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Note by the Secretary-General

MEMBERSHIP REFORMS IN THE ITU

I have the honour to transmit to the Member States of the Council a contribution received from **Brazil**.

Dr Hamadoun I. TOURE
Secretary-General

Contribution from Brazil (Federative Republic of)

MEMBERSHIP REFORMS IN THE ITU

Summary

This document presents Brazil's opinions on the membership reform recommendations presented to the Council Working Group on Financial and Human Resources, with a view to increasing the participation and membership in the ITU, and, consequently, increasing its revenue, and to bring clarity to the rights and obligations of each type of member throughout the Basic Texts of the Union and the Resolutions and Decisions of the Plenipotentiary Conference, the ITU Council and all three sectors.

Action required

The Secretariat is instructed to provide a comprehensive document on rights and obligations of Sector Members, Associates and Academia members in meetings of all three sectors and in Council and Plenipotentiary Conferences. The Council is invited to discuss these proposals and to recommend to the 2014 Plenipotentiary Conference that the related Resolutions and Provisions be amended accordingly.

References

Resolution 152 (Rev. Guadalajara, 2010), Resolutions 169 and 170 (Guadalajara, 2010)

Introduction

At its 3rd meeting, the Council Working Group on Financial and Human Resources (CWG-FHR) discussed potential reforms on sector membership, based mainly on documents 12, 13 and 17. Brazil participated in those discussion and presents, at this moment, proposals based on the recommendations from the Secretariat included in document 13 ([CWG-FHR-3/13](#)).

Proposals

Recommendation	Rationale/Benefits	Brazil's proposal
<p>1. Draft a PP resolution to instruct Council to <u>examine the implications of adopting a fixed-fee pricing methodology per Sector</u> to replace the existing unit structure for Sector Members and Academia. Further instruct Council to organize consultations with Member States, Sector Members and Academia and to introduce provisional changes to be reviewed by PP-18. Delete the reference in Resolution 158 to “combining Sector participation.” Also create a special status with additional benefits for members who join all 3 Sectors.</p>	<p>The objective is to simplify pricing for Sector Members and Academia and to provide greater flexibility to adjust these fees, as circumstances require. The unit structure is difficult to explain to prospective members, and the vast majority choose the minimum. A fixed fee of CHF 10,600 already exists for Associates. Fee levels for Associates are set by Council. The fees for all Sector Members would need to be adjusted upwards by about 10% to offset the loss of up to CHF 1 million that would occur because some 40 entities currently pay more than the minimum, and would no longer do so under a fixed fee model. This would mean an increase from the current CHF 31,800 a year for ITU-T/R Sector Members to about CHF 35,000. ITU-D Sector Members would see an increase from CHF 7,950 to about CHF 9,000 a year.</p>	<p>The definition of a fixed-price fee would demand an increase in the value of fees applicable to all sectors, which may result in the discouragement of the continuation of participation and in discouragement of new members. Furthermore, 40 entities pay more than the minimum base contribution. Brazil proposes that the unit structure does not change.</p> <p>Additionally, Brazil supports the proposal on additional benefits for members who join all 3 sectors.</p>
<p>2. Revise PP-10 Res. 170 to continue with the <u>reduced fees of ITU-T and ITU-R for entities from low income countries</u> and change the definition for eligibility to make it in line with that used for Least Developed Countries and BDT fellowships. Also allow existing Sector Members in these countries to benefit from the lower rates.</p> <p>Or, delete this Resolution and discontinue the</p>	<p>While not many companies have taken advantage of these lower fees, it may be worth continuing for the possibility of future growth. If continued, a change in the definition for eligibility would help simplify and clarify implementation. There is currently 1 company in ITU-R that benefits from this reduced fee and 4 companies in ITU-T. At the same time, there are 5 ITU-R Sector Members and 6 in ITU-T that are also from these countries, but they joined before Resolution 170 entered into force, and therefore continue to pay regular ITU-R/T</p>	<p>After Res. 170, there was an increase of participation of members from those countries of 20% in the ITU-R (from 5 to 6) and of 66% in the ITU-T (from 6 to 10).</p> <p>If Res. 170 is not amended to make the already existing members before Res. 170 eligible to lower fees, ITU may lose those 11 members that currently pay normal fees.</p> <p>If Res. 170 is deleted, ITU may lose 5 members that contribute with the lower fees, or it may see an increase of revenue from these</p>

<p>reduced fees.</p>	<p>fees. Some of these existing members have asked to pay the lower fees, but this is not foreseen by Resolution 170. They have asked the Secretariat: “Why should new members only pay 1/10th of what existing members pay?” If all of these companies opted for the lower rate, it would result in a reduction of about CHF 300,000 a year in revenues.</p>	<p>members paying a normal fee.</p> <p>If Res. 170 is amended to make all eligible to the lower fees, ITU will lose CHF 300,000/year in revenues.</p> <p>From a financial point of view, the best and fairer solution is the deletion of Res. 170.</p> <p>Considering that Res. 170 was not very successful in attracting the participation of new members from those countries, the decision on this issue depends on the possibility of balancing the financial plan of the Union for 2016-2019, taking into consideration the loss in revenue of CHF 300,000 per year. If the balancing is possible and does not impact important activities within the mandate of the Union, Res. 170 should be amended accordingly, otherwise, it should be deleted.</p>
<p>3. Modify Resolution 169 to continue the trial period for Academia participation and revise conditions as required. Maintain the existing fee levels.</p>	<p>Since the launch of the Academia category, ITU has attracted 65 members, with 15 participations in ITU-R; 45 in ITU-T; and, 16 in ITU-D.</p>	<p>Brazil acknowledges the success of this initiative and welcomes the valuable participation of Academia in the work of the ITU. This initiative should be maintained and even more participation from Academia should be promoted and encouraged, but the rights and obligations should be clarified in a revision of Res. 169.</p>
<p>4. Draft a PP-14 Resolution requesting Council to examine the situation regarding exemptions from fees and make necessary changes with a view to tightening eligibility criteria and reducing the number of members exempted from fees. Ask Council to organize open</p>	<p>Exemptions were introduced in 2000. There are currently more than 112 entities exempt from fees, accounting for about one in five Sector Members. There has been a quick rise in exemptions in the last few years: about one third of the total has come since PP-10. Exemption from fees is granted by Council following an analysis and recommendation by the</p>	<p>Brazil is in favour of a revision of the eligibility criteria for participation in the ITU with exemptions from fees, and agrees that the competence of approving such lists belongs to Plenipotentiary Conferences.</p>

<p>consultations of Member States and Sector Members. Also ask Council to periodically review the list of entities exempted from fees, and delete those who have not actively contributed to the ITU activities and those who do not provide any added value to ITU.</p>	<p>Secretary-General. The main criteria are that the entity must be a regional or international organization and that they must offer reciprocal benefits to ITU. With this broad definition, a number of NGOs and business associations are among the organizations exempted, while other similar organizations are paying members of ITU. A review of eligibility criteria for exemptions could help bring greater clarity, consistency, and fairness between paying and non-paying members. The list of exempted entities must be approved by each Plenipotentiary. The Secretariat is currently reviewing the list to identify non-active entities, with the objective of proposing some reduction by PP-14.</p>	
<p>5. Draft a PP-14 Resolution to establish, on a trial basis, <u>a new category of participation for non-profit entities</u> (including NGOs) with reduced fees. Apply the same fee and benefits as Academia. Criteria should make clear that industry associations do not qualify for this reduced fee.</p> <p>Or, draft a PP-14 Resolution instructing Council to do an open consultation and study the implications of establishing such a category, and implement changes, on a trial basis, if appropriate.</p>	<p>Regular ITU Sector Membership fees are too high for many NGOs so those who are regional/ international tend to request exemption from fees, as noted above. A new lower fee category of participation would make it possible for more NGOs to be paying members of ITU. By applying the same fees and benefits as Academia, this would mean that non-profit entities would have access to the full range of activities of a given Sector, but would not be part of decision-making processes.</p>	<p>Brazil welcomes any initiative to increase the participation of relevant stakeholders in the work of the ITU.</p> <p>Brazil, however, is concerned that this new category of participation for NGOs may result in the same problem that Res. 170 now faces: an inequity between NGOs that are already paying membership fees as Sector Member and Associates and new NGOs that would join the ITU through a reduced membership fee, based on Res. 169.</p> <p>In this sense, and considering the financial implications of such a decision, Brazil believes that the best possible solution would be to provide all NGOs the option to join the ITU as regular Sector members and Associates, with reduced fees applicable to NGOs from developing countries.</p>

<p>6. Revise PP-10 Resolution 152 to <u>provide the Secretary-General with flexibility in implementing exclusions</u> of entities for non-payment of fees.</p>	<p>Resolution 152 established the automatic exclusion of entities that have not paid their fees within nine months following the date they are due. Each year since 2011, Council has granted the Secretary-General flexibility in implementing this provision so that the Secretariat can take all possible efforts to re-engage suspended members before implementing exclusion. As per Res. 152, the Secretary-General excluded 16 entities for non-payment, effective 1 January 2014.</p>	<p>Brazil is in favour of the revision of Res. 152, accordingly.</p>
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