunication networks and on the performance required for these interconnections. Technical or operating questions specifically related to radiocommunication according to ii) below, come within the purview of the Radiocommunication Sector.**

ii) **In addition to the spectrum management and registration activities discussed in Chapter V (c) (i), the duties of the Radiocommunication Sector shall be to study questions and to issue recommendations relating to:**

a) **the use of the radio-frequency spectrum in terrestrial and space radiocommunications (including the geostationary orbit);**

b) **characteristics and performance of radio systems;**

c) **operation of radio stations;**

d) **radiocommunication aspects of distress and safety matters.**

These studies shall not generally address economic questions but, when they involve comparing technical alternatives, economic factors may be taken into consideration.

3.2 In the duties of the Standardization Sector (see 3.1 above), "recommendations on interconnection of radio systems in public telecommunication networks and on the performance required for these interconnections" cover such network aspects as: transmission and overall performance requirements; signalling; formats; protocols; and architecture and service concepts.

3.3 At our request, the two CCI Directors have drawn up an indicative list of an initial division of work based on these criteria; it is available to Members of the Council.

3.4 We recognize that the inclusion of "characteristics and performance of radio systems" in the duties of the Radiocommunication Sector will lead to Recommendations which can be regarded as important standards in the future development of public networks. We consider, however, that, at this time, interrelation with efficient spectrum management on balance outweighs the network considerations and issues. Besides, we wish to emphasize that the ITU is one organization; boundary interactions will always exist because of the nature of radiocommunication and can be managed with co-operation and coordination between the two Sectors.

3.5   Technological change in telecommunications is rapid and continuing and further boundary changes will be required as radiocommunication becomes even further integrated in public networks with developments such as broadband networks and Universal Personal Telecommunications. Some work on radio systems, which would now be incorporated into the Radiocommunication Sector, could be transferred in the future to the Standardization Sector. There will be a need for successive changes as technology develops and in the light of experience. At any point in time, we should also seek to organize work efficiently, and to minimize duplication of effort and interfaces between activities. The ITU will therefore have to be flexible and have credible arrangements for responding readily to changing circumstances. **We, therefore, *recommend* that members and other participants in both Sectors keep this position under continuing review. Both Advisory Groups should also regularly review the effectiveness of current arrangements and whether change is called for; and Directors should ensure, with Members, that when necessary the issues are raised at Standardization and Radiocommunication Conferences, which should approve necessary changes.** It would be useful if Directors could arrange joint consultation between their Advisory Groups on important issues, particularly if this could result in common proposals being put to both Conferences. Simpler changes could be agreed between the Directors and Study Group Chairmen, with advice if necessary from the Advisory Groups.

REC 38

3.6   Because of the continuing major advances in technology and the potential for progressive boundary changes, **we *recommend* that the statement of duties of the Standardization and Radiocommunication Sectors should be drafted in broad terms, to permit any necessary future changes. The terms of the Constitution, in particular, should be very broad, and the terms of the Convention should permit necessary flexibility.**

REC 39

4.   **Vertical structure**

4.1   **We *recommend* that the vertical structure of the Standardization Sector consist of three levels: a World Telecommunication Standardization Conference supported by Study Groups, an Advisory Group on Standardization, and a Standardization Bureau, headed by a Director.**

REC 40

4.2   The World Telecommunication Standardization Conference would play a similar role to a Plenary Assembly, as set out in Article 17 of the Nice Convention, modified to take into account the success of the accelerated procedure for approval of Recommendations outside Plenaries. **We *recommend* that Standardization Conferences be held every four years, with the possibility for the Council to convene an additional conference, at the two-year point in any cycle, if significant standardization issues arise.**

REC 41

4.3   **We *recommend* the establishment of an Advisory Group on Standardization. Its principal duties would be to review priorities and strategies in the Union's standardization activities, to review progress in the implementation of the Standardization Sector's work programme, and to foster co-operation and coordination with other standards bodies and with the Radiocommunication and Development Sectors. Membership of the Advisory Group would include the Director of Standardization, some senior-level representatives from Administrations and from RPOAs and SIOs, and Study Group Chairmen; but meetings would be open to Administrations.** The Advisory Group would have no formal authority other than that possessed by the Director and the Study Group Chairmen. However, the quality of the attendees and their level of responsibility in their respective organizations would command respect for their views. The Advisory Group would meet as necessary; but at least once a year.

REC 42

4.4   The Director of Standardization would be elected by the Plenipotentiary Conference. The Bureau and Study Groups would correspond to, and function in much the same way as, the current CCITT Secretariat and Study Groups.

5. Improved working methods

5.1 Major improvements to speed up the standards process, improve working methods and procedures, streamline Study Group structures and eliminate overlapping functions, have been implemented by the most recent Plenary Assemblies of the CCITT and CCIR. In the light of the progress already achieved in these areas, and of further changes being considered by ad hoc Restructuring Groups in both permanent organs, we are confident that the internal review processes established by the CCIR and CCITT will lead to further improvements in the timely development of standards.

5.2 We have recommended, in Chapter IV of this report, the establishment of a Strategic Policy and Planning Unit to ensure that the ITU responds effectively to the challenges of the changing telecommunication environment and to ensure the best use of the resources at its disposal. A planning process specific to the standardization function would be an important contribution to strategic planning. With the recent adoption of the accelerated procedure for approval of recommendations, future World Standardization Conferences will be spending less REC 43 time approving recommendations. **We, therefore, *recommend* that future Conferences devote much more time to policy issues, strategic planning, priority setting and work programmes.** Since Standardization Conferences will provide strategic direction at four and possibly two-year intervals, there is also a need for strategic planning to be carried out on an REC 44 ongoing basis. **We, therefore, *recommend* that work programmes approved by the Conference be updated annually by the Director of Standardization, with the co-operation of the Advisory Group on Standardization.** These work programmes should reflect the rapidly changing needs for Standardization in the telecommunication market-place and should be expressed in terms meaningful to the senior management of ITU members, with estimates of completion dates and key milestones.

5.3 Work programmes developed in this way, which will be tailored to the available financial REC 45 and human resources, will not always meet the wishes of all participants. **We *recommend* that a way should be created to enable participants, who wish to do so, to contribute sufficient funds and skilled resources to advance the timing of projects of special interest to them.** This should be regarded as an exceptional occurence which must not cause distortion to the planned work programme. Funding and staffing rules would need to be developed by appropriate groups within the ITU.

5.4 Publication, documentation and communications with Members on ITU Standardization REC 46 work is another area which can be significantly improved. **We *recommend* that the ITU proceed as quickly as practicable into the large-scale use of electronic information storage and exchange.** We support the consultant's recommendation, in Chapter VI, that information exchange, including continuing development of the TIES system, be treated as one of the eight priority projects to be addressed in the Information Services area. We have also been observing the work taking place in the CCITT on electronic information storage and exchange, and have noted the co-operation occurring with other international organizations and the ITU Information REC 47 Services Department. **We *recommend* that this work be pursued vigorously with the aim of having substantial progress made by the end of 1991.** We recognize that paper documentation will still be required and that progressive approval of Recommendations under the accelerated procedure will require Recommendations to be published in booklet form rather than in the traditional coloured books. We also note that appropriate work is proceeding in the CCITT to develop a "user friendly" form of publication. We also support the consultant's recommendation that a Sales, Marketing and Distribution Unit be established in the General Secretariat. We see this unit as worthwhile not just to stimulate incremental, profitable markets, but also to ensure appropriate pricing of both paper-based and electronic documents.

6. Co-operation with other standards organizations

6.1 The relationship between the ITU and other standardization organizations is, as previously discussed, another important area which needs to be reinforced if the ITU is to maintain its pre-eminence in world-wide standardization. **We *recommend* that the ITU establish, at an early stage in new projects, a global framework within which international, regional and national organizations can work.**

6.2 We support the informal coordination which is being expanded as a result of recent meetings between ETSI, ANSI(T1) and TTC (Japan). ITU representatives should be encouraged to work co-operatively with these and other organizations to achieve understanding of work programmes and co-operative efforts where appropriate.

6.3 However, we caution that ITU Members who are not part of regional standards organizations must be kept informed. The ITU must continue to provide fora for them to contribute throughout the standards development process. This must be kept in mind particularly when considering co-operative work with regional standards organizations.

6.4 We are aware that the CCIs have been co-operating with ISO and IEC. The conversion of telecommunications networks to digital operation is broadening the interface with these bodies. This must be taken into account in the design of Study Groups in the new Standardization Sector.

6.5 In all cases, consultative arrangements and coordination of work programmes will be facilitated if the ITU, as discussed previously, adopts a more formal and effective planning process.

7. Developing country participation in ITU standardization activities

7.1 It is of paramount importance that the Standardization function become more relevant to developing countries. Their participation and involvement in standards activities must be increased. Developing countries currently face the problem of too few experts and limited budgets for extensive participation in international standards activities.

7.2 Developing country participation should be matched to specific needs and interests. All countries, and especially developing countries, should be selective in choosing the particular aspects of the standardization work in which they will participate. **We *recommend* that the Standardization Bureau address this selectivity issue on a priority basis. For example, it may be possible to extract and group matters under active study which may be of particular interest to developing countries.** In this way, participation can be focused to the greatest extent. Adequate advance notice of meetings when the specific matters are likely to come up will also be required. We welcome the fact that the Standardization Bureau now provides explanatory notes with new Recommendations. Many new Recommendations are so complex as to be difficult to understand by anyone outside the Study Group.

7.3 Participation may also be enhanced by the move away from the four-yearly approval of Recommendations. This caused a huge volume of documents to be circulated immediately before Plenary Assemblies. The smoother flow of draft Recommendations under the new accelerated approval procedures will allow more efficient use of skilled resources and more time for consideration and understanding of individual Recommendations.

7.4   Developing countries should particularly focus their participation on the development of detailed standards for the extension of basic telecommunications infrastructure in their countries. **We, therefore, *recommend* that responsibility for current GAS activities be transferred to the BDT, with technical assistance being provided in consultation with the Standardization and Radiocommunication Bureaus.**

REC 50

7.5   Another area of standardization, which should be of special interest to developing countries, is the development of advanced network standards for telecommunications facilities in their key economic centres, in order that these countries may participate effectively in world economic activities and meet the needs of global enterprises.

REC 51   7.6   **We *recommend* that the BDT assume increased responsibility for funding developing country participation in standardization work.** The provision of funds for this purpose should be in keeping with the priority assigned by the BDT to the importance and role of standards in the area of development. **We *recommend* that the Standardization Bureau provide technical support to assist the BDT in carrying out this function.** It must, however, be recognized that this is not the primary role of the Standardization Bureau. Its resources are limited and it faces a challenging task in meeting world demands for standards.

REC 52

REC 53   7.7   **We *recommend* that Plan Committees be discontinued. The data base on the international telecommunications network should be continued, as far as necessary, by the Standardization Bureau in co-operation with the BDT. An efficient mechanism for increasing understanding of standardization plans would be for World and Regional Development Conferences to have agenda items covering progress in both basic and advanced standardization activities and technical sessions on the latest developments. The ITU could also convene or co-sponsor special seminars or meetings to discuss the standardization issues of most interest to developing countries.**

8.   **Role of the private sector**

8.1   The ITU Constitution and Convention provide adequate scope for participation of private industry and private network operators in the standardization process. The extent of their participation is large and growing. The role of the private sector in standardization activities will be broadened by our Recommendation (in 4.3 above) to include senior-level individuals from private sector telecommunication enterprises among the members of the Advisory Group on Standardization. This will enable RPOA and SIO representatives to provide their input to the strategic planning process of the Standardization Sector. It should also enable them to state their specific needs and views in relation to the priorities to be established. **Finally, we *recommend* that Members encourage private sector participation in national fora for coordinating ITU work and in delegations to relevant ITU meetings and conferences.**

REC 54

9.   **Involvement of the international user community**

9.1   Business enterprises are becoming increasingly dependent on their telecommunication services. They should have a significant say in the establishment of priorities within the ITU standardization process. International user organizations can and do participate in ITU standards work in an advisory capacity. They should be encouraged to participate more. Network operators, service providers and manufacturers all aim to meet user needs and increasingly consult users. Many ITU Administrations consult user and other interests in developing national positions, and this is to be encouraged, particularly in respest of the interests of smaller end users, including individual customers. The improved ITU standardization planning process, as discussed previously, should also provide the user community with an opportunity to contribute its views on what standards need to be developed and in what time-frame.

(c) REGULATION

(i) RADIOCOMMUNICATION

1.1   No. 1010 of the Nice Constitution defines radiocommunication as "telecommunications by means of radio waves". The rapid development of radio systems in the changing telecommunication environment will continue to have a profound effect on the use of the radio-frequency spectrum.

1.2   While radio links play an important role in the world's public telecommunication networks, the use of the radio-frequency spectrum offers many other socio-economic benefits, through a number of different services such as radionavigation, aeronautical and maritime mobile services, broadcasting, safety and distress operation, remote sensing and radio amateur.

1.3   The rate of change in radiocomunication technology is accelerating. From the early spark gap transmitters to shortwave broadcasting to microwave links to satellites and to deep space communication, the forefront of radio technology continues to expand. Radio waves respect physical laws, not political borders. The radio-frequency spectrum and geostationary satellite orbit are limited common resources. Thus, international co-operation is essential not only from the standpoint of minimizing interference, but also to ensure interconnectivity and inter-operability, important considerations in the global information economy and society.

1.4   But the intensity of use and the growing number of new applications of radio are straining the multilateral mechanisms for co-operation. As all countries face increasingly difficult financial pressures, the amount of resources which can be devoted to multilateral agencies such as the ITU is not growing commensurate with the exploding use of radio. As a result, priorities must be established and greater efficiencies obtained. The multilateral coordination of the use of radio needs to be transparent and must ensure fairness and equitable access to the spectrum and orbit resource. Developing countries need to be involved in a more meaningful way. Otherwise, the technological gap will widen. As in the case of Standardization, unless the ITU responds to these changes, there is the risk that it will become increasingly marginalized. The larger users of the spectrum might then turn to other arrangements to coordinate their intensive use of the spectrum.

2.   Simplifying the Radio Regulations

2.1   The ITU Radio Regulations, from their first adoption by 29 countries in 1906, have grown in a piecemeal fashion over the past 85 years. They have become impossibly complex and have not kept up with the rapidly changing environment. They no longer deal adequately with the rapid pace of technological change and with the convergence of technologies. Recognizing these facts, the Nice Plenipotentiary Conference directed that a Voluntary Group of Experts (VGE) be established to make recommendations to simplify the Radio Regulations and to consider new methods for allocating the spectrum. This work has begun and will complement the recommendations contained in this report.

2.2   In accordance with the provisions of Nice Resolution No. 8, the VGE's schedule calls for its work to be completed by the time of the 1993 Council session. However, this Resolution proposes that the work on Article 1 and Article 8 of the Radio Regulations be completed by the 1992 Council session and the work on simplified procedures be accomplished by the 1993 date.

REC 55 We consider that the simplification of the procedures would greatly facilitate the implementation of certain recommendations in this report. **We, therefore, *recommend* that the Council should redirect the VGE priorities so that the second task (further resolves (a) 1.2 of Resolution No. 8) be completed first and, in any case, in time for submission to the 1992 Council session.**

3. Vertical structure

3.1 In 1987/88, a partial review of the radiocommunication- related activities of the ITU was conducted. A Panel of Experts from 21 countries reviewed the IFRB's role and presented a report to the Administrative Council. This report contained many excellent detailed recommendations concerning the activities of the IFRB in fulfilling its responsibilities under the Nairobi Convention and Radio Regulations. The terms of reference of this review, however, were not as broad as those of the H.L.C. For example, it did not encompass the activities of the CCIR. Also, in the three years since the review was conducted, the environment has continued its relentless evolution. As well, the implementation of automation has advanced considerably. Rapidly advancing technologies and new applications of radio, such as low earth-orbiting satellites, present interesting challenges to the international co-operative framework. And the pressure on scarce financial resources has greatly intensified in the past few years.

REC 56 **3.2 As a general principle, we *recommend* the merging of radiocommunication-related activities of the ITU into a single Sector. Thus, the current IFRB and most radiocommunication activities of the current CCIR (see Chapter V.b, section 3) would be merged into a new Radiocommunication Sector.** Of course, good horizontal working relations and communications between the Radiocommunication Sector and the Standardization (and Development) Sectors must be established. This integration of all radiocommunication-related activities of the Union would reduce the possibility of duplication and would result in greater efficiencies. It would also facilitate a broader participation in all aspects of the radiocommunication-related activities of the Union.

REC 57 **3.3 We *recommend* that these radiocommunication-related activities of the Union (following the changes in Chapter V.b) should be directed by World Radiocommunication Conferences. These conferences will combine the responsibilities of the current Administrative Radio Conferences and the current CCIR Plenary Assemblies. Because of the rapidly changing radiocommunication environment, these conferences should be held in general every two years.** This will be particularly necessary as the ITU tries to catch up to the widening gap between its Radio Regulations and the current radiocommunication environment.

3.4 The two main functions of these conferences should be to review and revise, where necessary, the Radio Regulations, on the basis of an agenda adopted by Council following the consultation procedure, and to carry out the present functions of the CCIR Plenary Assemblies. With regard to this latter task, and recognizing the need for greater involvement of non-governmental organizations in the work of the ITU, **we *recommend* that the Conferences include a committee open to those entitled to participate in the Radiocommunication Study Groups.** The recently adopted accelerated procedure for the approval of CCIR Recommendations will result in a reduction of the previous role of the Plenary Assembly. As a result, this can readily be combined with the duties of the Administrative Radio Conferences. The Conferences would deal with any provisions of the Radio Regulations which are on its agenda, as approved by the Council, and with the present CCIR Plenary Assembly activities. While these

provisions might deal with only one radio service, the flexibility should exist for conferences to
REC 59 address any provisions of the Radio Regulations. **We *recommend* that each conference plan
the agendas for at least a four-year cycle of conferences. Work plans should be drafted
and recommendations made to the Council. Each conference should deal with technical
matters arising from the work of the Study Groups.**

3.5   The Study Groups should operate largely as at the present time. However, preparatory
REC 60 work for conferences could address both technical and regulatory matters. **We *recommend* that
a Radiocommunication Study Group Advisory Committee be established to provide
guidance on the work of the Study Groups. It would be composed of senior representatives
from Administrations, RPOAs, SIOs and the Study Group Chairmen.**

4.   Radio Regulations Board

4.1   Currently, the responsibilities of the IFRB are carried out by a five-member full-time
Board, assisted by a permanent secretariat. The main reason for a collegiate body such as the
Board is that it would be difficult to entrust the findings related to the recording of frequency
assignments and the interpretation of the Radio Regulations to a Director, given that the
sovereignty of countries can be affected by these actions. When the Board was established in
1947, it was composed of eleven technical radio experts who were very involved in the day-to-day
examination of requests from Administrations to have their frequencies entered into what is now
called the Master International Frequency Register. However, over the years, the Board has
established rules of procedure and technical criteria which allow most notices from
Administrations to be treated in a routine manner. This has also enabled the increased
implementation of automation. As a result, the Board routinely approves the vast majority of the
findings produced by the secretariat staff with the help of the computer. In addition, the results of
the work of the VGE, referred to in paragraph 2.1 above, are expected to greatly facilitate the
REC 61 activities of the Board. Thus, **we *recommend* that the full-time five-member Board be
replaced by a part-time Radio Regulations Board.**

4.2   This change would lead to no loss of effectiveness. Meetings would be well prepared by
the Director and his staff. The Board could meet on a quarterly basis or less frequently if this later
proved adequate. The staff would also be far more efficiently managed by a single Director than
by a Committee. A part-time Board would also enable better geographic representation since it
would not be as costly to increase the size of a part-time Board as it would that of a full-time
Board. Members of such an expanded Board would better understand the needs of all
Administrations and, in particular, those of developing countries.

REC 62 4.3   **We *recommend* that members of the part-time Board be elected in their individual
capacity on the basis of their qualifications** as given in the relevant provisions, modified as
necessary, of Article 12 of the Nice Constitution and Article 5 of the Convention.

4.4   In terms of the size of the part-time Board, we recognized the conflicting objectives of
cost and efficiency versus broad geographic distribution. Following discussion of various
REC 63 alternatives, **we *recommend* that a nine-member Board would represent a workable number.**
We explored the concept of creating a larger Board, which would establish panels of members to
attend specific meetings. However, on balance, we are of the opinion that this would result in a
REC 64 loss of consistency and continuity between meetings and therefore **recommend that all Board
members attend the meetings.**

REC 65 4.5   We *recommend* that the Board approve the technical standards and rules of procedure to be used in the application of the Radio Regulations by the Director and the Bureau, and interpret the provisions of the Radio Regulations in this respect. As indicated previously, findings should be issued on behalf of the Board by the Director, based upon these approved standards and procedures. Any review of a finding which is requested by an Administration, and which cannot be resolved using the established criteria, should be considered by the part-time Board.

5.   The Director and Bureau

REC 66 5.1   We *recommend* that the new Radiocommunication Bureau should be composed of the Director and the staff dealing with the Radiocommunication Study Groups and those staff involved in the administration of the Radio Regulations, i.e. the IFRB specialized secretariat and part of the present CCIR secretariat would both report to the Director who, over time, would put in place the optimum organization.

5.2   The elected Director should direct the work of the new Radiocommunication Bureau and serve as Executive Secretary of the part-time Board. The Director should prepare draft revisions to the technical standards and rules of procedure for consideration by the Board. The Director should coordinate the technical and regulatory preparations for the Radiocommunication Conferences, ensuring that the work of the Study Groups and the work of the Bureau are properly integrated. The Director should communicate to Administrations the results of this preparatory work, collect their comments and then submit a consolidated report to the Conference. This should limit to a minimum the consideration and re-visiting of technical matters in the Conference. The Director and Bureau should continue to provide the kind of assistance that the IFRB currently provides to Administrations as specified in the Radio Regulations. In fact, because of the improved management structure in the Bureau, the level and quality of this assistance should be even better than that currently provided. Special studies requested by Administrations and reports on these studies should go to the Board. The Director will also maintain the Master International Frequency Register and the other service documents referred to in the Radio Regulations.

5.3   The Director should manage the resources provided by the Council and report on programme results obtained. Based on the advice of the Board and the Advisory Committee, the Director should prepare, for the consideration of the Radiocommunication Conference, a plan of work for the period between Conferences. The Director should provide an annual report to the Council comparing the work plan and the results obtained. The Director should also carry out those functions related to the Study Groups which are found in Article 22 of the Nice Convention. And last but not least, the Director, working closely with the BDT, should foster international co-operation in development and the use of radiocommunication systems.

(ii) TELECOMMUNICATION SERVICES

1.1   The ITU seeks to promote the efficient and widespread development of telecommunication services. In respect of international services, in particular, achievement of this objective is supported by the work done in the Standardization and Radiocommunication Sectors, which facilitate the technical and operational interconnection of networks and services and ensure coherent and effective use of the radio frequency spectrum, and in the Development Sector, which ensures that the particular requirements of developing countries are being met. We have considered what future role the ITU should play in respect of service regulation.

1.2   A starting point for our consideration was, naturally, the International Telecommunication Regulations (ITR) approved in the Final Acts of the World Administrative Telegraph and Telephone Conference (WATTC) in Melbourne in 1988. This Conference almost failed over the difficulty of reaching a consensus balancing the sovereign rights of governments to regulate national telecommunication services with the reality that, in the rapidly changing telecommunication environment, more and more telecommunication services are being liberalized. Many developing countries were particularly concerned that telecommunication development might suffer if the role of government were weakened. Agreement was finally reached on a minimal number of general principles, which call for "compliance with, to the greatest extent practicable, the relevant CCITT Recommendations" for "services offered to the public as well as to the underlying international telecommunication transport means used to provide such services". For other services, Member States may enter into "special arrangements". The flexible framework approved in Melbourne preserves a viable role for the ITU in facilitating the reconciliation of interests at the international level.

1.3   The development of international telecommunications will continue to be shaped by significant and continuing changes in the environment, in particular the rapid pace of technological change, a proliferation in the range of services offered and of service providers, and differing and evolving national (and in some cases regional) policies, which increasingly tend to favour liberalisation and competition. These changes are inter-related. Technological change, for example, not only promotes the development of new services, but tends to weaken or break down both distinctions between services, networks and service providers, and regulatory definitions and requirements.

1.4   These changes also make provision of telecommunication services increasingly subject to rules governing trade, commerce and competition. The circumstances of countries differ, of course, and national policies differ as a result. But all ITU Members are affected by the changes in technology and in the availability of services. It is in the interest of economies world-wide that improvement in the range, quality and cost effectiveness of international services should be promoted.

1.5   At a time of such significant and rapid change, any framework of international regulation should be sufficiently flexible to permit, and indeed encourage, innovation and improvement. It should not impose unnecessary barriers since they will soon be rendered obsolete. We believe that the general principles, which form the heart of the International Telecommunication Regulations (ITR) approved at the WATTC, provide sufficient flexibility for the foreseeable future.

REC 67 1.6   **We recommend that there is no need for the ITU to schedule regular World Administrative Telecommunication Conferences (WATCs). The Strategic Policy and Planning Unit (recommended previously in Chapter IV), working collegially with the Standardization Bureau, should keep under review significant developments of a kind which might call for a review of the ITR.** If these developments suggest the need for a general review, or for specific changes, then the Strategic Policy and Planning Unit should bring this to

the attention of the Secretary-General, and the Council can consider, on advice from the Secretary-General, what is the most appropriate way of dealing with the matter. Meanwhile, some CCITT Recommendations (particularly within the field of Study Group III) contain provisions which may be "regulatory" in nature, as distinguished from provisions on service and operational matters. The relevant Study Groups should continue to review and simplify any relevant Recommendations in the light of the WATTC philosophy of flexibility and the objectives identified above.

1.7   We also considered the implications of the current Uruguay Round of Multilateral Trade Negotiations (MTN). Telecommunication services are within the scope of the proposed General Agreement on Trade in Services (GATS) agreement. The basic focus and purposes of the GATS and the ITU are, however, different. The efforts of the former are primarily focused on access to and use of telecommunications capabilities in order to encourage efficient, global and liberal approaches to the provision of services, thus facilitating global economic growth. The ITU's focus is, more specifically, to achieve a technically efficient global telecommunication infrastructure. The functional approaches are also different. The ITU, with no real enforcement powers or settlement of dispute procedures, relies very much on practical, co-operative activities, and on numerous detailed and specific agreements and arrangements, worked out between pairs or groups of members and service providers, which provide for day-to-day operations and changes. Any problems are sorted out between the partners concerned. The proposed GATS, on the other hand, relies on the establishment of general trade-oriented frameworks and principles, including dispute settlement procedures.

1.8   Trade rules are, in principle, concerned with promotion of trade in goods and services generally, so that it is appropriate and natural for them to address telecommunication services. Although the purposes and approach of the GATS and the ITU are different, however, they are complementary. While there is likely to be some overlapping or "grey areas" between the two, we do not foresee any major or fundamental conflict or incompatibility. The ITU is evolving to provide for an increasing range and variety of networks, services and participants, and to work with new organizations concerned with the provision and use of telecommunications. It is working in an increasingly liberal environment, and seeking to promote innovation and efficiency in the flexible way outlined above. The philosophy and spirit of the ITU's evolution are, therefore, not fundamentally different from those emerging in the GATS. It is understood that the latest draft Annex on Trade in Telecommunication Services recognizes the role of the ITU and the needs of developing countries. There is no reason, therefore, why the ITU and GATT should not continue to proceed together along compatible paths.

1.9   But a continuing effort will be required to avoid the emergence of incompatible sets of regulations, and even of differences in terminology. We cannot make specific recommendations at this stage in relation to the current GATS, as negotiations are still in train. However, we can make some proposals.

REC 68   1.9.1   We note that the Secretary-General has established close liaison with the GATT Secretariat. We welcome this, and *recommend* that this close co-operation should continue.

1.9.2   **We note that any Agreement covering trade in telecommunication services will address in some ways what have in the past been considered as "regulatory" aspects of telecommunications, and could lead to some such aspects being subject to new institutional arrangements. We have noted, however, that the ITU has adopted a flexible approach in this area, avoiding unnecessary and detailed provisions. The ITU should, therefore, ensure that it removes any unnecessary technical barriers which are inconsistent with its facilitating role.**

REC 69   1.9.3   **We *recommend* that these issues be further considered when the current Uruguay Round has concluded, and that consideration be given at that time to entering into an agreement with GATT setting out GATT's and the ITU's complementary roles and how the two organizations should work co-operatively.**

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VI. IMPROVED MANAGEMENT OF THE UNION

1.1   It is a fact of life that the ITU will continue to be faced with serious resource constraints, both financial and human. It will be an imposing challenge to accomplish more. To do this will require the infusion of new management practices adapted to the particular mission and chemistry of the ITU.

1.2   The ITU, with its record of achievement and the quality and dedication of its staff, can be a model of dynamic management within the UN system. Without this commitment to rethinking and renewal, the ITU and its staff are unlikely to be in a position to meet the task ahead.

1.3   The Nice Plenipotentiary Conference authorized the ITU to retain consultants to assist the H.L.C. in its work. At our recommendation, the ITU engaged the consultant firm of Booz, Allen and Hamilton (BAH) to study the ITU's financial and personnel management and information management systems and identify actions which could be taken in those areas to improve the Union's organizational effectiveness, productivity and efficiency. The contract was awarded on a competitive basis following an open-bidding process.

1.4   The consultants began the study by working with the H.L.C., ITU elected officials and staff to assess the management challenges facing the ITU in the present rapidly-evolving telecommunication environment. The study found a number of significant shortcomings in current ITU management practices, which hinder its ability to respond effectively to the needs of its "customers". These include problems with timeliness of work in many areas, lack of flexibility and transparency in resource management, difficulty for staff in keeping current professionally, serious staff morale problems, and the need for improved internal communications and a more collegial working spirit across the organization.

1.5   In formulating recommendations for management improvements which would enable the ITU to meet the needs of its constituencies more effectively, BAH advocates three fundamental management directions, **which we endorse**:

(i)   **a more delegated, flexible management approach empowering managers and staff to show greater initiative;**

(ii) **an emphasis on measuring results obtained and providing incentives to achieve further improvements;**

(iii) **the use of advanced management methods and information technology to achieve effective monitoring of delegated work.**

1.6   While BAH found no large-scale "quick fix" for the Union's management problems, a number of smaller-scale actions were identified which address operational problems, and which cumulatively will result in notable improvements. The consultants made a total of 40 formal recommendations on financial and personnel management and information systems. We concentrated our attention on those recommendations deemed most important in terms of their potential impact on ITU management, or most complex to implement. The Executive Summary of the BAH Report is at Annex II.

1.7   The major findings in each of the three areas of the BAH study, and our recommendations to the Council on the key measures designed to address the shortcomings they identified, are summarized in the following paragraphs. (The number in parentheses after a recommendation is the number by which it is identified in the BAH report.)

2.   Financial management

2.1   BAH found the current financial management system effective in ensuring budgetary control and accountability at moderate cost. The system does not, however, provide effective mechanisms for setting programme and budget priorities, give managers full responsibility and accountability for resources to promote cost-conscious decisions, or provide transparent cost information by activity either to managers or to Administrations. To address these shortcomings, the consultants advocate:

  (i)   more decentralized decision-making coupled with clear allocation of costs to activities and accountability;

  (ii)   mechanisms to foster more cost effectiveness;

  (iii) related changes in financial reporting.

2.2   **Our first major recommendation in this regard is to** change the budgetary format and procedures to increase transparency and the accountability of Sector and General Secretariat department managers for costs, promote prioritization of activities, and provide more flexibility to readjust priorities in response to changes in the telecommunication environment during a budget cycle. In support of this, recommendations include:

REC 70 2.2.1   **decentralized preparation and submission by Director of a cost-based Sector budget which complies with budget guidelines issued by the Secretary-General.** The Secretary-General (through the Finance Department) will consolidate and refine the budgets for each Sector into an overall Union budget in consultation with the Coordination Committee. The Secretary-General retains the ultimate authority for the Union's financial management. Publications-related income and expenditures, which are subject to fluctuation, should remain in a supplemental budget (FM1).

REC 71 2.2.2   **a two-year budget cycle and an outline four-year strategic budget (FM2).**

REC 72 2.2.3   **flexibility for each Bureau and the General Secretariat to reallocate funds within its budget, and responsibility to control expenditure, except that funds budgeted for non-personnel expenditures could not be reprogrammed for personnel expenditures (FM3).**

REC 73 2.2.4   **increased authority for the Secretary-General to reallocate funds between Sectors, up to a 3% maximum.** H.L.C. members disagreed on the desirability of a further recommendation by the consultants that the ITU establish a non-specific contingency fund for the Secretary-General's use **(FM3)**.

REC 74 2.2.5   **changes in financial control, accounting and reporting procedures (FM 4,7,8,9) to make them consistent with the above recommendations and to provide clearer reporting on expenditures.**

2.3   Further recommendations are as follows:

REC 75 2.3.1   **establish a "transfer pricing" policy for common services, under which common services would be funded by Bureaus on a contractor/client basis with Bureaus deciding whether to use the Common Services Department or outside vendors, within certain limits.** The objective is to increase transparency in accounting for common services and promote cost-conscious decision-making. Implementation would be phased-in gradually to take into account existing resources, including staff (FM5).

REC 76 2.3.2   **establish a separate consolidated publications sales and marketing unit, with a more commercial marketing approach, to promote increased information dissemination and revenue.** The Head of such a unit should be experienced in marketing and sales. Once the ITU acquires experience with a separate unit, consideration could be given to further recommendations of the consultants to establish a differential pricing policy and to return a portion of additional net profits from sales to the units originating the publications (FM6).

3.   Personnel management

3.1   While the consultants found the ITU staff motivated to carry out the mission of the ITU, they also noted serious staff morale problems. Dissatisfaction with compensation and benefits, while widespread, was only one of a number of factors contributing to poor morale. Others include: insufficient control by the ITU of "fit" between characteristics of staff recruited and job requirements; limited training and career advancement opportunities; inadequate channels of communication and consultation between staff and supervisors and between organizational units; a largely ineffective performance appraisal system; and an overly hierarchical structure with excessively narrow spans of supervisory control.

3.2   The consultants concluded, and we agree, that major changes in management style will be necessary to address these problems effectively and create a more motivated, productive and efficient staff. In looking at recommendations for changes, it was necessary for us to keep in mind UN Common System constraints.

3.3   We recommend the adoption, in some cases in a modified form, of a number of key programmes which BAH has proposed in the area of personnel recruitment and management, as follows.

REC 77 3.3.1   **Establish a reformed personnel appraisal system which encourages appraisers to be constructive but also to confront problems realistically** (PM2). The goal is to make the ITU appraisal system effective in differentiating among various levels of performance, which the consultants did not find to be the case with the present system. An effective, fair appraisal system is a prerequisite for accurately evaluating and monitoring performance in meeting management objectives and for introduction of any system of performance awards, keeping in mind that developing such a system in an international organization composed of staff with diverse cultural backgrounds is a complicated task. It was agreed that any new system must be characterized by uniformity in application, quality control in its operation, and clearly understood criteria for rating performance. Bearing all relevant concerns in mind, **we recommend that development of a new appraisal system take place under the direction of the Secretary-General, with close coordination between all involved.**

REC 78   **3.3.2**   **Introduce the TEAM process into the ITU (PM6).** As used by the consultants, TEAM is an acronym for an approach which groups together in co-operative work programmes all staff involved in a particular transaction. (A transaction is defined as a series of activities which begins with a request for goods or services from the ITU and ends with their delivery.) The goal is to foster management-staff co-operation across organizational and hierarchical lines to enhance operational efficiency.

REC 79   **3.3.3**   *We recommend* **that the Secretary-General implement pilot TEAM projects, which would prove instructive in determining the manner and extent to which TEAMs should be introduced into the ITU as a whole.**

REC 80   **3.3.4**   **Establish a performance incentive programme, based on achievement of demonstrable gains in productivity, cost reduction and/or quality (PM7).** BAH linked performance incentives to the TEAM process. However, it is our view that the question of performance incentives, whether monetary or non-monetary, should not be strictly linked to TEAMs, but should also allow awards to individuals not associated with a TEAM. *We* REC 81 *recommend* **that the ITU begin by establishing a non-monetary awards programme to recognize high achievers, either individually or as members of a TEAM.** A system of one-time, non-pensionable cash bonuses could be considered for introduction subsequently. In the H.L.C.'s view and in accordance with recommendations of the International Civil Service Commission (ICSC), however, a fair and effective personnel appraisal system must be in place and working well before any bonus programme is introduced; otherwise, such a programme could damage staff morale instead of improving it.

REC 82   **3.3.5**   **For new recruitment, consider conversion of some positions to "managed renewable term" (MRT) contracts with a proposed term of five years and renewal tied to maintenance of a specified standard of performance (PM3).** We recognize that this recommendation poses some difficulties, including the question of its compatibility with the UN Common System, the determination of objective standards for renewal of contracts, and staff concern about greater career uncertainty. While recognizing these difficulties, we believe that MRTs could yield important benefits for effective management of personnel in the ITU, as the consultants found that currently "de facto" tenure of staff regardless of performance impedes career mobility and has an adverse impact on the ITU's efficiency. **However, a proper balance should be maintained between permanent, MRT and regular fixed-term positions.** We consider MRTs particularly appropriate for those long-term positions in which it is essential, in a rapidly changing environment, that staff maintain state-of-the-art expertise* . It would be necessary for the Secretary-General to ensure, however, that any MRT plan considered for implementation is compatible with the UN Common System.

     3.3.6   **Delegate authority to the Bureau Directors and General Secretariat Department** REC 83 **Heads to reassign staff/rearrange posts within an overall financial constraint, with review by the Personnel Department of any proposed reclassifications to ensure that sound position classification management principles are observed, e.g. reclassifications should not substitute for promotions (PM4).** This change would permit managers to optimize use of staff by giving them the flexibility to shift resources as needed, while providing safeguards to ensure that total personnel costs do not increase.

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* (Positions which fill a short-term rather than a continuing need would continue to be regular fixed-term.)

REC 84 3.3.7 **Permit wider advertising of vacancies, beginning with notifications to Administrations to ensure global coverage, supplemented by advertising in appropriate publications at the Secretary-General's discretion and considering cost constraints. With the understanding that, in making selections, the Secretary-General should consider, in addition to position qualifications, such factors as geographic distribution and gender. Also permit direct application to the ITU, on the understanding that the Secretary-General should, in such cases normally consult with Administrations of the nationals involved before making a final selection (PM16).** These changes would provide the ITU with a greater choice of qualified candidates and bring the ITU's recruitment procedures more into line with those of most other UN agencies. At the same time , the interest of developing countries in preventing "brain drain" would be addressed and Administrations would retain a role in the selection process.

REC 85 3.3.8 **Conduct credentials checks and personal or telephone interviews with short-listed candidates for professional positions (PM1).** These procedures would assist the ITU in evaluating candidates' qualifications for a particular position and help avoid costly recruitment mistakes arising from incomplete or inaccurate information about a candidate's suitability.

REC 86 3.3.9 **Include the relevant Department head and direct supervisor of candidates on the Professional Appointment and Promotion Board (PM5).** This will include in the selection process those who will work most closely with the recruits.

REC 87 3.3.10 **Establish a Code of Practice to foster more effective manager/staff communication, including regular staff meetings, and train managers in communications skills (PM9).** This recommendation is designed to institutionalize a consultative management approach and improve internal communications.

REC 88 3.3.11 **Enhance professional and technical training for ITU staff, to improve productivity and quality of performance and help staff maintain up-to-date technical expertise in a rapidly changing environment. (PM10)**

    3.4   The consultants made five additional lower-priority recommendations, which we consider desirable although not as significant as those discussed in the above paragraphs. These are:

(i)   Make job descriptions more goal-oriented. The objective is to make job descriptions more responsibility- and result-oriented rather than a detailed description of tasks, and hence to increase flexibility in utilization of personnel (PM12).

(ii)   Simplify procedures for processing routine communications. The goal is to eliminate over complex procedures for routing correspondence (e.g. unnecessary multiple signature levels for routine communications) to reduce unproductive time (PM14).

(iii)   Establish explicit written managerial objectives, so that elected officials and staff clearly understand the goals of the organization (PM15).

(iv)   Institute an annual or biennial employee opinion survey (PM13). This would provide management with helpful information about staff concerns and a mechanism to help resolve them. However, questions would need to be carefully formulated to avoid soliciting input on a particular issue unless the ITU is both willing and able to address concerns employees may have on the subject. Otherwise, the survey could be counterproductive.

(v)   Establish an outplacement service for fixed-term and MRT contract holders, if this service can be accommodated by cost savings elsewhere (PM11)

3.5   Since the consultants had not commented on the lack of women occupying ITU professional and higher category positions, we requested information on this matter. The Secretary-General advised us that women occupy the following positions: 1 D1 (19 men), 2 P5 (57 men), 13 P4 (81 men), 12 P3 (43 men), 14 P2 (16 men). This means that there are just 42 women professionals compared to 216 men. **We call upon Administrations to encourage more women to apply and to put forward more women candidates if feasible, and the Secretary-General to take practical steps to increase the number of women in professional positions.**

3.6   Salaries

3.6.1   We note the consultant's finding that the UN Common System salary levels for professional staff are not competitive with those of the private sector. If the ITU is to maintain its pre-eminent role in international telecommunications, it must be in a position to retain and attract highly specialized and competent staff. We further note that the erosion in the purchasing power of professional staff salaries, especially since1985, and the overlap of remuneration between the General Service and Professional and higher categories of staff, is having a detrimental effect on staff productivity and morale. **We commend the Secretary-General on his initiative to seek a common approach to these issues from European-based UN Specialized Agencies and within the UN Administrative Committee on Coordination (ACC). We request the Council to closely monitor this situation and to assist the Secretary-General in finding a permanent solution to these problems within the Common System.**

3.7   Pensions

3.7.1   **We believe that continuing uncertainties over their local currency pension purchasing power has been one of the major concerns of the ITU staff, and that the failure to date to find a long-term solution to the problem has been one of the major contributing factors to the low level of their morale. All H.L.C. Members consider that measures should be taken to deal with this problem as a matter of urgency.**

3.7.2   We endorse the view of the UN General Assembly (Resolution No. 45/242) that the UN Joint Staff Pension Board (UNJSPB) should give priority to the development of a long-term approach to the determination of the initial local currency pensions which takes account of the need to safeguard the financial health of the Fund and, at the same time, responds to the problems caused by the declining value of initial pensions in certain countries resulting from currency exchange rate fluctuations.

3.7.3   However, we note that the UNGA has not yet adopted long-term safeguards to protect the purchasing power of initial pensions for those retiring in a number of strong currency countries, as referred to in Resolution No. 43 of the Nice Plenipotentiary Conference. The UNJSPB is scheduled to decide in July 1991 on what it will recommend to the 46th UNGA. The 45th UNGA invited "the governing bodies of the other member organizations of the Fund to refrain from seeking to establish for their staff, whether by provisions in their staff regulations or by other means, additional pension entitlements, as such action would be detrimental to the Common System under which all staff should receive equal treatment, irrespective of their employing organization".

3.7.4   We note that, aside from the UPU (which is not a member of the UNJSPF), no UN organization has taken any independent action to protect their staff against the risk of devaluation of pension benefits. As a result of provisions which mainly predate their membership in the Fund, a limited number of staff of three of the Geneva-based agencies, however, currently benefit from higher pensions than those available to ITU staff members.

3.7.5 We recall that Nice Resolution No. 43 instructs the Administrative Council to "take, at its session in 1991, appropriate action to secure for ITU staff retiring in any country of the world, pension benefits comparable to those prevailing at the base of the System (New York)" and "to envisage the implementation of any scheme protecting the purchasing power of pensions which is found to be compatible with the Common System". We also noted that BAH recommended that the Council at its 1991 session should approve implementation of a Pension Protection Purchasing Power Insurance Plan (PPPPIP) effective from 1 April 1992 if, by that date, the UNGA had not implemented system-wide measures to provide comparable protection.

3.7.6 Many members of the H.L.C. believe that, in the absence of a system-wide solution to the problem, the ITU would be justified in providing separate and adequate protection for their staff through the implementation of the PPPPIP which, as an insurance rather than supplementary pension scheme, would not in their (and the ITU Legal Adviser's) view be incompatible with the ITU's obligations to the UN Common System. Other members of the H.L.C. are of the firm opinion, supported by the UNJSPB, that any independent action by the ITU would be inconsistent with their membership of the Common System.

REC 89 **3.7.7 The majority of H.L.C. members, therefore, recommends that the Administrative Council, at its May 1991 session, approve the PPPPIP scheme for ITU staff members entitled to pension benefits after 31 March 1992, unless the UNGA implements appropriate safeguards prior to that date. The PPPPIP should remain in effect until comparable protection is provided by the UN Joint Staff Pension Fund (UNJSPF).**

3.7.8 Those who do not share the foregoing view consider that action now by the Administrative Council would be interpreted as a challenge to the UNJSPB and prejudice the likelihood that it will rule in favour of the ITU.

3.7.9 All H.L.C. members, however, join strongly in recommending that Member States, through their representatives to the UN in New York, make known their support for a just settlement of the pension issue. Members should inform the Secretary-General of the actions they take in this regard.

4.   Information systems

4.1   The consultants found that the ITU's level of expenditure on information systems and telecommunications (approximately 14% of the overall budget) is in line with that of information-intensive commercial firms. They also concluded that, although the ITU has a large pool of skilled and well-trained systems development staff, this talent is not utilized as effectively as possible because of an over-fragmented organization of information systems activities. In addition, inadequate training for staff in such areas as use of personal computers was found to hamper optimum utilization of existing systems. Deficiencies were noted in the Union's own internal telecommunications, including lack of voice mail and automated call accounting and inadequate fax capability.

4.2   Believing that the ITU should be the leader within the UN system in the effective use of
REC 90 information technology to facilitate internal and external communications, **we recommend the adoption of the consultant's proposal to implement a formal information systems planning process (IS8).** This includes formation of a consolidated Information Services Department under a Director who serves as the ITU's "Chief Information Officer", and an Information Technology Steering Committee composed of members from each Bureau and the major General Secretariat departments. This Committee should prepare proposals for the Secretary-General and the Coordination Committee on information systems technology and control/monitor information technology functional activities. The objectives of this reorganization are to focus high-level attention on information technology strategy and objectives, and to better coordinate ITU activities in this area.

4.3   **BAH also developed a list of eight priority applications for systems development based on user surveys, and a number of other priority technical recommendations on information systems. We endorse these proposals in principle, recognizing that costs are a factor to be considered in any implementation schedule and that some refinements or adjustments to the consultant's proposals may be necessary or desirable.**

These recommendations are:

(i)   Focus applications development on the eight top priority applications and a "bridge" initiative (see No. 3 below) detailed in the BAH report. (IS1)

(ii)   Increase staff resources and external contract funding for development of the eight priority applications, with the goal of completing this development within 24 months (IS2). We note that, practically speaking, this timetable may not be possible because of the level of resources which the Computer Department estimates would be required.

(iii) Implement software "bridge" to facilitate data access and connectivity/interchange among applications systems. Use "bridges" to implement an Executive Information System. (IS3)

(iv)   Complete the planned transfer of certain applications from Siemens mainframes to distributed network resources, then terminate the lease on one mainframe. (IS4)

(v)   Continue systems development on three platforms: IDMS Windows, SQL Server-Windows and SAP-Windows for financial applications. (IS5)

(vi)   Add automated call accounting and voice mail capability to PABX. (IS6)

(vii) Recruit a specialist for internal telecommunications. (IS7)

(viii) Implement a structured systems engineering environment and provide appropriate training for Information Systems (IS) staff. (IS9)

4.4   BAH made six additional, lower-priority recommendations, which we also endorse in principle:

(i)   Complete the ongoing deployment of personal computers. (IS10)

(ii)   Intensify the user training programme to the extent practicable from a cost standpoint so that staff can take maximum advantage of existing automated systems. (IS11)

(iii) Evaluate the use of PC-based barcode scanning system for document tracking/management. (IS12)

(iv)   Postpone expansion of current PABX capacity. (IS13)

(v)   Consolidate IT management under a Chief Information Officer, with two major departments: Information Resources and Systems Development (except IFRB applications programming staff, who would remain in the IFRB Secretariat at least until completion of Space Notification System). (IS14)

(vi)   Expand IS training for specialist staff. (IS15)

5.   **Other recommendations**

5.1   As discussed in more detail in Chapter IV, we recommend establishment in the General Secretariat of a Strategic Policy and Planning and Operations Analysis Unit. The Unit would assist the Secretary-General and the Coordination Committee, by, *inter alia*, identifying changing trends in the environment and their implications for the ITU, preparing strategic planning studies, and helping to determine priorities for use of scarce resources.

5.2   On the Operations Analysis side, the new Unit would help to identify and implement opportunities for operational improvements and monitor resulting cost savings or other benefits. We strongly believe that greater focus on and coordination of strategic policy planning and operations analysis is necessary if the ITU is to respond effectively to the challenges of the changing environment.

6.   Implementation and associated costs

6.1   In the limited time available to us, we were able to make a significant beginning in analysing the financial effect of all our Recommendations.

6.2   For the Recommendations on finance, personnel and information systems, flowing from the BAH report, we had estimates both from BAH and from the Coordination Committee. As of 15 April 1991, the Coordination Committee summarized its own estimates and those of BAH as follows:

Million Swiss francs

BAH		ITU	
ONE TIME	YEARLY	ONE TIME	YEARLY
6.9	1.9	11.5/12.3	3.7/3.9

6.3   In general BAH and the Coordination Committee's figures are different for two reasons:

i)   BAH are more optimistic about likely offsetting savings, particularly from productivity improvement. Thus, they forecast a more favourable net financial effect of the Recommendations. Over a four-year period, all expenditures would be offset by productivity gains, resulting in reductions of posts.

ii)   the Coordination Committee believe that the Nice Plenipotentiary budget ceilings already require significant productivity savings, the source of which had not been fully identified, so that any savings resulting from our Recommendations will, therefore, be required largely to meet this existing commitment. (BAH was aware of the productivity increases required to meet the Nice budget ceilings and took them into account in making their estimates.) Thus, the Coordination Committee forecast a less favourable effect on the existing budget forecasts.

6.4   The main impact on the ITU's finances will depend on how the agreed Recommendations are phased in. At this stage, we offer two main comments.

6.5   First, BAH justifies their estimates on the basis of their extensive experience in introducing similar changes in other organizations. We consider that the Coordination Committee may have underestimated the benefits from some measures, e.g., they do not foresee as wide or early introduction of the TEAM process as might be possible. We must also consider the cumulative effect of the whole range of changes, within a changed organization culture, which more fully encourages delegation, initiative and co-operation and in which the staff can more fully realize their potential, with fair conditions of services, within a well managed organization. We also foresee savings from some of our other Recommendations - from conversion to a part-time Board and from shorter conferences - as well as possible increased income, e.g., from publications.

6.6   Second, and in the light of this, we consider that a phased implementation of our proposals can be achieved with little or no increase in the budget projections. Some limited rephasing of expenditure may be needed. However, we believe that this could be confined to a one-time expenditure designed to improve the ITU's information systems.

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VII. IMPLEMENTING OUR RECOMMENDATIONS

1. We have agreed that the ITU must now adapt in many ways, if it is to maintain its leading role.

2. It follows that it is now vital that the ITU should not lose momentum in deciding what action to take on this report and in then implementing it. Any delay will weaken the ITU's position. Uncertainty over the nature and timing of action will adversely affect morale and efficiency in Members' activities and among ITU staff. It will cast doubt on the ITU's credibility and commitment to change.

REC 92 3. **We, therefore, *recommend* that the Council at its 1991 session should take action on the basis of our report and give a strong impetus to its implementation. Some recommendations can be implemented by the Secretary-General, by the Coordination Committee, or by decision of the Council. We recommend that early decisions and actions be taken on these.** Others will require decisions by the Plenipotentiary Conference. The Nice Plenipotentiary Conference envisaged that the Council might call an additional Plenipotentiary Conference, under Nice Resolutions No. 2, No. 55, paragraph 8 and No. 1, paragraph 1.3.

4. An ordinary Plenipotentiary Conference is to be held in the autumn of 1994 in Kyoto REC 93 (Japan). Having regard to the Union's schedule of activities and the need for preparation, **we *recommend* the holding of the additional Plenipotentiary Conference in the last quarter of 1992 or early in 1993.**

5. The entry into force of the Nice Constitution and Convention is subject to the deposit with the Secretary-General of 55 instruments of ratification; only six instruments of ratification have been deposited by 26 April 1991. We, therefore, consider that the Constitution and Convention of Nice are unlikely to come into force before the additional conference.

6. Taking into account the foregoing considerations and since it is legally possible to amend REC 94 a treaty before its entry into force, **we *recommend* that the Council, at its 46th session, decide to consult, in application of No. 271 of the Nairobi Convention, the Members of the Union on:**

   a) **the holding of an additional Plenipotentiary Conference (as recommended in paragraph 4 above); and**

   b) **the provisional application of the provisions of Article 48 of the Nice Constitution, in case the Nice instruments have not entered into force before the date of that additional Plenipotentiary Conference.**

7. By the same token, we have scrutinized the provisions governing the amendment of the instruments of the Union, which may be too restrictive and liable to hinder the Union in its efforts REC 95 to adapt rapidly to the changing telecommunication environment. **We *recommend* that these provisions should accordingly be reviewed.**

REC 96 8. **Finally, to ensure effective preparations for the additional conference, we *recommend* that the Council set up immediately a small Drafting Group to elaborate draft texts for amendments to the Nice instruments on the basis of our recommendations, and send them to Members for appropriate action.**

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ANNEX 1

LIST OF THE MEMBERS
OF THE HIGH LEVEL COMMITTEE

Algeria	Mr. Abdelkrim BOUSSAÏD	Vice-Chairman	
Germany	Mr. Heinrich VENHAUS		
Saudi Arabia	Mr. Sami S. AL-BASHEER		
Australia	Mr. George E. HAMS		
Brazil	Mr. Savio PINHEIRO		Member since July 1990
Brazil	Mr. Arthur C. de Araujo ITUASSU		Attended the first session only
Canada	Mr. Gabriel I. WARREN	Chairman	
China	Prof. WANG Zhanning		Member since January 1991
China	Mr. LIU Zhongen		Attended the first & second sessions
Colombia	Mr. Sergio REGÜEROS Swonkin		
Denmark	Mr. Poul HANSEN		Attended the first 4 sessions
Denmark	Mr. Ib LØNBERG		Member since April 1991
United States	Amb. Gerald B. HELMAN		
France	Mr. Michel TOUTAN		
India	Mr. Devendra N. NANDA		Member since May 1990
India	Dr. M.K. RAO		Attended the first session only
Indonesia	Mr. Jonathan L. PARAPAK		
Japan	Mr. Yoshitaka KURIHARA		Member since August 1990
Japan	Mr. Nobukazu MORISHIMA		Attended the first & second sessions
Mali	Mr. Mamadou BA		
Morocco	Mr. Abderrazak BERRADA		
United Kingdom	Mr. Mike MORRIS		
Senegal	Mr. Leon C. CISS		
U.S.S.R.	Mr. Petr S. KURAKOV		
Yugoslavia	Prof. Ilija STOJANOVIC		
Zimbabwe	Mr. Mazwi F. DANDATO		

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ANNEX 2

HLC CONSULTANT STUDY BOOZ, ALLEN & HAMILTON (BA&H)
FINAL REPORT

(extracts)

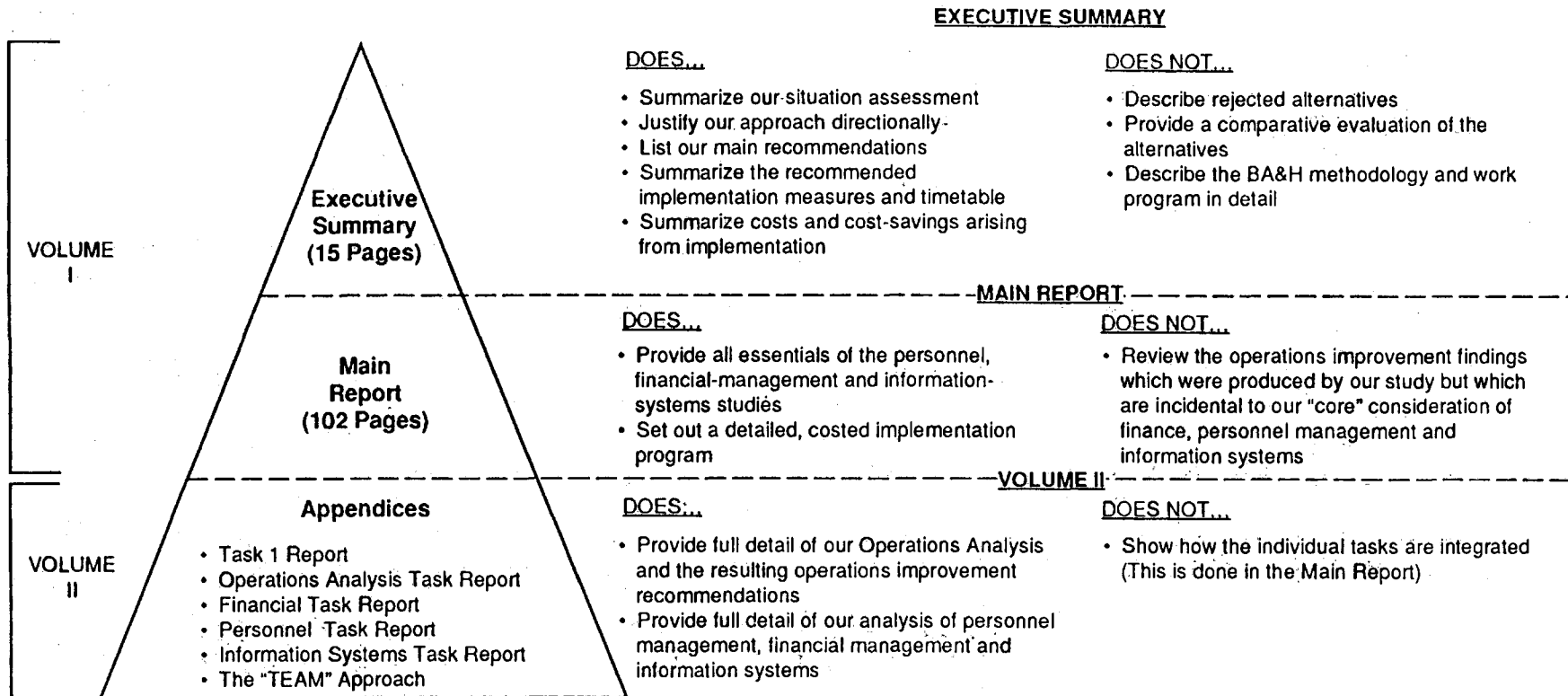**PAGE INTENTIONALLY LEFT BLANK**

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Executive Summary...

THE HIGH-LEVEL COMMITTEE (HLC) ENGAGED BOOZ·ALLEN & HAMILTON (BA&H) TO REVIEW THE MANAGEMENT OF THE ITU HEADQUARTERS AND FIELD OPERATIONS IN THE AREAS OF PERSONNEL, FINANCIAL MANAGEMENT AND INFORMATION SYSTEMS AND IDENTIFY WHAT CHANGES IN THESE AREAS WOULD ENABLE ORGANIZATIONAL EFFECTIVENESS, PRODUCTIVITY AND ECONOMY TO BE IMPROVED

- Our terms of reference focused on personnel management policies and practices; budgeting, financial reporting and financial control; and information systems

- Our terms of reference did not include consideration of the desirability of detailed ("micro") organizational changes in the ITU headquarters or field operations; however, we do make recommendations in this field in cases where we could not respond adequately to the terms of reference without addressing questions of organization

- Our terms of reference did not include consideration of the merits of the large-scale ("macro") organizational changes currently under consideration by the HLC

  - Our analysis took the existing structure as its starting point

  - However, we also assessed the implications of the "macro" organizational changes being considered by the HLC for personnel management, financial management and information systems management

  - We found that our recommendations can, if necessary, be adapted flexibly to the new "macro" organization structures currently under consideration by the HLC

- Since our recommendations can be adapted flexibly to the "macro" organizational alternatives being considered by the HLC, the management issues being considered by BA&H do not constrain the HLC's consideration of these alternatives

ES-1

Executive Summary...

THIS FINAL REPORT IS ORGANIZED INTO THREE PARTS: THE EXECUTIVE SUMMARY, THE MAIN REPORT AND THE APPENDICES

EXECUTIVE SUMMARY

DOES...

- Summarize our situation assessment
- Justify our approach directionally
- List our main recommendations
- Summarize the recommended implementation measures and timetable
- Summarize costs and cost-savings arising from implementation

DOES NOT...

- Describe rejected alternatives
- Provide a comparative evaluation of the alternatives
- Describe the BA&H methodology and work program in detail

VOLUME I

Executive Summary (15 Pages)

—————————————MAIN REPORT—————————————

Main Report (102 Pages)

DOES...

- Provide all essentials of the personnel, financial-management and information-systems studies
- Set out a detailed, costed implementation program

DOES NOT...

- Review the operations improvement findings which were produced by our study but which are incidental to our "core" consideration of finance, personnel management and information systems

—————————————VOLUME II—————————————

Appendices

- Task 1 Report
- Operations Analysis Task Report
- Financial Task Report
- Personnel Task Report
- Information Systems Task Report
- The "TEAM" Approach

VOLUME II

DOES:...

- Provide full detail of our Operations Analysis and the resulting operations improvement recommendations
- Provide full detail of our analysis of personnel management, financial management and information systems

DOES NOT...

- Show how the individual tasks are integrated (This is done in the Main Report)

THE APPENDICES INCLUDE ENHANCED, UPDATED VERSIONS OF THE FIVE TASK REPORTS ISSUED DURING THE COURSE OF OUR WORK, REVISED IN LIGHT OF SUBSEQUENT ANALYSES AND OUR DIALOGUE WITH THE HLC, THE ELECTED OFFICIALS AND THE STAFF

Executive Summary...

THIS EXECUTIVE SUMMARY IS ORGANIZED INTO FOUR SECTIONS, EACH DESIGNED TO ANSWER A SINGLE FUNDAMENTAL QUESTION

QUESTION	SCOPE OF SECTION
What view of the management challenges facing the ITU underlies the Booz•Allen analysis and recommendations?	• Our assessment of what Administrations, RPOAs and SIOs are seeking from the ITU • Our review of the issues facing the ITU as perceived by other organizations and by the ITU staff • Our assessment of the operational results and shortcomings of the ITU Headquarters • The "vision of a successful future" for the ITU motivating the study
In what direction would implementation of the Booz•Allen recommendations take the ITU Headquarters and field operations?	• Review of key directional concepts embodied in the study
What are the principal Booz•Allen recommendations, and how is their outcome expected to differ from present-day practice?	• Brief statement of the 26 most important recommendations. (The full set of 39 recommendations is given in the Main Report)
What will be the cost/benefit implications of implementing the recommendations?	• Summary of estimated costs and offsetting cost savings

TWO FURTHER QUESTIONS CONCERNING THE JUSTIFICATION OF THE RECOMMENDATIONS AND THEIR PRACTICAL IMPLEMENTATION ARE ADDRESSED IN THE MAIN REPORT

QUESTION	SCOPE OF MAIN REPORT CHAPTERS
What methodology, analysis and data collection activities underlie the recommendations?	• Review of methodology Chapters I, • Review of interview program II, III and IV
What actions are required to implement the recommendations? • Decisions to be taken [with designation of appropriate decision maker(s) in each case] • Timing	• Summary of implementation program Chapter V • Decision agenda for the Secretary General, other elected officials, Administrative Council and Plenipotentiary Conference • Analysis of budgetary and headcount implications

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The Management Challenges...

AT THE OUTSET OF THE STUDY BOOZ·ALLEN WORKED WITH THE HLC, THE SECRETARY GENERAL, THE OTHER ELECTED OFFICIALS AND THE STAFF TO ASSESS THE MANAGEMENT CHALLENGES NOW FACING THE ITU

Administrations, RPOAs and SIOs (the "customers") are seeking...	...Yet the ITU Headquarters has significant operational and other shortcomings	...But there is a clear vision of the successful future
• Flexible, rapid response to "customer" needs	• Timeliness problems in many areas, e.g.,	• Timely and consistently high-quality work products

• Service to an expanding "constituency" (many more RPOAs and SIOs)	– Publishing work products
	  – Recruiting BDT experts
	  – Meeting RR requirements for timely processing of frequency notifications
		• Lean and nimble organization, focussed on "customer" needs

• Handling of workload expansion/ more complex environment with no growth in real resources	• Management of people and funds is not flexible, or "transparent" to managers, Administrations, RPOAs and SIOs	• Leadership in identifying/ addressing emerging issues • Continued gains in cost-effectiveness
• Intensified/decentralized development activities	• Serious staff morale problems	• Upwardly mobile, empowered, satisfied management and staff
• Effective, fast, economical, access to information/ information-exchange	• Difficulty in "keeping current" professionally	

...THIS ASSESSMENT, WHILE IT RANGES MORE WIDELY THAN THE SCOPE OF THE CONSULTANT'S DETAILED ANALYSIS, PROVIDED THE BACKGROUND UNDERSTANDING ESSENTIAL FOR THE ORIENTATION OF OUR WORK ON FINANCIAL MANAGEMENT, PERSONNEL MANAGEMENT AND INFORMATION SYSTEMS
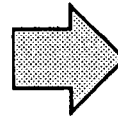
Directions...

ALL OF BOOZ·ALLEN'S DETAILED RECOMMENDATIONS REFLECT THREE FUNDAMENTAL DIRECTIONS: (1) A MORE DELEGATED, FLEXIBLE MANAGEMENT APPROACH "EMPOWERING" MANAGERS AND STAFF TO SHOW INITIATIVE; (2) AN EMPHASIS ON MEASURING RESULTS ACHIEVED AND PROVIDING INCENTIVES TO ACHIEVE IMPROVEMENTS; AND (3) THE USE OF ADVANCED MANAGEMENT METHODS AND INFORMATION TECHNOLOGY TO ACHIEVE THE EFFECTIVE <u>MONITORING</u> OF DELEGATED WORK THAT THIS APPROACH REQUIRES

- The overall effect of implementing our recommendations would be to bring about in the ITU the transition to a new concept of international public service

ITU's TRADITIONAL CONCEPT OF INTERNATIONAL PUBLIC SERVICE	A NEW CONCEPT OF INTERNATIONAL PUBLIC SERVICE
• Strict in executing decisions of representative bodies • Inflexible • Little change over time • Little emphasis on career development and mobility	• Still strict in executing decisions of representative bodies • Enterprising/fostering initiative • Flexible • Accountable for results and productivity • Compensated for achieving "World Class" performance

- The Operations Analysis undertaken as part of our study shows that there are opportunities for numerous small improvements and cost savings at the ITU, with large cumulative impact, rather than a few big changes with large impact. Achieving major gains will therefore require pervasive behavioral changes at all levels throughout the staff

- The transformation we propose will yield large benefits to the Administrations, the participating RPOAs and SIOs, and to the staff in terms of efficiency and in terms of satisfaction and opportunities for advancement

ES-5

Directions...

A KEY ELEMENT OF OUR WORK HAS BEEN THE APPLICATION OF THE "TEAM" APPROACH,
WHICH BOOZ·ALLEN HAS FOUND EFFECTIVE IN OTHER ORGANIZATIONS FOR MOBILIZING
MANAGEMENT AND STAFF AT ALL LEVELS TO FIND AND IMPLEMENT OPPORTUNITIES FOR
<u>CONTINUAL</u> IMPROVEMENT OF OPERATIONAL EFFECTIVENESS

- ·   The TEAM approach (<u>T</u>ranslate strategy, <u>E</u>nlist commitment, <u>A</u>ctivate behavioral change, <u>M</u>onitor and reinforce behavior) is designed to focus the entire staff on critical goals of the organization

- The TEAM approach groups together, into collaborative work programs all the staff involved in each of the distinct "transactions" (defined on the facing page) carried on by the organization

- The term "TEAM" is used to designate each of these groups of staff as well as the method itself

- Each TEAM develops its own work program and detailed working methods (assisted by an in-house Operations Analysis Unit, as described on p. ES-12) to:

    —   Identify operations improvement opportunities
    —   Develop specific improvement goals and ways of measuring the improvement
    —   Obtain approval of management for the proposed improvements and goals
    —   Implement the approved program

- ·   The performance measures and goals developed by the TEAMs can and should be used as the basis of a performance-based incentive program
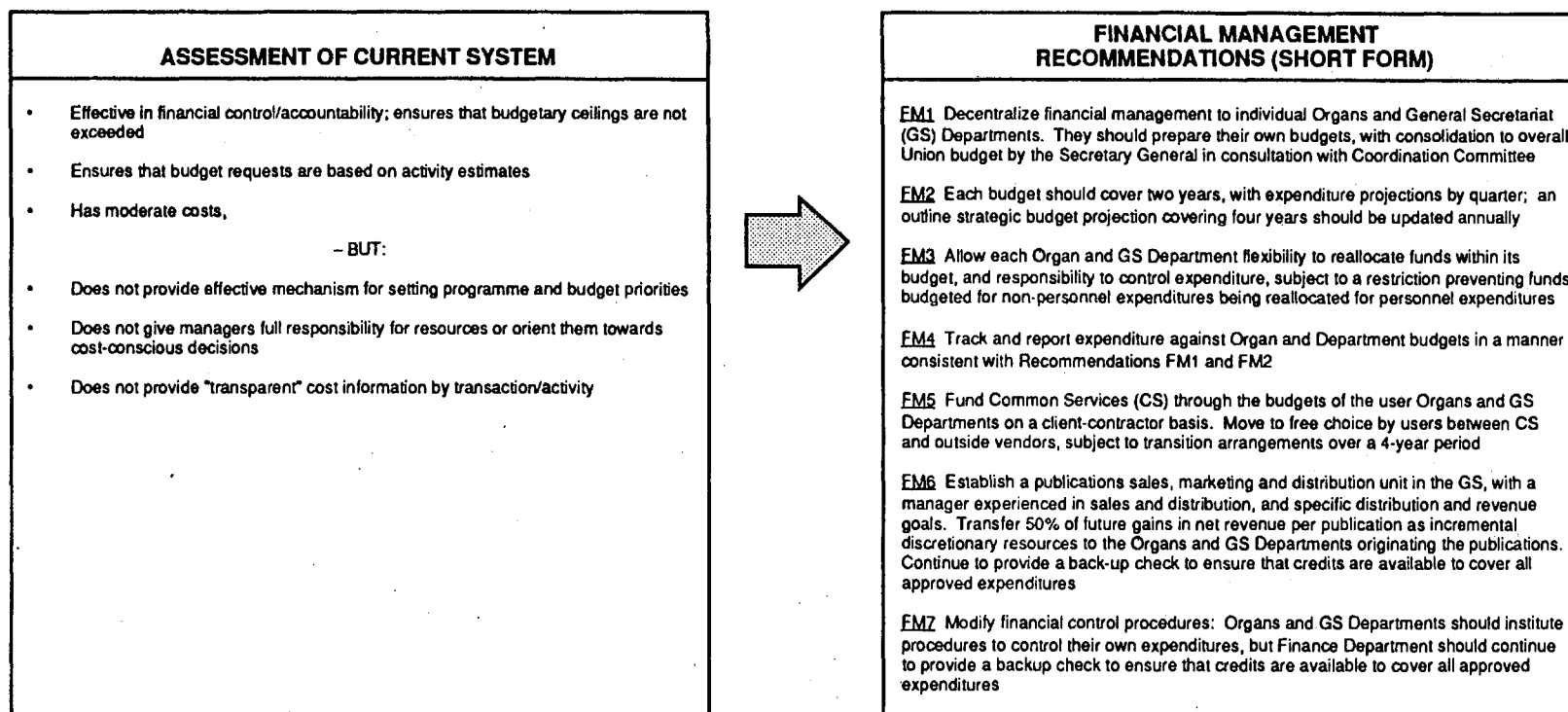
THE BASIS OF THE <u>TEAM</u> APPROACH IS THE CLASSIFICATION, ANALYSIS AND SUBSEQUENT IMPROVEMENT OF THE OPERATIONS ACTIVITIES COMPRISING A "TRANSACTION," BOOZ-ALLEN'S DEFINITION OF A "TRANSACTION" IS APPLICABLE TO VIRTUALLY ANY ORGANIZATIONAL CONTEXT.

- A "transaction" is a series of activities which begins with a request from outside the organization for goods or services, and concludes with their delivery. The complete transaction may include (e.g.) the reception or dispatch of information, the making and recording of decisions, or the shipment of products or equipment. It usually involves the movement of information and documents between multiple individuals with different roles in successfully completeing the transaction

- Commercial examples of such "transactions" include:

  - The provision and subsequent administration of a bank loan in response to a prospective borrower's request

  - The ordering and installation/provisioning of a telephone exchange line

- ITU examples of transactions include:

  - The IFRB processing of a frequency assignment notice, including examination, registration and notification

  - Receiving and responding to a request for an expert technical assistance mission

A "TEAM" IS THE GROUP OF STAFF THAT COLLECTIVELY PERFORMS THE TRANSACTION

Recommendations...Financial Management...

OUR SEVEN PRINCIPAL FINANCE RECOMMENDATIONS EMPHASIZE DECENTRALIZED DECISION-MAKING COUPLED WITH ACCOUNTABILITY; THE FINANCIAL REPORTING NEEDED TO ENABLE SUCH DECISION-MAKING; AND MECHANISMS TO FOSTER INCREASED COST EFFECTIVENESS (E.G., A "CLIENT-CONTRACTOR" RELATIONSHIP BETWEEN THE COMMON SERVICES DEPARTMENT AND ITS USERS)
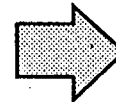
ASSESSMENT OF CURRENT SYSTEM
• Effective in financial control/accountability; ensures that budgetary ceilings are not exceeded • Ensures that budget requests are based on activity estimates • Has moderate costs,   – BUT: • Does not provide effective mechanism for setting programme and budget priorities • Does not give managers full responsibility for resources or orient them towards cost-conscious decisions • Does not provide "transparent" cost information by transaction/activity

FINANCIAL MANAGEMENT RECOMMENDATIONS (SHORT FORM)
FM1 Decentralize financial management to individual Organs and General Secretariat (GS) Departments. They should prepare their own budgets, with consolidation to overall Union budget by the Secretary General in consultation with Coordination Committee FM2 Each budget should cover two years, with expenditure projections by quarter; an outline strategic budget projection covering four years should be updated annually FM3 Allow each Organ and GS Department flexibility to reallocate funds within its budget, and responsibility to control expenditure, subject to a restriction preventing funds budgeted for non-personnel expenditures being reallocated for personnel expenditures FM4 Track and report expenditure against Organ and Department budgets in a manner consistent with Recommendations FM1 and FM2 FM5 Fund Common Services (CS) through the budgets of the user Organs and GS Departments on a client-contractor basis. Move to free choice by users between CS and outside vendors, subject to transition arrangements over a 4-year period FM6 Establish a publications sales, marketing and distribution unit in the GS, with a manager experienced in sales and distribution, and specific distribution and revenue goals. Transfer 50% of future gains in net revenue per publication as incremental discretionary resources to the Organs and GS Departments originating the publications. Continue to provide a back-up check to ensure that credits are available to cover all approved expenditures FM7 Modify financial control procedures: Organs and GS Departments should institute procedures to control their own expenditures, but Finance Department should continue to provide a backup check to ensure that credits are available to cover all approved expenditures

THE FULL TEXT OF ALL THE RECOMMENDATIONS IS GIVEN IN CHAPTER V OF OUR MAIN REPORT

Recommendations...Personnel...

SIMILARLY, OUR TEN PRINCIPAL RECOMMENDATIONS FOR PERSONNEL MANAGEMENT FOCUS ON INCREASED DELEGATION AND ACCOUNTABILITY LINKED TO RESULTS-BASED INCENTIVES. AGAIN, THE RECOMMENDATIONS REFLECT OUR ASSESSMENT OF SHORTCOMINGS IN EXISTING PRACTICES

ASSESSMENT OF CURRENT SYSTEM
• Recruitment practices do not reliably ensure sufficiently qualified and competent candidate is selected • Career development opportunities and performance incentives are lacking • Appraisal and accountability systems are ineffective • P-grade compensation is non-competitive (and can only be improved by gradual steps) • Morale problems are major

DEFINITION OF "MANAGED RENEWABLE TERM" (MRT) CONTRACT
• A new form of employment contract in which the employee is engaged on a five-year fixed term contract with a commitment by the ITU to renew every five years if the employee rated is ranked in the upper 75% of his department/division (weighted average over five years) and/or is rated in the category of "good" or "excellent" against required skill standards (weighted average over five years) consistently over the five-year period (see discussion of reformed appraisal/personal report system in Chapter III, p. III-21)

PERSONNEL MANAGEMENT RECOMMENDATIONS (SHORT FORM)
PM1 Check credentials and conduct telephone interviews for short-listed job candidates PM2 Replace the present Personal Report system with a personnel appraisal system based on combined ratings and rankings. Appraisal should be constructive process including counseling on career development PM3 All new recruitment should be in the form of "Managed Renewable Term" (MRT) contracts (see definition in box at bottom left), except for strictly temporary requirements PM4 Delegate authority to Directors of Organs (Board in the case of IFRB) and heads of GS Departments to reassign staff and rearrange posts within an overall planning constraint on levels of staffing/staffing expense PM5 Reconstitute professional Appointment and Promotion Board to include Department Head and direct supervisor of potential appointees (continued)

BRIEF DISCUSSION OF THE PILOT "TEAM" PROJECT
APPLICATION OF THE "TEAM" PROCESS ON A PILOT BASIS IN THE AREA OF TRANSACTION AND DOCUMENT PRODUCTION FOR WORKING DOCUMENTS • Transaction: Producing the essential working materials for administrative radio confewrenced, CCI study groups/working parties, etc. • Process: TEAM representatives meet on a regular basis to investigate, develop and implement process improvements on a multi-level, cross-functional basis • Motivation: Pilot team is awarded non-monetary incentives to provide tangible motivation (see discussion of TEAM pilot in Chapter III, p. 17)

PERSONNEL MANAGEMENT RECOMMENDATIONS (SHORT FORM)
PM6 Institute the TEAM process ("Translate strategy, Enlist commitment, Activate behavioral changes, Monitor and reinforce behavior") to enlist management and staff at all levels in enhancing operational efficiency. Establish a Pilot TEAM project dealing with the translation/document production transaction, mainly in the General Secretariat (see box at left). Following successful implementation of the action program initiated through the Pilot TEAM activity, extend the TEAM process throughout ITU headquarters*

PM7 Establish a performance bonus program based on achievement of demonstrable gains in productivity/cost reduction/quality of services provided, in relation to goals set by management and staff collaboratively through the TEAM process. Bonuses would:

• Start in 1992 following completion of a Pilot TEAM project
• Be payable based on verification by the Operations Analysis (OA) unit (see Recommendation OR3) that TEAM goals have been met
• Comprise a fixed amount (a fixed percentage of salary) payable to all members of any TEAM that meets its goals annually. (An individual component may be added later)
• Reflect the size of a bonus pool fixed annually by the Administrative Council on the recommendation of the SG, within the Plenipotentiary ceilings, and based on the TEAM productivity results to date and OA unit findings

PM8 Implement the Pension Purchasing Power Protection Insurance Plan (PPPPIP)

PM9 Establish a Code of Practice to foster effective communication between managers and staff, including a requirement for regular staff meetings, and provide managers with training in related communication skills

PM10 Establish explicit written managerial objectives

* The TEAM process is described in Chapter III of this report, and in detail in the Appendices 4 and 6. The related concept of "Transaction" – a linked sequence of operational activities forming a single entity to be enhanced through the TEAM process is also described on p. ES-6F, in Chapter III and these appendices.

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OUR INFORMATION-SYSTEMS RECOMMENDATIONS CONCERN APPLICATIONS DEVELOPMENT, AND HUMAN-RESOURCE AND ORGANIZATIONAL ISSUES, AS WELL AS TECHNICAL ISSUES CONCERNING HARDWARE AND SOFTWARE "PLATFORMS", THE RESOURCES USED TO SUPPORT APPLICATIONS

ASSESSMENT OF CURRENT SYSTEM
• Current and planned local infrastructure (processing, storage, on-site communications) is sufficient; mainframe capacity will soon exceed requirements as applications migrate to decentralized networked processors   • Level of costs is in line with typical experience for an information intensive organization   • Significant voice-telecommunications deficiencies   • A staff with strong technical skills has been built, but is not utilized as effectively as it could be   • User support and training is insufficient...   • ...This, combined with frequent changes – some of them justified – in PC technology deployed, has deterred users   • Information Systems organization is fragmented   • Several key management/planning processes are missing or deficient   • Existing applications implementation program meets most pressing needs except in the BDT and Personnel Department

INFORMATION SYSTEMS RECOMMENDATIONS (SHORT FORM)
IS1 Focus applications development on the "top eight" priority applications and on building a set of "bridges" as specified in Recommendation IS3. Cease all other application development work for the three years needed to complete these applications   IS2 Increase staff resources and external contract funding for the development of the eight priority applications to ensure that all are completed within 24 months   IS3 Implement a "bridge" capability to facilitate access to data and connectivity between applications. Use it to implement an Executive Information System (EIS) for the SG, elected officials and Administrative Council. Do not attempt to implement EIS until the "bridges" are completed   IS4 Complete the transfer of certain applications from the Siemens mainframes to distributed network resources that is already planned. Upon completion of this process, expected before the end of 1991, terminate lease of one of the mainframes   IS5 Continue to perform systems development on two primary platforms: IDMS-Windows and SQL Server-Windows. Refrain from using other platforms wherever possible. For the IRFB, continue development under IDMS with increased use of the SQL query language   (continued)

HIGH PRIORITY NEW SYSTEMS

APPLICATIONS	USER UNIT	IMPACT ON OPERATIONS	AREA OF FOCUS	Financial, Personnel, And IS Recommendations Affected* (From "Top 26" Only)
Completion Of Space Notification System (IFRB); Information Exchange With Administrations	IFRB	●	• Operational processing • Information exchange	IS1, IS4
BDT Integrated System For Project Management; Information Exchange With Field Offices	BDT	●	• Operational processing • Management control • Information exchange	IS1
Integrated Human Resources Information System Including Payroll	Personnel, Finance	●	• Operational processing • Management control	IS1, PM1–PM4,PM7
Budget, Expenditure Tracking, And Cost Analysis With Analytical And Reporting Tools	Finance, All Organs	●	• Operational processing • Management control	FM1–FM4
Enhanced On-Line Translation Support Systems, Including Enhanced Technical Terminology Database	Common Services, CCITT, CCIR	◕	• Operational processing	IS1
Document Exchange Project And Telecom Information Exchange Services (TIES)	All	◕	• Information exchange	IS1
Telecommunications Statistical Indicators	External Relations, BDT	◕	• Operational processing • Information exchange	IS1
Integrated Planning, Scheduling And Performance Reporting System For Document Production	Common Services, CCIR, CCITT	◕	• Management control	IS1

LEGEND: ▧ *Currently In Progress* ● *Very High Impact* ◕ *Strong Impact*

* Numbers refer to recommendation numbers In Chapter V.

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INFORMATION SYSTEMS RECOMMENDATIONS...

INFORMATION SYSTEMS RECOMMENDATIONS (SHORT FORM) (continued)
IS6 Add automated outbound dialing and call accounting, and voice mail capability, to the PABX IS7 Recruit specialist staff member for operational telecommunications IS8 Adopt a formal IS planning process – create an Information Technology (I.T.) Steering Committee composed of members from each organ and the General Secretariat to plan and review information technology activities IS9 Implement a structured systems engineering environment emphasizing current techniques, especially computer assisted software engineering and prototyping. Train appropriate IS staff on the use of the selected methodologies, tools, and techniques

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Recommendations...Other...

IN ADDITION TO THE RECOMMENDATIONS ON FINANCE, PERSONNEL AND INFORMATION SYSTEMS, WE HAVE THREE ADDITIONAL RECOMMENDATIONS WHICH ARE ESSENTIAL TO ENABLE THE SUCCESSFUL IMPLEMENTATION OF THE RECOMMENDATIONS IN FINANCE, PERSONNEL AND INFORMATION SYSTEMS

OTHER RECOMMENDATIONS (SHORT FORM)
OR 1   While remaining within the expenditure ceilings set by the Plenipotentiary Conference taking one year with another, move funds from 1993 and 1994 to finance expenditures in 1991 required to implement recommendations that will enable cost reductions in each subsequent year
OR 2   Establish a Strategic Planning Unit (two professional posts) in the General Secretariat reporting directly to the SG, to assist the SG, the Coordination Committee and the Administrative Council by preparing strategic planning studies, papers and proposals for their consideration which can be used as the basis for the bonus program proposed in Recommendation PM7
OR 3   Establish an Operations Analysis Unit (two professional posts) to assist in identifying and implementing operational improvement opportunities through the TEAM process and providing objective, independent monitoring of the resulting cost savings or other improvements

OUR ANALYSIS OF THE COSTS AND COST SAVINGS RESULTING FROM OUR RECOMMENDATIONS, AND HENCE THE SHIFTS OF EXPENDITURES BETWEEN YEARS THAT WOULD RESULT FROM RECOMMENDATION OR1, IS SUMMARIZED ON THE NEXT PAGE

Cost And Cost Savings...

WE HAVE ANALYZED THE COST IMPLICATIONS OF OUR RECOMMENDATIONS. THIS ANALYSIS SHOWS THAT THE RECOMMENDATIONS CAN BE FUNDED WITHIN THE PLENIPOTENTIARY CEILINGS, WITH A MODEST TRANSFER OF FUNDS BETWEEN YEARS, WITH SUBSEQUENT COST SAVINGS THAT "PAY BACK" THE INITIAL EXPENDITURES WITHIN FOUR YEARS WHILE ALSO ACHIEVING IMPROVEMENTS IN ORGANIZATIONAL EFFECTIVENESS AND PRODUCING CONTINUED SAVINGS THEREAFTER. OVER THE PERIOD 1991–1995 THE NET COST SAVING IS ESTIMATED 2.6 MILLION SFrs

NET INCREMENTAL EXPENDITURES (SAVINGS)

NET ANNUAL EXPENDITURES

	1991	1992	1993	1994	1995
	1,825	(83)	(1,393)	(1,455)	(1,455)

ANNUAL NET SAVINGS

CUMULATIVE INCREMENTAL EXPENDITURES (SAVINGS)

CUMULATIVE EXPENDITURE

	1991	1992	1993	1994	1995
	1,825	1,742	349	(1,106)	(2,561)

CUMULATIVE SAVINGS

ES-13
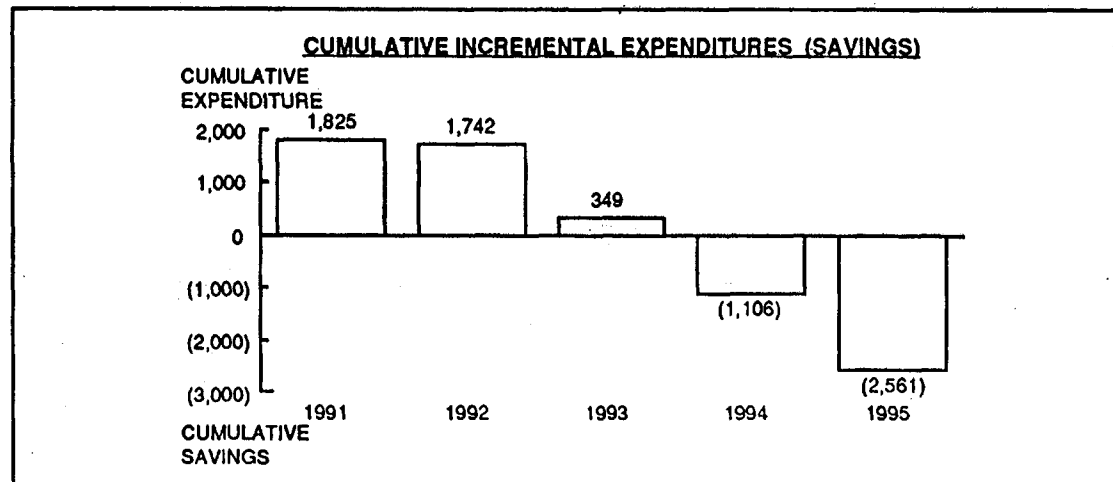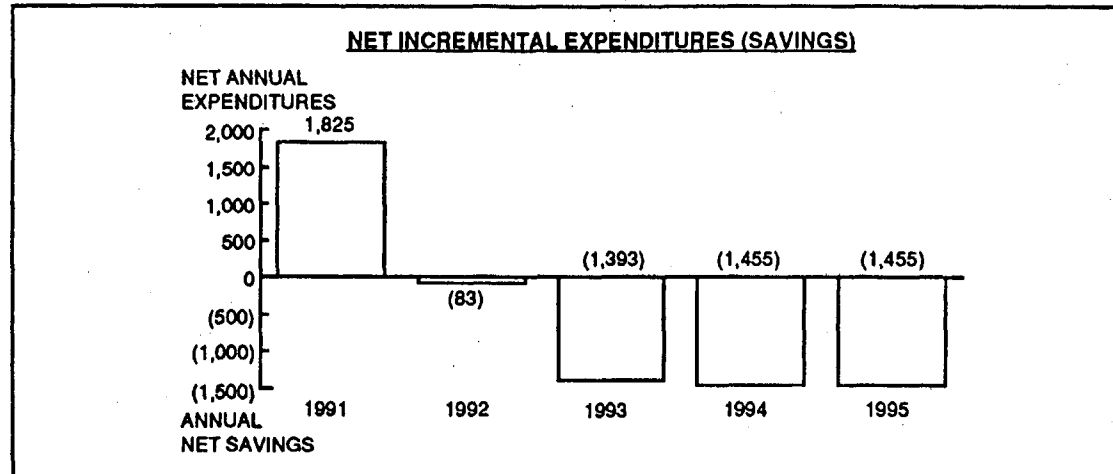
COST IMPLICATIONS
(Thousands Of Swiss Francs)

		1991	1992	1993	1994	1995
A.	Incremental Expenditures	1,825	1,502	(192)	(130)	(130)
B.	Minimum Estimate Of Savings	0	(1,585)	(1,585)	(1,585)	(1,585)
C.	Net Incremental Expenditures (Savings)	1,825	(83)	(1,393)	(1,455)	(1,455)
D.	Cumulative Incremental Expenditures (Savings)	1,825	1,742	349	(1,106)	(2,561)

		1991	1992	1993	1994	1995
E.	Current Expenditure Ceilings	102,500*	103,300*	103,700*	104,300*	104,000**
F.	Proposed Adjustment As Percent Of Ceiling (C/E)	+1.8%	(0.1%)	(1.3%)	(1.4%)	(1.4%)
G.	Cumulative Adjustment As Percent Of Cumulative Ceiling From 1991***	+1.8%	+0.8%	+0.1%	(0.3%)	(0.5%)

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*   From Final Acts of the Nice Plenipotentiary Conference.
**   BA&H assumption.
***   Defines as $(D_n/[E_{1991} + ... + E_n])$, where D_n is the incremental expenditure or cost-saving in the year concerned, and the "Es" are the expenditure ceilings for each year.

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Other Cost Implications...

SPECIAL FUNDING WILL BE NEEDED FROM THE MEMBER ADMINISTRATIONS FOR THE
PENSION PURCHASING POWER PROTECTION INSURANCE PROGRAM (PPPPIP), BUT WE
BELIEVE THAT THIS SPECIAL FUNDING SHOULD BE CONSIDERED SEPARATELY FROM THE
COST-BENEFITS IMPLICATIONS OF THE OTHER BOOZ·ALLEN RECOMMENDATIONS
CONCERNING MANAGEMENT AND INFORMATION SYSTEMS

Costs of PPPPIP

- 850,000 SFr per year (350,000 SFr/year for current premiums and 500,000 SFr/year to fund past year's contribution shortfalls)

OR

- 350,000 SFr per year plus a SFr 5.6 million lump sum payment

Implications Of "Macro" Organization Changes...

BOOZ·ALLEN'S WORK TOOK AS ITS STARTING POINT THE EXISTING LARGE-SCALE ORGANIZATIONAL STRUCTURE OF THE ITU'S PERMANENT ORGANS. HOWEVER, WE HAVE REVIEWED THE POSSIBLE CHANGES IN THIS STRUCTURE AND THEIR IMPLICATIONS FOR OUR RECOMMENDATIONS

HLC SITUATION*	IMPLICATIONS FOR BOOZ·ALLEN RECOMMENDATIONS
• "Agreement was reached in principle...to consolidate all ITU network standardization activities into a Standardization Organ"	• Some implementation details of Recommendations FM1 and FM3 and priority information system No. 8 (integrated planning, scheduling and performance reporting for document production) would change. Otherwise no change: BA&H recommendations are fully applicable to the proposed new structure
• "The HLC recommended that...a new organ should be set up to deal with terrestrial and space radio communications (TASR) grouping the IFRB Secretariat activities and those activities of the CCIR not included in the Standardization Organ"	• Some implementation details of Recommendations FM1 and FM3 would change. Otherwise no change: BA&H recommendations are fully applicable to the proposed new structure
• "Agreement in principle was reached to recommend that the CTD be merged with the BDT"	• Currently under consideration in a separate BA&H study. Not likely to require significant change in recommendations in present report concerning BDT

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* From Progress Report, Third Session of the HLC, Doc. DT/16-E.

V. RECOMMENDATIONS AND IMPLEMENTATION STEPS

Recommendations...Approval Authority...

A NUMBER OF OUR RECOMMENDATIONS REQUIRE POLICY DECISIONS BY MEMBERS OF THE ITU AT THE PLENIPOTENTIARY CONFERENCE OR ADMINISTRATIVE COUNCIL LEVEL. SEVERAL ARE WITHIN THE AUTHORITY OF THE SECRETARY GENERAL

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Financial Management FM1 Decentralize financial management	—	• Delegation of increased financial responsibility to Secretary General and elected officials • Approval for separate budgets for Organ and GS Department	—
FM2 Adopt a two-year budget cycle and a four-year strategic budget	• Approval for two-year budget and four-year strategic budget	—	—
FM3 Allow each Organ and GS Department flexibility to reallocate funds	• Full flexibility proposed requires approval by Tokyo Plenipotentiary	• Administrative Council can approve limited flexibility consistent with prevailing Plenipotentiary conference decisions	—
FM4 Track and report expenditures against Organ and Development budgets	—	—	• Within the authority of the Secretary General
FM5 Fund Common Services through the budgets of the user Organs and GS Departments on a client-contract basis	—	—	• Within the authority of the Secretary General

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A NUMBER OF OUR RECOMMENDATIONS REQUIRE POLICY DECISIONS...

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Financial Management			
FM6 Reorganize Sales function and create new sales and marketing unit	—	• Approval for creation of a separate sales and marketing unit • Approval for revenue or profit sharing by Organs; linked to approval of new budgetary process (Rec. FM1) and abolition of Supplementary Publications Budget	
FM7 Modify financial control procedures	• Approval of two-year budget cycle	• Approval of separate organ budget	• Most decisions within authority of Secretary General once principle has been approved by Plenipotentiary or Administrative Council
FM8 Revise accounting practices and procedures to support new budgeting and control methods, and provide better cost information	• Approval of new accounting categories, practices and procedures	• Approval of separate organ budget; interest in approval of provisional use of new budget categories subject to subsequent confirmation by Plenipotentiary Conference	• Most decisions within authority of Secretary General once principle has been approved by Plenipotentiary or Administrative Council
FM9 Provide insightful financial reporting on expenditure against each Organ and GS Department budget for better budget control and management decisions	—	• Approval of separate organ budget	• Most decisions within authority of Secretary General once principle has been approved by Plenipotentiary or Administrative Council

Recommendations...Approval Authority...

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Personnel			
PM1 Check credentials and conduct telephone interviews			• Credentials of short listed candidates will be checked and telephone interviews (conference calls) conducted
PM2 Reactivate the appraisal process			• Reactivate appraisal process through a system of ratings and rankings based on ITU overall goals and TEAM measures of success defined at the individual level
PM3 Institute Managed Renewable Term (MRT) contracts	• Use of Managed Renewable Term contracts to replace permanent posts upon vacancy—contracts renewable after 5 years based on satisfactory performance (for permanent program)	• Use of Managed Renewable Term contracts to replace permanent posts upon vacancy—contracts renewable after 5 years based on satisfactory performance (for initial program)	
PM4 Empower managers to optimize allocation of staff resources	• Empower managers to optimize staff resources and allocate posts to activities as needed		
PM5 Delegate more authority to managers		• Delegate greater authority for appointment and promotion to operating managers for levels below P5	
PM6 Establish TEAM pilot project			• Establish a pilot project in translation/terminology/ CCI editor/typing cross-organizational team
PM7 Establish bonus program based on TEAM process		• Institute bonus program for all employees based on achievement of TEAM measures	
PM8 Approve Pension Purchasing Power Protection Insurance Program (PPPPIP)		• Approve PPPPIP to retain qualified, experienced staff and continue to attract talented individuals	

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Personnel			
PM9 Establish explicit communication networks			• Enhanced communication through monthly staff meetings, cross organizational interactions, and non-hierarchical "skip level" meetings
PM10 Establish explicit written managerial objectives		• Develop explicitly written managerial objectives for senior management tied to ITU overall objectives	
PM11 Establish outplacement service for fixed-term and managed renewable term contract holders			• Institute outplacement service for contract holders with fixed term and managed renewable term contracts to help staff to transition out of ITU
PM12 Generalize job descriptions			• Job descriptions widened to encompass general responsibilities rather than tasks
PM13 Institute annual employee opinion survey			• Annual employee opinion/perception/ motivation survey with feedback mechanism through Coordination Committee
PM14 Simplify communications in routine procedures			• Identify barriers to communications in routine procedures and reroute communications in a simpler, more timely fashion
PM15 Enhance professional and technical training			• Enhanced training in technical and managerial/professional skills funded through operational savings and leveraging in-house training resourced
PM16 Advertise posts more widely			• Posts will be more widely advertised and vacancy notices will be more widely distributed

WE HAVE ANALYZED WHERE DECISION-MAKING AUTHORITY LIES FOR ADOPTION OF EACH OF OUR RECOMMENDATIONS

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Information Systems			
IS1 Focus systems development efforts on eight high priority projects	—	—	• Approved by the Secretary General, and enforced by the Information Technology Steering Committee
IS2 Increase staff resources and external contract funding for the eight priority applications		• Requiring Administrative council approval for transfer of funds between budget categories and years	• SG and Coordination Committee should approve budgeting proposed to Administrative Council
IS3 Implement a set of software "bridges"	—	—	• Within the authority of Secretary General
IS4 Complete the transfer of applications from the Siemens mainframes; terminate lease on one mainframe processor	—	—	• Within the authority of Secretary General
IS5 Continue to perform systems development on IDMS-Windows and SQL Server-Windows, with SAP-windows for financial applications. Minimize use of other development platforms	—	—	• Within authority of SG
IS6 Add automated outbound dialing, call accounting, and voice mail capabilities to the PBX	—	—	• Within authority of SG
IS7 Hire a telecommunications planning specialist and a short-term PC training expert	—	• Approval for new posts	—

RECOMMENDATIONS	TYPES AND LEVEL OF STRUCTURAL POLICY DECISIONS/APPROVING AUTHORITY REQUIRED		
	Plenipotentiary Conference	Administrative Council	Secretary General
Information Systems			
IS8 Implement formal Information Systems planning process	—	—	• Within authority of SG
IS9 Implement a structured systems engineering environment	—	—	• Within the authority of Secretary General
IS10 Complete deployment of personal computers	—	—	• Within the authority of Secretary General
IS11 Carry out intensified user training program	—	—	• Secretary General sets policy to be implemented by MIS Department
IS12 Evaluate the use of barcode scanning for document tracking		—	• Within authority of Secretary General and elected officials of user organs (majority CCITT and CCIR)
IS13 Postpone upgrading of current PBX			• Within the authority of Secretary General
IS14 Restructure the Information Technology organization	—	• Approval for changes in designation of posts • Approval for creation of two divisions • Approval for staff transfers	—
IS15 Develop and implement an expanded Information systems training program for specialist staff		• Cumulative impact of this and other recommendations including incremental spending require Administrative Council decision to move funds between budget categories and years	• Otherwise within authority of SG