INTERNATIONAL TELECOMMUNICATION UNION

Telecommunication Development Bureau (BDT)

Fifth Meeting of the Telecommunication Development Advisory Group (TDAG)	**Document TDAG-5/17-E**
	21 February 2001
Geneva, 22-23 February 2001	**Original: English only**

Note by the Director of BDT

SUMMARY OF DECISIONS OF THE
FIFTH MEETING OF THE TDAG SUBGROUP DEALING
WITH PRIVATE-SECTOR ISSUES
(Geneva, 21 February 2001)

1.   Opening remarks by the Director of BDT

1.1   The **Director of BDT**, after welcoming participants, wished the new chairman, Ms Walda Roseman, every success in guiding the work of the subgroup in the important period leading up to WTDC-02. It was very pleasing to note the significant increase in participation at the meeting, especially from Sector Members, whose advice and recommendations BDT valued very highly.

1.2   New developments since the previous meeting included the regional preparatory meetings for WTDC-02, the proceedings of which were posted on the ITU-D website; and the first Development Symposium for Regulators, which had exceeded all expectations. In the field of IMT-2000, ITU/BDT was demonstrating its commitment and working to facilitate the successful commercial introduction of IMT-2000 worldwide.

1.3   As well as a report on the regulators' meeting, the subgroup would be hearing presentations on the work of the Regional Offices, new initiatives aimed at bridging the digital divide and various ITU initiatives representing partnership opportunities for industry members, as well as brief presentations from a number of Sector Members.

2   Opening remarks by the Chairman

2.1   The **Chairman** said that it was an honour to chair the subgroup, which was growing in importance, and thanked participants for the confidence they showed in her. Referring to the role of the subgroup in accordance with WTDC-98 Resolution 6, she was convinced that sustainable telecommunication development required successful, relevant and mutually satisfying partnerships at a number of levels between Sector Members and ITU/BDT, between the private sector and governments, and within the private sector. The subgroup must aim to facilitate such partnerships and build a strong programme.

**3	Summary of conclusions and decision elements of the fourth meeting of the TDAG Subgroup dealing with private-sector issues (Document SUBTDAG-5/2)**

3.1	Following some clarifications provided by BDT in response to questions on follow-up of a number of points, the summary of decisions of the fourth meeting of the subgroup in Document SUBTDAG-5/2 was approved.

**4	Report on activities from Heads of Regional Offices (Document SUBTDAG-5/13, 3, 17, 18 and 11)**

Americas region

4.1	The **Head of the Regional Office for the Americas** introduced Document SUBTDAG-5/13, containing a report on the considerable progress made with the enterprise incubator partnership project in Peru and on a number of fruitful meetings BDT had held with the private sector in the Americas. Due to the positive results achieved so far, it was likely that the incubator pilot project would lead to the setting up of a national incubators programme in Peru, and all the experience gained and technical documents drawn up would serve as a valuable reference tool for future incubator projects elsewhere.

4.2	After a brief discussion, the subgroup reiterated its support for ITU/BDT enterprise incubator partnership projects, and suggested that BDT disseminate as much information as possible on them, perhaps in the form of a brochure or report explaining and highlighting the Peruvian experience.

Asia and the Pacific

4.3	The **Head of the Regional Office for Asia and the Pacific**, introducing Document SUBTDAG-5/3, said that the Regional Office was adopting a much more proactive approach in order to attract new ITU-D Sector Members in the Asia-Pacific region. Several strategies had been identified to that end, including the distribution of various promotional materials, and ad hoc arrangements (partnerships) with potential Sector Members. Also, a specific project had been adopted to encourage new players to become Sector Members and improve their opportunities for participation in ITU activities, through the development of information packages, the development of training modules with role-plays on participation in ITU, and the organization of training workshops.

4.4	Following discussion of several aspects of the document, the subgroup welcomed the initiatives taken, and suggested that the outputs of the project to improve Sector Member participation, in particular training modules developed, should be disseminated widely, including to the other regions.

Arab region

4.5	The **Acting Head of the Arab Regional Office** said that Document SUBTDAG-5/17 reported on ongoing efforts to increase the number of Arab Sector Members, particularly in ITU-D, and the work being constantly carried out to build links of cooperation between BDT and the Arab private sector as a whole. Various meetings had been held and several new projects were being carried out on issues such as regulatory matters, frequency management, HRD and IT. Consideration was being given to forming an association for the Arab private sector. He noted that his door was open to any Sector Members who wished assistance in the region.

4.6	In the ensuing discussion, particular attention was drawn to ITC activities in the field of teletraffic in the Arab region, and the recent signing of an ITU/ITC cooperation agreement which should make for more effective and more organized collaboration in that field.

4.7   The subgroup noted the idea of reduced contributory rates for developing country Sector Members in ITU-R and ITU-T, which, if TDAG agreed, could be raised by the Director of BDT as an input to the Working Group on Reform or the Council.

Africa

4.8   The **Head of the Regional Office for Africa**, introducing Document SUBTDAG-5/18, said that activities in respect of the private sector in Africa focused on two main strands, namely operational partnership and recruitment of Sector Members. Operational partnership activities included not only the two centres of excellence in Africa, but also many and varied coordination meetings with all partners, ranging from regional organizations to small emerging companies in the private sector.

4.9   As well as the institutional environment, a major constraint for the recruitment of Sector Members in Africa was that most companies were small, emerging start-ups whose sole immediate preoccupation was survival and who could not under those conditions contemplate ITU-D membership. However, that apparent obstacle also represented an immense opportunity for ITU to accompany the emergence of the African private sector by improving the institutional environment and carrying out specific local actions. The private sector in other more developed regions could also help in that regard.

4.10   In the ensuing discussion, the following points were made:

- Transfer of responsibilities from the state to private organizations in an environment of privatization and liberalization underscores an urgent requirement to anticipate the needs of the private sector in developing countries.

- The suggested approach of helping and nurturing fragile emerging enterprises, with strong support from the private sector, should be pursued.

- In order to outreach to such enterprises, they could be included in the BDT database.

- Trade associations and chambers of commerce are extremely important players, and they might be considered as possible ITU-D Sector Members as part of the general outreach effort.

- The establishment of operator associations should be encouraged in other regions around Africa, and they too would be potential Sector Members.

- ATU's project to harmonize regulatory policies might help to remove some of the institutional environment obstacles to ITU Sector membership in Africa.

4.11   The subgroup expressed appreciation of the report on the situation in Africa, and advocated that the identified lines of approach be pursued, with private sector input.

Europe

4.12   The **Head of the Europe and CIS Region Unit**, introducing Document SUBTDAG-5/11, said that following very broad consultation of all administrations, 10 quality projects had been identified for implementation under the 2001 Operational Plan, and a further 25 had been placed on a waiting list. There was thus a need and opportunity for private sector contributions of various forms in order to be able to implement more projects. The Regional Preparatory Meeting for WTDC-02 in Sofia had identified six priority areas: policy issues and telecommunication regulation, information society and the digital divide, economic and financial issues, HRM and HRD, network development and wireless network development, with a long list of specific recommendations in each area.

4.13   During the discussion, concern was expressed that the list of recommendations was inordinately long, although it did in fact reflect countries' wishes. An example of a tangible BDT/private sector partnership was quoted, namely the first node of the GTU and distance-learning training institute in Malta.

4.14   <u>The subgroup noted the 2001 Operational Plan for Europe and the CIS region and the potential for private-sector contributions.</u>

4.15   In the light of general comments on the question of regional reports, <u>the subgroup agreed that every effort should be made to share information between the regions, and that the regional reports submitted to the next meeting should be presented in a single harmonized format.</u>

5   Digital divide initiatives (Document SUBTDAG-5/8)

5.1   The **BDT secretariat** said that the purpose of Document SUBTDAG-5/8 was to inform the subgroup of recent initiatives to reduce the digital divide, and to seek comments, especially on the role of the private sector and industry in digital divide initiatives. The three main initiatives described in the document were Dot Force (a G.8 initiative), the UN ICT Advisory Group (an ECOSOC-led UN initiative) and the Digital Opportunities Initiative (led by UNDP). ITU had developed a proposed strategy for the Dot Force process, with the particular involvement of ITU-D, and steps were being taken to consult the membership at TDAG, at forthcoming regional preparatory meetings for WTDC-02 and at Council-01, where at least one meeting would be devoted to digital divide initiatives. ITU wished to promote a number of key messages. First and foremost, promotion and development of ICTs worldwide was a main focus of ITU, and what was more ITU was ideally placed to play a leading role in view of its core mandate and comprehensive membership (189 Member States and 600 Sector Members). The Valletta Action Plan actually mirrored the G.8 objectives set out in the Okinawa Charter. It was important to recognize infrastructure development as one of the primary objectives of digital divide initiatives, and to ensure that developing countries became stakeholders in the initiatives. ITU was well positioned in both of those respects. Finally, the message must be conveyed that ITU forums (RPMs, WTDC-02, PP-02, regional and world TELECOMs and WSIS-03) would constitute mechanisms for bridging the digital divide long after the Dot Force report.

5.2   One specific question on which the subgroup's input was solicited was the possibility of organizing a separate session during WTDC-02 reserved for Sector Members, possibly focusing on the issue of the digital divide.

5.3   The following main points were raised during the ensuing discussion on the digital divide:

- One practical step to help bridge the digital divide would be, bearing in mind that the developed world upgraded its computers very frequently, to collect unwanted/unused computers for recycling in the LDCs for educational purposes. That idea was already being vetted in the Dot Force initiative, and could be supported by ITU.

- One useful output of initiatives in the digital divide area would be best practices for developing countries to attract investment.

- An often-overlooked, yet fundamental requirement for reducing the digital divide was transition from analogue to digital networks, which raised a number of problems, particularly financing. That could be an important issue for WTDC-02, and would also be addressed in the forthcoming WTPF on IP telephony.

- It was important, in addressing the digital divide, to involve the developing countries as stakeholders rather than viewing the issue from an exclusively developed country standpoint.

- While the term "global universal service fund" could be misleading, the intention was to focus attention clearly on the need for financing for the necessary infrastructure, without which concepts like tele-education or e-commerce would be meaningless in the developing countries and the digital divide could not be overcome. The work accomplished under ITU-D Question 7/1 was relevant, and case studies should be encouraged.

- As a matter of principle, it was worrying for the developing countries in particular that other organizations should be taking over ITU's pre-eminent role in respect of the digital divide. Rather than simple proposals, ITU should have a genuine strategy to retain or regain the leadership in that field.

5.4   The subgroup noted the comments made and endorsed in particular the need for ITU to reassert its position as the natural forum for work on the digital divide.

5.5   On the possibility of a specific private-sector session during WTDC-02, a number of points were made:

- There was support for a private sector session addressing issues that could contribute to the digital divide or other issues under consideration at the WTDC.

- Early availability of a draft action plan with a view to WTDC-02 was important, and BDT had already prepared a preliminary draft which would be considered by TDAG.

- An opportunity might be provided for the private sector to demonstrate the technology it can offer to bridge the digital divide. An idea along those lines concerning the possibility of exhibiting new technology for rural areas during WTDC-02 will be put before TDAG by the Task Force on Rural Telecommunications set up under the auspices of Focus Group 7.

- Any specific session for the private sector would only be fruitful if it was properly planned, with clear goals, a specific agenda and an idea of expected outputs.

- Any such specific meeting must avoid the potential pitfall of separating the private sector from the mainstream conference. The private sector must be fully involved in all the policy discussions, particularly now that Sector Members were fully fledged participants under the Constitution and Convention.

5.6   In conclusion, the subgroup expressed support for the idea of a dedicated private sector session at WTDC-02, taking due account of the comments made during the discussion.

6   Reports on BDT initiatives (Documents SUBTDAG-5/10 + Add., 9, 14 + Add., 12, 16 and 6)

Africa TELECOM Youth Forum

6.1   The **BDT secretariat** and the **ITU TELECOM secretariat** jointly introduced Document SUBTDAG-5/10 and its Addendum, describing a new initiative for a Youth Forum to be launched at ITU TELECOM AFRICA 2001 and the ensuing opportunities for industry. The Youth Forum concept was designed to enable one young man and one young woman from every country of the region to be awarded a fellowship to attend both the regular events at ITU TELECOM AFRICA 2001 and a special Youth Forum programme. The conclusions of the Youth Forum representing young people's ideas for the future would be submitted to the joint closing plenary session along with those of the two summits and the TELECOM Development Symposium. The aim of the initiative was to promote the telecommunication industry among young people, give them a better understanding of policies and regulations in their own countries and the continent as a whole, publicize ITU and regional telecommunication organizations and elicit young people's vision for the future. Follow-up activities and training were also being considered, such as training at centres of excellence and internships.

6.2   The Youth Forum offered industry an opportunity to play a vital role in shaping the minds of future ITC leaders in Africa by participating in the sessions and providing pre-event training or perhaps post-event internships. Various sponsorships could be envisaged, under a fully transparent programme budget and accounts, ranging from a single sponsor for the whole event, with all the associated benefits, to co-sponsorship.

6.3   A number of points were made during the discussion:

- The essays submitted by candidates as part of the selection process would provide a valuable source of knowledge on the views of young people in Africa, and it was planned to publish them with photos and curricula vitae of the authors on the web and on CD-ROM.

- The stipulated maximum age (23 years) might be a problem in some countries.

- Equality of treatment should be ensured for both French and English speakers, and all the Arab countries in Africa were also being invited to submit candidates.

- The Youth Forum could provide a focus for internship, scholarship and recruitment opportunities at Africa TELECOM, although the objective should of course be to retain the bright young people in Africa.

- Considerable benefit stood to be gained from allowing a mixture of large and small-scale sponsorship opportunities.

- Every effort must be made to give the Youth Forum a multiplier and outreach effect, in particular by setting up a network linking everyone involved in order to pursue and expand dialogue to other young people in Africa and beyond.

6.4   The subgroup expressed enthusiasm for the Youth Forum initiative and urged that the above points be taken into account.

World Telecommunication Policy Forum

6.5   The **representative of ITU**, introducing Document SUBTDAG-5/9 said that the forthcoming WTPF to be held in Geneva from 7 to 9 March 2001 would be addressing IP telephony, an issue of great relevance to the private sector. Preparatory texts, available on the ITU website, included the Secretary-General's report (covering technical and operational aspects of IP networks; economic aspects of IP telephony and its impact on Member States and Sector Members; policy and regulatory issues for IP telephony; and the development dimension and human resources development issues) and three draft opinions (on the general implications of IP telephony; action to assist Member States and Sector Members; and human resources development issues). The Forum would be preceded on 6 March by an information day on IP telephony and IP-based network issues.

6.6   The subgroup noted the report and the importance of the upcoming WPTF-01.

Partnership Round Table for Least Developed Countries

6.7   The ITU representative introduced Document SUBTDAG-5/14 and its Addendum reporting on the Partnership Round Table for Least Developed Countries held in Geneva on 23-24 November 2000. The objectives of the round table were to establish partnerships between LDCs and the private sector in particular and to boost telecom investment in LDCs by the private sector. Although, despite the TDAG subgroup's appeal at its last meeting, the participation had frankly been somewhat disappointing, tangible outcomes had been achieved in the form of private sector interest in supporting projects, and several lessons had been learned, such as the declining role of development banks in that area and consequent increased role of the private sector, and the need to develop concrete proposals in order to attract investment.

6.8   The **Director of BDT** urged all BDT's partners to join forces and take the opportunity provided by the Special Programme for LDCs to work together with those countries, which were showing commitment, determination and willingness, in order to achieve tangible results on the ground.

6.9   The subgroup noted the report on the LDC Round Table and the opportunities for private-sector participation under the Special Programme for LDCs.

Development Symposium for Regulators

6.10   The **representative of BDT**, introducing Document SUBTDAG-5/12, said that in recognition of the rising numbers and importance of telecom regulators, BDT had organized a symposium to lay the bases for dialogue with and between regulators. The first such event had been held on 20-22 November 2000 in Geneva. It had served to identify the nine most pressing regulatory issues, namely: interconnection; tools for regulation; independence; mobile, convergence; universal access; consumer needs; competition; and frequency management. The symposium had decided to hold annual meetings, the next of which in Autumn 2001 would focus on how a regulator can best achieve independence and efficiency. The idea of a special session with the private sector had been put forward, and inputs were needed on the possible expectations of the private sector from such a session.

6.11   The following main points were made during the discussion:

- The private sector supported the addition of private sector component to the next symposium.

- The private sector was a major player for designing the most appropriate regulation for markets in developing countries in the telecommunication sector.

- ITU should develop a roster of the best expertise available in the regulatory domain on which developing countries could call and rely for help, advice and opinions.

- While ITU (BDT) could not exert pressure on administrations or governments to adopt a particular regulatory approach, it should offer success stories and best practices. In that regard, the presence of national champions within a country was extremely important.

- Specific suggested topics for future regulators' symposia might include: fair competition, market power and price control; the problems encountered with auctions; and the escalation of WTO's agenda for regulators.

6.12   The subgroup noted with pleasure the report on the symposium, and the addition of a private sector session with regulators,   and urged its members to submit specific proposals for the content of the private sector session. Such proposals must reach BDT within the next two to three weeks.

Internet training centre initiatives

6.13   For lack of time, the Internet training centres initiative for developing countries (ITCI-DC) described in Document SUBTDAG-5/16 and its Addendum was not introduced in detail. However, the **representative of BDT** indicated that the project had been approved and significant progress made, and it was hoped that 20 to 30 centres would be in place before WTDC-02. Significant partnership opportunities still remained for the private sector.

Database on telecommunication operators in developing countries

6.14   For lack of time, Document SUBTDAG-5/6 describing progress made on the operators' database was not introduced in detail. However, the **representative of BDT** announced that since the last meeting the database had been expanded in terms of both size and content.

7   ITU-D Sector Member presentations (Documents SUBTDAG-5/7, 4 and 15)

Bridging the IMT-2000 divide – Development goals and challenges

7.1   **Mr Peter Goreham** (Lucent Technologies) gave a presentation (Document SUBTDAG-5/7) on bridging the IMT-2000 divide. The presentation highlighted global trends and expectations, subscriber and network operator expectations for IMT-2000, IMT-2000 benefits, development goals and challenges, the 450 MHz footprint and implementation of IMT-2000 in the 450 MHz band using CDMA technology.

Planning and sectoral policy for telecommunications in LDCs

7.2   **Mr Sabin Nikoyagize (Burundi)** gave a presentation (Document SUBTDAG-5/4) highlighting the importance of the private sector in planning and sectoral policy for telecommunications in LDCs, with particular reference to the case of Burundi. In spite of the incumbent operator's concern, Burundi had derived significant advantages from the growth of the private sector – increased profitability; enhanced teledensity; improved planning; national coverage as a joint priority; profits not siphoned off to other sectors; focus on other services (mobile and Internet) as well as fixed. However, liberalization had demanded a change in attitude, and one obstacle was the lack of motivation by the operator for providing statistical data (e.g. subscribers; turnover; net profits; volume of traffic) which were needed for calculating telecommunication indicators and telecommunication development planning.

7.3   In the discussion, it was pointed out that one way of overcoming the problem mentioned was to include a reporting requirement as one of the conditions laid down in licences.

Worldspace telekiosk in Mali

7.4   **Ms Roxana Dunnette (Worldspace Corporation)** gave a presentation (Document SUBTDAG-5/15) reporting on the work of Worldspace, and in particular one year's experience with the Worldspace mobile telekiosk in Mali. As well as commercial uses in Africa, Asia and the Middle East, Worldspace satellites and fixed/mobile telekiosks are being used for distance-education projects in Ethiopia and the Philippines, community telecentre projects in Senegal and Mali, disaster warning projects, and closed user group applications for UNHCR. The Mali pilot test had been carried out in cooperation with SOTELMA. The telekiosk had been operated on a commercial basis generating revenue of USD 13 000 from telephone calls, fax, Internet access, initiation courses on Internet and some radio productions, and fixed telecentres were now being put in place as a result of the experience. Worldspace was an example of an up-and-running system that made a difference on the ground, and offered excellent partnership opportunities.

7.5   The subgroup expressed its appreciation to the Sector Member representatives for their informative and interesting presentations.

8   Report on ITU-D membership in 2000 (Document SUBTDAG-5/5)

8.1   For lack of time, the progress report showing the number and distribution of Sector Members in ITU-D was not introduced, and participants were referred to the written material in Document SUBTDAG-5/5 and asked to address any questions to Ms Silna (Head, Programming, ITU-D Sector Members).

9   Future work of the TDAG Subgroup dealing with private sector issues

9.1   Following a broad discussion on ideas for future work, the subgroup noted a number of proposals:

- At the next meeting, move up the items that had not been covered for lack of time (Internet training centre initiatives, operators' database and report on membership) to earlier in the agenda, along with the very important item on ITU-D Sector Member presentations.

- In view of the importance and timing of the next meeting, which was the last before WTDC-02, consider extending its duration to one and a half days.

- Consider including on the agenda of the next meeting an item reporting on cooperation in the field of GMPCS, as a positive example of fruitful direct collaboration between BDT, the private sector and developing countries.

- Recognizing the importance of cooperation with telecommunication associations, a report on such cooperation, in particular in the regions, would be useful. Alternatively, or in addition, telecommunication associations could be invited to make a presentation.

- Consider the possibility of a session reserved exclusively for private-sector members to discuss issues of concern to them.

- Having regard to the key role played by the Regional Offices, consider the possibility of holding regional meetings with the respective private sectors, reporting back to the subgroup proper.

- Reinstate the past practice of developing recommendations in the subgroup for action by BDT. Any proposals for specific recommendations should be submitted as early as possible for inclusion on the agenda.

- Establish a website and use e-mail to disseminate information and maintain contacts between meetings of the subgroup.

10   Closing remarks by the Director of BDT and the Chairman

10.1   The **Director of BDT** thanked the subgroup for the quality of its debates and the valuable inputs and advice it provided to BDT. The next meeting of the group would be crucial in developing input to WTDC-02. He thanked the chairman for the very efficient manner in which she had conducted the debates.

10.2   The **Chairman** thanked everyone involved in the meeting, and in particular the Boeing company for supporting her so that she could serve as chairman. She urged all participants to participate in TDAG proper and to follow up the decisions of the subgroup meeting by establishing partnerships and making appropriate contributions and inputs.

The meeting rose at 1800 hours.