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| **Plenipotentiary Conference (PP-18) Dubai, 29 October – 16 November 2018** |  |
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| **PLENARY MEETING** | **Document 52-E** |
| **5 October 2018** |
| **Original: English** |
| Report by the Secretary-General | |
| status report: implementation of an SME Pilot project and current participation of Smes in itu | |

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| Summary  Council-17 decided to launch an SME pilot project in interested ITU-T and ITU-D Study Groups. ITU-T SG5, SG11, SG16, and SG20 have decided to participate in this project, as well as the two ITU-D Study Groups. Council instructed the secretariat to provide a progress report to Council-18, and a fuller report to PP‑18 on outcomes.  Action required  The Plenipotentiary Conference is invited **to note** the status of implementation of this project and **decide** next steps, taking into account the options provided by the Secretary General.  \_\_\_\_\_\_\_\_\_\_\_\_  References  [*Report of the CWG-FHR to Council-17*](https://www.itu.int/md/S17-CL-C-0120/en) *(Annex K)* |

**1 Background**

1.1 Council 2017 decided to launch an SME pilot project in interested ITU-T and ITU-D Study Groups, whereby SMEs may participate fully in the meetings of the participating Study Groups but they will have no role in the decision-making, including leadership roles and the adoption of resolutions or recommendations. The full terms of reference for the pilot project are available [here](https://www.itu.int/md/S17-CL-C-0120/en).[[1]](#footnote-1)

1.2 In order to participate, SMEs must be approved by their relevant government Administration, according to national definitions of SMEs.

1.3 The pilot project is to be promoted with the Bureaux, regional organizations, administrations and the ITU regional and area offices through contact with SMEs and SME associations.

1.4 Council-17 instructed the secretariat to provide a progress report to Council-18, and a fuller report to PP-18 on outcomes.

**2 Current situation for pilot implementation**

2.1 In ITU-T, the following Study Groups participated in the pilot project:

* [Study Group 5 – Environment and circular economy](https://www.itu.int/en/ITU-T/studygroups/2017-2020/05/Pages/default.aspx)
* [Study Group 11 – Signalling requirements, protocols and test specifications](https://www.itu.int/en/ITU-T/about/groups/Pages/sg11.aspx)
* [Study Group 16 – Multimedia coding, systems and applications](https://www.itu.int/en/ITU-T/studygroups/2017-2020/16/Pages/default.aspx)
* [Study Group 20 – IoT, smart cities & communities](https://www.itu.int/en/ITU-T/studygroups/2017-2020/20/Pages/default.aspx)

Currently, 15 SMEs have been approved by relevant administrations to participate in ITU-T meetings under the pilot, with 3 more in the admission process, and another 4 having expressed interest. Already this participation has led to some positive results. For example, in ITU-T SG16, ASTEM (Japan) contributed significant specifications for standards on accessible IPTV terminals and their testing, which are now found in Recommendation ITU-T H.702 and Technical Paper ITU-T HSTP-CONF-H702. Wayfindr, from the UK, brought specifications for audio-based network navigation system for persons with vision impairment and its conformance testing (Recommendation ITU-T F.921 and Technical Paper ITU-T HSTP-CONF-F921). Wayfindr also developed an associated online training material that is [available from the ITU Academy platform](https://itu.int/go/academy/t/f921).

2.2 The two ITU-D Study Groups also participated in the pilot project:

* [Study Group 1 - Enabling environment for the development of telecommunications/ICTs](https://www.itu.int/net4/ITU-D/CDS/sg/index.asp?lg=1&sp=2018&stg=1)
* [Study Group 2 - ICT services and applications for the promotion of sustainable development](https://www.itu.int/net4/ITU-D/CDS/sg/index.asp?lg=1&sp=2018&stg=2)

In total, 8 SME have been approved by administrations to participate in ITU-D Study Group and Rapporteur Group meetings. Most of these SME pilot participants have also submitted contributions to the ITU-D Study Group 1 and 2 meetings and participated in topical activities that have taken place within the ITU-D Study Groups in 2018. SMEs have shown a particular interest in areas such as cloud computing, rural access, cybersecurity, e-health and other ICT applications.

There are a total of 22 SMEs registered for the pilot project across study groups in ITU-T and ITU‑D. One SME is registered for both ITU-T and ITU-D.

2.3. A full list of the SMEs that have participated in the pilot project are available in **Annex**.

2.4 ITU is partnering with global, regional and national networks and associations to more efficiently and effectively reach out to SMEs. Examples include [WITSA](https://witsa.org/), a global ICT association and [CABASE](http://www.cabase.org.ar/?lang=en), a business association in Argentina. They have helped promote the SME pilot project.

**3. Current Participation of SMEs in ITU**

3.1 In addition to the pilot project, there are currently a number of ways that SMEs participate in ITU activities, including in Study Groups as Sector Members, Associates or as part of national delegations, in ITU Telecom World, WSIS, and in various global and regional events across the Sectors, including workshops, training and other activities open to non-members.

3.2 There are already a significant number of SMEs participating in ITU as Sector Members and Associates. The actual number depends on the definition, but by some measures, it is estimated that ITU currently has more than 60 SMEs as Associates and Sector Members.[[2]](#footnote-2)

3.3 ITU Telecom World events have increasingly provided a platform of international services to support and foster SMEs. Growing numbers of exhibitors at ITU Telecom World events are SMEs, either within National Pavilions or Thematic Pavilions, or as independent stands. SME solutions, products and services cover a range of sectors and technologies, including innovative use of ICTs in health, education, finance, government services, agriculture and the labour market. The [ITU Telecom World SME Programme](https://telecomworld.itu.int/2018-event/sme/) focuses on helping high-growth SMEs with social impact to expand their ICT-specific products or services or ICT-dependent business models. ITU TELECOM has helped [tech SMEs open new market opportunities, scale up](http://telecomworld.itu.int/Documents/WT18/WT18_Flyer-SMEs.pdf) their business activities and reach maximum global impact. Specific efforts include international visibility through the exhibition, coaching, mentoring, investor-matchmaking, pitching and recognition within the ITU Telecom Global SME Awards. Since 2015, over 500 tech SMEs have either exhibited or participated in the ITU Telecom World SME Programme and Awards. Several winners of the Awards have gone on to expand both in domestic and international markets.

3.4 In addition, the WSIS Forum has become a platform of increasing interest for SMEs and start-ups. ITU and co-organizers have been encouraging SMEs and start-ups to showcase their innovative technologies and to interact with the wider WSIS stakeholder community. SMEs and start-ups have recently displayed their solutions, including drones, robots and artificial intelligence for social good, online capacity building programmes, ICTs for eradicating hunger and e-health solutions.

3.5 ITU also has many other activities, including focus groups, workshops and training, which are open to non-members. These are important opportunities for SMEs to participate in ITU and expand their knowledge of key issues and developments in various parts of the world. They are also a chance for SMEs to meet with governments, academia, civil society and larger companies from other parts of the world, who may be seeking solutions provided by SMEs or local partners to serve specific needs in emerging markets.

3.6 Some Member States also include SMEs in their delegation. Smaller companies focused mainly on global networking and information-gathering may find that participation in a national delegation already meets their needs, as they are not yet looking to influence the agenda through their own independent contributions. Furthermore, many SMEs may not be able to dedicate the resources necessary to contribute to a specific standard or decision through the entire process from start to finish, but they can afford occasional ITU participation. That said, some these companies may in the future join as Associates or Sector Members.

**4. Analysis**

4.1 The early results of the SME pilot project have been positive. As noted above, 22 SMEs have been approved by their respective administrations to participate, within a very short period of time. As the pilot project was launched in the last half of 2017, it is likely that it has not yet reached its full potential.

4.2Building on the results of the pilot project, ITU could explore a number of options as outlined below:

4.3 **Establish a new category of membership for SMEs.** If this option were to be implemented, consideration would need to be given to the relevant procedures for admission, fees and rules regarding participation. As mentioned above, in order to participate in the pilot, SMEs must be approved by their relevant government Administration according to national definitions of SMEs. However, if ITU were to establish a new category of membership for SMEs at a substantially reduced membership fee, some criteria would need to be established to limit the size of companies entitled to enjoy that reduced fee. For illustrative purposes, if ITU were to adopt the European Union definition of SME, which sets a threshold of 300 employees, then more than 60 current Sector Members and Associates would likely be entitled to the lower fee, resulting in a considerable loss of income. Recognizing that the intention is to attract new start-ups and SMEs, especially from developing countries, which tend to be an order of magnitude smaller, setting a threshold significantly lower than 300 employees for a new category of membership for start-ups and SMEs would be unlikely to impact income.

4.4 **Encourage Member States to include SMEs in their national delegation**. The Secretariat could support such efforts by organizing special activities for SMEs in parallel to existing ITU events, including informative workshops, toolkits and capacity building, and new delegate mentoring and orientation for SMEs to help them learn more about ITU and its rules and procedures, which can be complex for newcomers.

4.5 **Allow SMEs to participate in ITU Study Groups on a “pay-as-you-go” basis**. A major advantage of this approach is that it could provide an affordable, flexible means of involving SMEs in the Study Groups, and some could eventually choose to join as Associates or Sector Members. A disadvantage is that it is difficult for a company to have any influence on the standards-making/best practice setting processes if they only participate occasionally. This option would require further study as to its feasibility, including efficient methods of registration and payment. ITU could also consult SMEs via their associations to determine the level of interest in such an option.

4.6 **Enhance existing ITU events and activities**, which currently provide special opportunities for SMEs. **TELECOM World** for example, continues to evolve to meet the specific needs of SMEs, with targeted initiatives. There is also growing interest among SMEs in **WSIS**, and there have been efforts made to engage SMEs through Sector and regional **workshops and informal activities**. These activities could be reinforced and expanded, learning from experiences and feedback to date. ITU is also currently preparing to launch a **new online platform called “MyITU”**, which will help the Secretariat more efficiently communicate with and engage SMEs. This platform will provide tailored content for users, and will be easily accessible on mobile, thereby reaching new communities.

4.7 **Strengthen collaboration with SMEs associations** on training, workshops, and invite them to participate in ITU Study Groups and Conferences (as observers) as well as in various open ITU activities. Working with these associations provides an efficient way for ITU to reach many SMEs from around the world.

**5. Potential Next Steps**

5.1 Based on the outcomes to date of the pilot project and the analysis provided above, the following options regarding potential next steps are submitted for the consideration of PP-18:

1. **Establish a new category of participation** for start-ups and SMEs on a trial basis and develop relevant procedures for admission, fees and rules regarding participation;
2. **Extend the duration of the pilot project** and review and revise working methods as needed;
3. **Review various options for ITU to engage SMEs**, including both membership and non-membership-related approaches; or,
4. **Cease the pilot project** and continue current practices.

ANNEX

Entities participating in the SME Pilot Project

|  | Name | Member State Approval | Sector | Study Group |
| --- | --- | --- | --- | --- |
| 1 | Proge-Software | Italy | ITU-D | SG1/2 |
| 2 | Forum Europe | United Kingdom | ITU-D | SG1/2 |
| 3 | DAIWA Computer Co. Ltd. | Japan | ITU-D | SG1/2 |
| 4 | Guardtime | Estonia | ITU-D | SG2 |
| 5 | Melody International Ltd. | Japan | ITU-D | SG2 |
| 6 | OrangeTechLab Inc. | Japan | ITU-D | SG2 |
| 7 | SatRevolution S.A. | Poland | ITU-D | SG2 |
| 8 | ASTEM Co. Ltd. | Japan | ITU-D  ITU-T | SG2  SG16 |
| 9 | Hellenic Electronic Equipment Quality Assurance Center s.a. (HEEQAC S.A.) | Greece | ITU-T | SG5 |
| 10 | Wave Control | Spain | ITU-T | SG5 |
| 11 | MJRD Assessment Inc | Canada | ITU-T | SG5 |
| 12 | Closing the Loop | Netherlands | ITU-T | SG5 |
| 13 | Vaulto Technologies Ltd | Israel | ITU-T | SG11 |
| 14 | Wayfindr | United Kingdom | ITU-T | SG16 |
| 15 | Alkira Technologies | Australia | ITU-T | SG16 |
| 16 | Alfa Electronics | Egypt | ITU-T | SG20 |
| 17 | SpimeSense Labs | Egypt | ITU-T | SG20 |
| 18 | Root Technologies | Egypt | ITU-T | SG20 |
| 19 | Innov-Alliance-Tech | Tunisia | ITU-T | SG20 |
| 20 | Device Gateway SA | Switzerland | ITU-T | SG20 |
| 21 | Arianous ICT Development Co. | Iran (Isl. Rep. of) | ITU-T | SG20 |
| 22 | Archimède Solutions SARL | Switzerland | ITU-T | SG20 |

1. Report of the CWG-FHR Chairman to Council 17, item 48 (page 53); the TORs are found in Annex K pg. 93. [↑](#footnote-ref-1)
2. There is no internationally recognized definition of SME. The estimate of more than 60 SMEs as ITU Sector Members and Associates is based on the European Union definition of companies with less than 300 employees. [↑](#footnote-ref-2)