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ITU PLENIPOTENTIARY CONFERENCE 2014

BUSAN, KOREA

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ROOM A

SEVENTH MEETING OF COMMITTEE 6

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>> ANNOUNCER: Ladies and gentlemen, the Plenary Meeting will be starting shortly. Please be seated and put on your headset.

Once again, Com 6 will be starting shortly. Please be seated and put on your headset. Thank you.

>> CHAIRMAN: Good afternoon, everyone. If you could take your seats, we're about to commence.

Good afternoon, everyone, and welcome to this Seventh meeting of Committee 6. For those of you who haven't taken the floor in this room before, the mic system is slightly different to the room that we normally use. So just to note that you hit the far right hand of the lower button, and then that will indicate that you want to take the floor, and then it will turn red when you're given the floor. So just to reiterate that.

Now, I think we are still waiting for some people because of the room change. I think not everybody was aware of it. Our agenda for this afternoon is Document ADM/42. We have discussed and will make a slight adjustment in the presentation of some of the agenda items, namely, moving what was Items 9 and 10 up under Agenda Item 8, because they're both dealing with Decision 5 of the Financial Plan, and then that would leave decisions of the WTDC and then the report on International Numbering Resources.

Now, I don't think we have the person from the U.S. Delegation, Ms. Harris, who was handling Agenda Item Number 2, which was the proposed Revision to Resolution 144. I don't think that she's in the room yet, so we might move to the next DT that we were considering, which is a Revision to Resolution 25 on strengthening the regional presence. So I'll ask Mr. Canazza from Brazil if he could please introduce the Document. Mr. Canazza.

>> BRAZIL: Thank you Ms. Chair. DT/15, Rev 1, proposed Revision to Resolution 25. It was presented yesterday and there were discussions at the coffee break, and we discussed with Argentina, United States and Venezuela and the United Arab Emirates, we reached the conclusion and I reported to you during Com 6 yesterday it included changes to the "resolves" 5 and 13, and "instructs the Council" 4 and "instructs the Secretary‑General" 4. Then there was a proposal from Iran to add the following phrase to "resolves" 5, "to the greatest extent practicable." So this proposal was included in this Revision 1, and this the result of our Ad Hoc Group.

And this is for your consideration. Thank you very much.

>> CHAIRMAN: Thank you, Brazil. I now open the floor for any comments on DT/15, Rev 1.

I see none. I think this was pretty comprehensively discussed so I think we are ready to endorse the Document and to send it on to Com 4, so thank you very much, Mr. Canazza, for your work.

We'll now move on to Resolution 94, auditing of the accounts of the Union. This is Document DT/27. I'm not sure that Ms. Rios is in the room at the moment, but if she is not, Mr. Ba will be able to introduce the Document. Mr. Ba.

>> SECRETARY OF COM 6: Thank you, Madam Chair, good afternoon everybody. This Draft Resolution, 94, refers to auditing of the accounts of the Union. As you know, the accounts for 2010 and 2011 were audited by the Swiss auditor, and those for 2012 and 2013 were audited by the Italian Supreme Court of Audit. This redrafting takes into account the changes between the last Plenipotentiary and the current one.

We've also added in some changes, particularly under "instructs the Secretary‑General" to bring this Resolution to the notice of the Government of the Confederation of Switzerland and of the President of the Italian Supreme Court of Audit, to propose to the Council the renewal of the mandate of the Italian Supreme Court of Audit.

And then under "instructs the Secretary‑General," we also added in a paragraph, paragraph 3, which says, that the Secretary‑General be instructed "to publish on an annual basis and after consideration of these by the Council, the reports of the external auditor, on a publicly accessible page of the Union's web site." There you have it, Madam Chair. These are the changes which have been made to this Resolution, Resolution Number 94. Thank you.

>> CHAIRMAN: Thank you, Mr. Ba. I'll now open the floor for any comments on Resolution 94.

It seems there are none, in which case we will be able to endorse this Document, as well, and to send it to Committee 4. So thank you to Ms. Rios in her absence, and thank you, Mr. Ba.

We'll now move on to Resolution 154. This is Document DT/29, Rev 1. And it deals with the use of the six languages of the Union on an equal footing and I think this Document was being handled by Mr. Canazza with input from Russia and Spain. Mr. Canazza, please.

>> BRAZIL: Thank you, Madam Chairman. It was based on proposals from CITEL and the Arab States ‑‑ I'm sorry, from RCC, also, and we had participation from Russia, Egypt, Spain, and Switzerland. The results of our discussions are there in Document 29, Revision 1. They include some of the inputs from the report of the Council Working Group on languages, and they also include the proposal from the Inter‑American contribution on instructing the Secretary‑General in close collaboration with the Directors of Bureaux to report on measures for alternative translation procedures, and on measures that assess the costs associated with translation and type thing.

You have the text in front of you, DT/29, Rev 1, and those are the main points of the Document, just outputs from the Council Working Group, and the financial issues raised up by the Inter‑American proposal. Thank you.

>> CHAIRMAN: Thank you, Mr. Canazza. Now I'll open the floor again for any comments on this Document.

I think there are none, in which case we can endorse this Document and forward it on to Com 4, so thank you to Mr. Canazza and to all those who contributed to this final Resolution.

I'd now like to move on to Resolution 152, improvement of the management and follow‑up of the defrayal of expenses by Sector Members and associates, and for this one, we're working on Document PP‑14/89. Mr. Zourmba, who was the Chairman of Council in 2014, if he is here, we could call upon him to present the Document. And if not, we could call upon Mr. Gracie as the Chair of the financial and human resources Council Working Group. Canada, please.

>> CANADA: Yes, thank you very much, Madam Chairman and good afternoon, everyone. Document 89 contains the amendments to Resolution 152. The changes that were put forward in this Document were the result of discussions that took place in the Council Working Group on financial and human resources, as well as the Council itself in its session in May of this year.

This was also discussed at the final meeting of Council just prior to this Plenipotentiary Conference. Essentially, Madam Chairman, the changes that are reflected in this Document are mainly editorial in nature. They have included the suppression of redundant Resolutions, as well as documents pertaining to previous sessions of the Council.

The essential part of this Document concerns the resolves, and in fact, the instructions to the Secretary‑General, so essentially the instruction is to in consultation with the Directors of the Bureaux, to continue to report to the Council on the implementation of the Resolution, highlighting any difficulty that may be encountered and proposing further improvements as appropriate. So essentially it is to continue this practice, and to ensure that it is maintained as a procedure in the ITU. So again, the action is for the Secretary‑General and for Member States, but mainly the Secretary‑General to continue the improvement of the management and follow‑up of the defrayal of ITU expenses by Sector Members and associates.

So with that, Madam Chairman, I present this revised Document for your further consideration. Thank you.

>> CHAIRMAN: Thank you, Dr. Gracie. I'll now open the floor for any comments on the Document. It seems there are none, so we will forward this Document to Com 4, as endorsed, and thank you very much, Dr. Gracie and for the work of the Council Working Group.

Now, there were another two contributions to Resolution 152 that were also very similar to intent to the Document that Dr. Gracie just introduced, one from the USA and one from CITEL.

So I would just ask whether the U.S. and CITEL were happy with the Document PP‑14/89 being the one that went forward. I think all their suggested changes have been reflected.

It seems so, so thank you very much. U.S., please.

>> UNITED STATES OF AMERICA: Thank you, Madam Chair. We are certainly satisfied with that Document, as long as it includes the suggestion that was made by the IAP on giving the Secretary‑General authority to, permanent authority, to work with Sector Members on the dues. Thank you.

>> CHAIRMAN: Thank you very much, U.S. So we would just instruct Dr. Gracie to take account of that, and ensure that that's reflected in the Document that goes to Com 4. Thank you.

We'll now move on to Item Number 7 on our agenda, which is Human resources management and development, Resolution 48. It's Document ‑‑ there's a contribution from Canada, one from the RCC, and I think one from Venezuela.

So if I could ask Canada to introduce their Document 32/1. Canada, please.

>> CANADA: Yes, very much, Madam Chairman. This Document is put forward to propose an additional Annex to Resolution 48 concerning the recruitment of women in the ITU. Now, as background, one of the key aspects of the process of gender equality and women's empowerment relates to the recruitment of qualified women into senior posts at the ITU. Now, in conformance with many UN General Assembly Resolutions which have highlighted the need for gender balance throughout the UN system, the proposed amendment to Resolution 48 in a new Annex II offers practical measures which can be implemented to facilitate the recruitment of women at the ITU.

While the proposed measures continue to respect the principles of equality as well as the assurance of requisite qualifications and competencies, it is by means of their implementation that the principle of fairness and the practical realization of the intent of the UN General Assembly Resolutions on the subject of gender balance can be achieved.

So with this, Madam Chairman, I present the amendments to Resolution 48 in the new Annex II for your further consideration. Thank you.

>> CHAIRMAN: Thank you, Canada. The RCC, please.

>> RUSSIAN FEDERATION: Madam Chair, thank you for giving me the floor, but I wished to take the floor before you actually started to address this problem. Once again I would like to apologize. I've been comparing the text of Resolution 25 in the Russian and the English text. I think there's an editorial issue here. I wondered if you could give me the floor regarding that. It's a small issue but I think quite an important one. Thank you.

>> CHAIRMAN: Certainly. You have the floor.

>> RUSSIAN FEDERATION: Thank you very much, Madam. Colleagues, we all understand how large the role of staff is in the implementation or achievement of those tasks facing the International Telecommunication Union, and in connection with this, of course, we are all concerned by the fact that the work of the staff of which we're all interested in, the work of the staff being effective and which a larger proportion of the budget goes, so we have proposed changes to the Annex to Resolution 48, and we understand that there's a need to structure it so as to systematize it and to remove any duplications and to bring it in line with current proposals, so in the Annex to Resolution 48, the RCC has not removed any particular position. We have simply changed the order of these proposals, but rather added to them, as well.

For example, "Alignment between the Union's strategic priorities and staff functions and posts" in first place, but "Geographical representation" is a little further down.

Another important point to note is that in the reports, we are requesting a general ‑‑ the general characteristic of the implementation of the staff resources plan, the areas in which they assure effective work and effective use of human resources, and also safe working environment enabling work.

We would also like the reports about staff to show the amount of resources used for training of staff under separate points of the development plan.

Of course, we would like our staff to work in the context of the UN‑wide system, common system, so what we think is important is to show an analysis of consistency of ITU's compensation package with the UN nation's common system package. Not only so as to compare them but mainly so as to find ways to reduce the burden on the budget.

In this report, we would also like a reflection of the work of the staff in regional offices and area office. We also want to ensure that modern management technology is used in work, so that we can ensure that there is a possibility for people to improve their qualifications not only in the framework of the ITU itself but also outside of the ITU.

Finally, we would always like to think proposal ‑‑ see proposals aimed at the future and development of the staff of the Union and changes to provisions for the staff. If the proposal of Canada is adopted, which we believe it's a very important one, and we do support it, and our proposal clearly will need to be a change in the numeration of the Annexes of Resolution 48. Thank you very much.

>> CHAIRMAN: Thank you, Russian Federation.

I would now invite Venezuela to introduce its Document 88/1. Venezuela, please.

>> BOLIVARIAN REPUBLIC OF VENEZUELA: Thank you very much, Madam Chair. Bolivarian Republic of Venezuela is aligned with seeking gender equality and empowerment of women and is seeking qualifications to Resolution 48. There are quite short changes, but they strengthen what is set out in the Resolution. They basically cover the involvement of regional offices in process of including women in positions within the organizations, understanding that the regional offices will allow the ITU to be more aware of the specific needs of the regions and can increase the capacities in their human resources. We also mention the aspects regarding the definition of the ITU's basis where we should not only specify that there should be competent but also there should be gender equality, and regional balance in the ITU staff. We submit this proposal for your consideration. Thank you very much.

>> CHAIRMAN: Thank you Venezuela. I might ask the Secretariat, perhaps Ms. Watt, for any response or comment. Ms. Watt, please.

>> ITU: Good afternoon, ladies and gentlemen. Thank you, Madam Chair. I don't have any particular comments at this point, but I would welcome a combination of the submissions to the amendments of Resolution 48 perhaps a Working Group to combine all of the proposals and submit a Document to the Committee. Thank you.

>> CHAIRMAN: Thank you, that's an excellent suggestion. So I would ask if Canada, the Russian Federation, and Venezuela could meet and look at combining the documents into one draft, and then bring it back for consideration at Committee 6. So thank you very much.

Also, I would just ask if Russia would like to make that comment regarding the translation for Resolution 25. Russian Federation, please.

>> RUSSIAN FEDERATION: Thank you, Madam Chair. The issue pertains to Section 3 of resolves of Resolution 25. In the form in which it is written now, it seems that technical issues are to be addressed by regional offices, at least in Russian that's how it's translated. I looked at the English and perhaps ‑‑ and it's not unambiguous there. Perhaps it should be that these regional offices should play a key role in organizing technical discussions but they should not lead the technical discussions. It's the ITU members that lead those so I think that perhaps there should be another word in there.

In Russian, in the Russian translation, it seems to say that the technical discussion should be led by regional offices, and also in the English, it's not unambiguous either, so I think we should clarify this, because it is not quite the right meaning of what we understood there. So this is once again Resolution 25, "resolves" paragraph 3. Thank you.

>> CHAIRMAN: Thank you, Russian Federation. That was quite clear. So we will convey that, and ensure that that happens. Venezuela is asking for the floor. Venezuela.

>> BOLIVARIAN REPUBLIC OF VENEZUELA: Thank you very much, Chair. We just wanted to express that we are completely willing to work jointly with the administration of Canada and the Russian Federation to come up with a consensual Document. We believe that these three proposals are complementary rather than mutually exclusive. Thank you.

>> CHAIRMAN: Thank you very much, Venezuela. That's very much appreciated. Now, as we have the Secretary‑General with us, we may come back and deal with Resolution 144 later, so if we could move then to Agenda Item Number 8, Draft Financial Plan of the Union for 2016‑2019 and the draft Decision 5. So Mr. Ba will be introducing that Document. Mr. Ba.

>> SECRETARY OF COM 6: Thank you, Madam Chair. The Financial Plan for 2016‑2019 strives to offer the Plenipotentiary Conference 2014 a means of establishing the basis for the budget and set corresponding financial limits for the period which runs up to the next Plenipotentiary Conference on the basis of an examination of all the relevant aspects of the Union's activities during the relevant period. In that regard then I'd refer you to number 51 of Article 8 of the Constitution.

The main goal of the Financial Plan is to allow the Member States to at the end of the Plenipotentiary Conference to be abreast of the framework of the union's financial commitments for 2016 to 2019 on the basis of the approved amount of contributory units. Under 61B of Article 28 of the Constitution, and on the basis of the Secretary‑General's work, the Council had set the number of contributory units to 318,000 francs, that's the unit, to be validated at the second session of the Plenipotentiary Conference's Plenary. This has been tied in with the Union's Strategic Plan for the period 2016 to 2019, as well as with the strategic goals and strategies which have been announced.

As a result of the Financial Plan is a basis for defining the goals and priorities, strategic priorities, in terms of the financial resources that will be available. Under the revised Decision 5 on the Union's fees and charges for 2016‑2019 it's being planned for the Plenipotentiary Conference to set the framework and directives on the basis of which the biennial budgets will be drafted for the financial year 2016‑2017, and 2018‑2019. Annex I of Decision 5. As it's been proposed for, as has been proposed for Revision in DT/32 list the planned amounts.

The Draft Financial Plan for the period was presented initially, and examined by the Council Working Group dealing with these matters which was held in Geneva on the 24th and 25th of February. This revealed a discrepancy of 60.5 million Swiss francs between revenue and expenses. The management has sought to develop a balanced Financial Plan in time for the May 2014 Council. We had to reduce expenses by 44.3 million and increase revenue by over 16 million. At the Council then we presented a balanced Financial Plan to you.

However, as of the 27th of October 2014, in the morning, we saw a reduction in the contributory units of 11 units. The ITU management therefore had to go back to the estimated revenue and expenses to be able to come again to balance the Financial Plan, and the figure now is 656,060 Swiss francs for the period 2016‑2019. We therefore suggest withdrawal of 10 million from the reserve account for the period 2016‑2019, and we have to bear in mind that the previous budget 2012‑2015 also saw a withdrawal from the reserve account of 10.6 million.

The main assumptions which have been made are zero nominal growth of the 318 million Swiss franc contributions. At the Plenipotentiary in 2010 in Guadalajara, the Secretary‑General decided to set the amount of contributions at 318,000, and that was made available as a figure to everyone before the contributions were decided.

So this value of 318,000 was set then for the contributions.

One of our assumptions which we made on the 27 October was 334 contributions as against the previous figure of 345. We've also included new financial sources, including International Numbering income of 7 million francs. That's also been included in the forecast for revenue. Cost recovery has stayed the same as the figure which we had on the 31st of December 2013.

In terms of expenses, we've used the 2014‑2015 budget as a basis for the period 2016‑2019, and we've used adjustments to take into account programme variation, as well as the number of major conferences which were included in the Financial Plan. We've also used that as a basis for other potential expenses relating to ITU‑T. Efforts have been made by the management to reduce staff costs. The number of permanent posts across the Union should reduce by about 40 posts for 2016‑2019.

Furthermore, a 5% holiday pay rate has been applied, and this is the effective cost of each post. 50% absorption rate has been assessed at over 9 million Swiss francs for the whole period.

We've looked at measures taken in the budget for 2014‑2015 to be able to absorb a number of staff costs, and a number of different staff costs come into that. We've also increased health insurance costs for active and retired civil servants and that's on the basis of actuarial studies which were carried out while we were in the joint fund with the ILO. We've now transferred to a new health insurance fund, and that happened on the 1st of May 2014.

We've also made cuts in terms of travel. The policy has now gone up to business class after only 11 hours, and a number of travel related rules have changed which have allowed us to reduce costs. We've also managed to switch to non‑flexible tickets in some cases.

Programme variation is estimated to go down by 6.02 million as against the previous budget. On the reserve of the approval of the budgets, we know that the Verembé building could be funded to the tune alone of 550 million francs over a period of five years, but we heard a detailed report about the building project yesterday.

In terms of long‑term costs, the adoption of IPSAS accounting standards has led to changes to the way in which liabilities are accounted for. The lack of a reserve to absorb these specific liabilities particularly relating to the health insurance fund has to be taken into account and we've planned that 4 million will be required over the period 2016‑2019 to deal with the payback on ASHI Fund. We ended 2013 in the black, however, in that regard and the Secretary‑General allocated 2 million contribution to sorting out the ASHI Fund, along with the 4 million that came with the Council. 50% of unfinanced commitments have been planned for on a long‑term basis, but we have 4 million from the Council, as I just said, to deal with the ASHI Fund.

Health insurance contributions have gone up from 3.3% to 5.16%. Voluntary contributions are of course more than welcome to cover the ASHI Fund.

Decision 5 of the Plenipotentiary Conference has been submitted for Revision, and we want to build in two elements to that. We want to say the Plenipotentiary Conference "invites the Council Working Group on Financial and Human Resources, the External Auditor, and the Independent Management Advisory Committee to develop recommendations on strengthening financial control mechanisms in ITU, outlining specific objectives, as well as timelines and responsibilities for implementation."

And Annex I of the relevant Document should also include the assumptions made regarding the number of expected main conferences so these are the main details I wanted to announce in relation to the Financial Plan. Thank you.

>> CHAIRMAN: The Secretary‑General will now take the floor.

>> SECRETARY-GENERAL: Thank you very much. Good afternoon to you all. Madam Chairman, I wanted to come to this meeting because we were going through a difficult period. There's been exceptional circumstance that has been created since Monday, when at 7:00, 8:00, Busan time, we had the final result of the announcement of the contributory units. There were countries who have reduced their contributory units in a way that is very unpredictable, very unfortunate and makes this exceptional which means we need exceptional measures to correct the situation.

We had come with to you with a balanced Financial Plan of the Strategic Plan that was approved by the Council back then, 6 months ago. If we're given time, with limited resources, we would have done something different, but in just 36 hours, to turn and bridge a gap of 15 million is simply impossible, and especially given the transparency with which we have prepared the Financial Plan this time. In fact, since I came on Board, the first thing we did is to send every version of the budget to all members of Council and ask their advice and recommendation on how to bridge the gap.

When we sent the first cut of this budget that was showing as was showed here, 60 million deficit, in fact, we're a victim of that kind of transparency because some of our members were screaming thinking that the organization would almost go bankrupt, which was not the case. It was the first cut of the budget that we're presenting to them, very transparently, and we wanted their comments so that we could reduce that deficit, and we gave them my assurance that we will bring it down to 0, but it was just showing to them.

Together we worked to reduce that deficit to 40 million, and then 20, and then 10, and then 0. We did a lot of exercises for that, and coming here, I believe that we have exhausted all of the ammunitions we have, and that's where you have the reserve account that will come to rescue in exceptional cases, and we are in an exceptional situation here, where we need to bridge that gap.

As you know, when we were doing the preparatory process of preparing the budgets, I came from outside the Union, and when I came, it was a surprise to me the way we were preparing our Financial Plan.

First, in the same equation, we have two unknowns: The level of the contributory units and the number of units. Two unknowns in the same equation, you cannot solve it in mathematics, and I'm a scientist. I'm an engineer. I thought that we should make sure we fix one of the unknowns so that the equation can be solved. This is why in my very first year in 2006 when I took office, in 2007, is to present the budget with assumption that no change of the contributory units, and ever since, we never changed the contributory units, 318. In fact, the process was so transparent, that I remember our host country here, South Korea, and India doubled their contributory units from 10 to 15 ‑‑ from 5 to 10. They both doubled their contributory units, and the comment was very encouraging to us.

They said, since we now see where our money goes, then we double our contribution. So that's just a single element has played a key role in bringing more confidence between management and the Member States, because if we have those two unknowns, you will be sitting in this Conference thinking that management has the intention to increase the contributory unit, and you'll always wait until the last minute until you take the decision on the number of units you want to present.

And this is why we're giving that deadline up to the third week of the Conference for you to determine your number of units. Why would you need until the third week of the Conference to determine the number of units you're going to provide if you have known the level of units six months earlier? And that's the type of relationship we wanted to create with our members, and we succeeded in doing so, and create a lot of confidence that enabled members to take those decisions earlier in time.

And therefore, I believe that that process should continue so that we really can lead to avoiding this exceptional situations, and I'm sure this will never happen again, because I'm sure you understand the difficulty it puts us into, and there is no reason not to approve the level of contributory units six months ahead of time, and give another three months time so that three months before the Plenipotentiary Conference we know exactly the amount we have, and we can come to the Conference with real figures and real calculations on how we're going to ‑‑ how we're going to fund and implement the Strategic Plan that you put into place.

Therefore, today we have no other choice but to use the mechanism that is there for exceptional circumstances, as I said in the Convention, that ‑‑ in the Constitution, that the reserve account can be used only in these type of circumstances, not to repeat. And I'm sure for those of you who have difficulty with it, you can come up with some frameworks that will give us some guidance and guidelines, that's the word I'm looking for, come up with some guidelines in which we can use this reserve account to balance the Strategic Plan, the Financial Plan.

And those guidelines could be ways and means to find new revenue streams, ways and means to increase the number of contributory units from members, and that those increases and new mechanisms go back into the reserve account to replenish the reserve account fast enough.

Now, by taking the money that we're asking from the reserve account you will in no way jeopardize the level of the contributory unit as it's required today. The minimum level for the contributory unit is 6% of the budget, and I have today three times that amount in the reserve account, three times. And if I take 10 million out of that to compensate for the Financial Plan today for the deficit we have, we still have 20 million, so I'm still way above twice the amount of the minimum, and if the INRs are not approved, then it puts us in another great difficulty of 5 million additional. Will still ‑‑ if taken from the reserve account, will still leave us with 15 million, which is 1.5 times the minimum of the required for the reserve account, so, ladies and gentlemen, we are in your hands here. We're trying to fix a problem, to make sure that this Union goes strong.

I'm here to defend this for the next management of the Union, and for me to avoid having to fire additional staff from the Union, because staff is doing a marvelous job. You've given them a lot of work to do. But they will continue to do so, but I beg you that we don't go to that kind of situation, because what it will do, it will create the same situation that has led some of our members to reduce their contributory units. We know each and every member has its financial difficulties at home. The management is also coming from some Member States. And we know what our Member States are going through.

And if we increase the number of jobless people that will go back to their countries, it will increase on their hardship, and therefore it would be unnecessary, given the fact that we have a necessary framework that will enable us to move this forward, but also we could put enough conditions. And remember, the Strategic Plan is just a framework, it's a framework. Council will have to come to the budget at the biennial basis which will precisely give those things, and we hope by the next budgetary cycle enough progress would be made so we could move forward without having to take as much money or enough progress will be made to replenish the reserve account to bring it back to the level that it was today.

So, ladies and gentlemen, this is what I am here to propose to you so that we could go out of Busan with a Union that is united. You've already selected a very good management team so that you give this management team the right tools to work so that you don't tie their hands and throw them in the water.

So, ladies and gentlemen, this is in your hands. Thank you very much.

>> CHAIRMAN: Thank you, Dr. Touré. Now, before we move on to specific proposals for Decision 5 and its Annex II, I'll open the floor for any comments and reactions to the Draft Financial Plan of the Union and the draft Decision 5 as it stands and was presented by Mr. Ba. The floor is open. Sweden, please.

>> SWEDEN: Thank you, Madam Chair. We would like to thank the Secretary‑General for the Draft Financial Plan and the revised Decision 5. We appreciate the attempts to balance the Draft Financial Plan without using the reserve account in accordance with previous discussions in the Council Working Group and the Council. We also appreciate the steps taken by the Secretariat to strengthen the ASHI Fund. We also would like to express our thanks to the Secretary‑General for the open and transparent process in developing the Draft Financial Plan. We are of the view that these are important steps to establish a sound financial situation for the Union.

However, the long‑term abilities for the Union and the proposed use of reserve account in the revised Draft Financial Plan shows that there are further steps to be taken. We note the discussions in the Council on the budget for the biennium 2012‑2013 and 2014‑2015 and the Draft Financial Plan for 2016‑2019. We believe the financial planning should be realistic and taking into account in consideration the limited funds available. We are of the view that the Financial Plan shall be balanced and the reserve account shall not be used to balance the plan.

CEPT is also of the view that all foreseeable expenditures is shall be included in the draft financial planning to avoid underestimation of expenditure. We're also of the view that new or additional funding shall only be included in the financial planning when confirmed by the Plenipotentiary Conference, and they should not be used in the Draft Plan submitted to the PP or during the discussions of the PP before they are adopted by the PP.

CEPT is of the view that the deficiencies during the budget party shall be balanced by additional savings and not by the use of the reserve account, and as a result of this, we have cent both regarding the use of the reserve account to balance the Financial Plan and also on the inclusion of 7 million from the International Numbering Resources in the Financial Plan.

We are of the view that there is a need to further discuss the necessary steps to be taken in order to balance the Financial Plan, and we are prepared to participate in any discussion during this Conference in order to achieve a balanced Financial Plan without using the reserve account, and including INRs.

We believe that the Secretariat should try to suggest further savings in order to balance the plan without using the reserve account. The balanced Financial Plan will provide a necessary basis for discussions during the Council on the budget. Thank you very much, Mr. Chairman.

>> CHAIRMAN: Thank you, Sweden. Zimbabwe, please.

>> ZIMBABWE: Thank you very much, Mr. Chairman. Firstly, I would like to thank the Secretary‑General, and first to recognize the problem which we, as ITU, are in, and to commend the SG at the same time to be able to come up with solutions to the problems.

I want to observe that it appears as though the problem we are in as explained by the SG was created by not of his liking, but we were led in these accounts perhaps by member countries, not because they liked to do that but perhaps it was just an oversight on their behalf.

I therefore was going to propose that the suggestions coming from the draft once again as explained be supported, obviously, having taken precautionary measures to ensure that the books balance.

I think in the spirit of the member countries and the way the Union has been conducting its business from day one up to now, one cannot expect things to run smoothly, there are potholes here and there, and these are some of them that we should resolve by putting our heads together and come up with a remedial solutions so that we end up on a high note the way we started. I thank you, Mr. Chairman.

>> CHAIRMAN: Thank you, Zimbabwe. I'll now give the floor to the Secretary‑General.

>> SECRETARY-GENERAL: Yeah, Madam Chairman, I just want to react to statements here. I don't believe he's speaking on behalf of the CEPT. Let's not try to put Regional Groups names in all the debates we're having here and impress everyone. Not all CEPT members agree with you on this issue and I simply don't want use to misuse the name of the Regional Group in that case so let's discuss this issue very frankly and not put ourselves behind a screen of representing a huge number of countries which may not be necessarily true.

All countries have their own individual views here and let them express them here and not trying to use it as, you know, a screen to really think so. We know that not everybody agrees on this.

>> CHAIRMAN: The Philippines, please.

>> PHILIPPINES: Mr. Chairman, let me express the comment of the Philippines, based on concrete and understood premises. We understand that, in fact, there is a guideline or criteria on when withdrawals may be made against the reserve account, and the criteria might be divided into two, that, one, the minimum amount be maintained in the reserve account must not fall below 6% of the annual expenditure, and that if financed otherwise, that the withdrawal must be on the basis for specific reasons, one of which is to cause the balancing of the budget.

We are in a predicament which is not the workings of the ITU. I understand also fully well that the previous management was able to serve, or to save, about 30 million in the reserve account, and all that they need is only a slice of this amount to shore up the budget, and in withdrawing from this reserve account, the minimum amount required to be maintained in the reserve account will not in any way be breached. We have elected our officers, our next management, who incidentally are of the previous management. They were the ones responsible for making a savings of about $30 million.

Having elected them, let us once again put our trust in them, because without a withdrawal and after I may place my reliance on the statement of the Secretary‑General, there is no other way for now for us to bridge the gap. However, the Philippines in so agreeing to the appeal of the Secretary‑General would like to agree, based on the conditions, that, in fact, the withdrawal from the reserve account be replenished by other means or methods which we appeal that new management might think of.

Also, even us we give our consent, our continuous consent to the withdrawal from the reserve account. We also plead to again carefully review the budget with the end in view of perhaps still being able to save some of those which may not necessarily be expended.

Again, I appeal to everybody to help the new management, an appeal which is heard just after the election, if only to give our newly elected management team a chance to work for us and for the better. Thank you.

>> CHAIRMAN: Thank you, Philippines. Tunisia, please.

>> TUNISIA: Thank you, Madam Chair. Tunisia's position is that for an exceptional situation we need exceptional measures, as the Secretary‑General of the ITU noted. The decision to reduce the contribution made by some countries and therefore the reduction in the budget of the ITU while upholding the same programmes, seems to us to be a problematic approach.

Therefore, Tunisia supports the use of the reserve account while still seeking other solutions to this exceptional situation. Thank you, Madam.

>> CHAIRMAN: Thank you, Tunisia. Bangladesh, please.

>> BANGLADESH: Thank you, the Chairperson. We would like to really appreciate the different countries who have supported the proposal. We find that under the present situation, there is no other alternative but to meet the deficit from the reserve fund, but at the same time, we also want to opine that this reserve, although it is more than the minimum limit as was told by the Secretary‑General, we stay in a comparable position and we would increase the unit, if some of the countries have reduced their contribution, items should be taken in future that really we should increase the fund.

We, Bangladesh, propose that our present contribution, we wish to increase it by 4 times, and several countries should come forward, more than 130 countries now contribute less than 1 unit. We want to see ITU really high capacity institution, an organization we often claim who can support the countries, developing countries, and the underdeveloped countries and also developed countries have contributed from them very much and we expect they will not reduce the manpower which is very much required to keep the present level of services. So we support the proposal that meet the deficit from the reserve fund and try to replenish it as early as possible. Thank you very much.

>> CHAIRMAN: Thank you, Bangladesh. Japan, please.

>> JAPAN: Thank you, Madam Chair and good afternoon, everyone. At first, I would like to express sincere appreciation to ITU Secretariat and sincerely the Secretary‑General for hard work to prepare this financial Document in the circumstances we're facing. Japan would like to mention our concerns on the Financial Plan.

First, concerning the financial situation of ITU it is important for ITU to keep reducing spending and have much more for the next Financial Plan. We think it is needed to seek possible way to avoid using reserve account in view of the shortfall. Second, another difficulty we have is that in current Financial Plan, so INR is included in the resources.

As of now Japan is not ready to accept to include INR as revenue in the next budget plan. Before deciding to introduce INR, we have to substantially reduce INR with the Sector States and members and we need to reach agreement to reduce the INR. Finally so Japan would like to contribute to work together for bridging a Financial Plan with the ITU Secretariat and the neighbor states in order to improve the financial situation of the ITU. Thank you very much.

>> CHAIRMAN: Thank you, Japan. Currently on my list requesting the floor, I have the U.K., Kyrgyzstan, Mali, Ireland, Somalia, Brazil, Poland, Rwanda and Spain.

I think we have ‑‑ and the USA, too. And I think Russian Federation. And...

And Burkina Faso. So after that, we'll ‑‑ New Zealand, as well, and Algeria.

So the United Kingdom, please.

>> UNITED KINGDOM: Thank you, Madam Chairman. Like Japan, we have a number of concerns with the Financial Plan as presented. We completely sympathize with the difficulty the Secretary‑General and the management team find themselves in due to the rules on the deadline for announcing contributory units.

We're also very grateful for the efforts of the Secretariat to present a balanced budget. This is a very important principle of financial management. But we also believe that avoiding withdrawals from the reserve account is also an important principle of financial management.

We acknowledge that the Secretariat has sought to make efficiencies, and the ones they have made so far, but we also believe that there are more that could be explored. For example, there are several regional proposals under Decision 5, Annex II, that could be explored further, and I have no doubt that when we put all our minds together, we may be able to come up with others.

We would like, therefore, to request a Financial Plan that is balanced, that avoids a withdrawal from the reserve account as a measure of first resort, and that gives the Union via the Council and its members and its excellent Secretariat the flexibility to find those other solutions, and to help the ITU balance its budget and prioritize its work. Thank you.

>> CHAIRMAN: Thank you, U.K. Kyrgyzstan, please.

>> KRGYZSTAN: Thank you, Madam Chair. The Telecommunications Administration of Kyrgyzstan would like to express its thanks to the Secretary‑General, and also to the Secretariat as a whole for the work that they have done. My administration would also like to comment ‑‑ note that as was remarked upon by the Secretary‑General, in order to ensure that the International Telecommunication Union is in the same state, in the same strong international organization as it was, my administration would like to remark that it is necessary to support the financial plan, addressing the budgetary deficit using the reserve account.

However, we would also like to note that this must be done carefully, and also with the condition that the reserve account be replenished in the future. Thank you.

>> CHAIRMAN: Thank you, Kyrgyzstan. Mali, please.

>> MALI: Thank you, Madam Chair. We would like to thank the Secretariat for the effort that they have gone to, particularly as regards savings made since Plenipotentiary 2010. When I listen to the different speakers intervening, it reminds me of a debate we had in 2006, 2010, as well, when we were discussing the Financial Plan. Then we had the impression that when we were talking about the reserve account using the reserve account, then people thought it was really a catastrophe and I see the same scenario here.

We're currently planning this. We're not actually executing it. When we plan something, but we have a management team there, and as the Secretary‑General said and emphasized, there are guidelines, guidelines and directions which need to be given regarding the use of this reserve account.

And this is what was done in 2010, to my knowledge. There were guidelines, and in fact, if I'm not mistaken, the Secretariat in fact went beyond these guidelines in taking savings measures, and this means that today, we have 30 million in the reserve account. People really need to bear this in mind. It's also very important to bear in mind that amongst the 5 elected officials, there is only one which is new, who is new. The other 4 have been reelected, so this way of managing the financial affairs is a good way of managing the financial affairs can continue, they can continue to address problems in the future as they did in the past. All the savings measures possible have been taken, with the support of the Member States of the Council and the Member States as a whole.

Let us really place our trust in them as regards financial planning and balancing this Financial Plan. That does not mean that the money will be used in any old way. We could still talk about economies and savings as we did in the past, that the level of expenditure that planned for here might not even be reached. In the 2010‑2014 period, that was what happened.

But if there are no miracle solutions then we need to address this issue using the reserve account, but we would await any proposals in this regard. But there seem to be no other solutions apart from using the reserve account and placing our confidence in this new team.

As I said, 4 members of the management team have already had experience of this financial management, taken into account the concerns expressed by some Member States. Thank you very much.

>> CHAIRMAN: Thank you, Mali. Ireland, please.

>> IRELAND: Thank you, Mr. Chairman. Yes, it is with some concern that we hear from somebody who assures us of the certainty of the amount of contributory units being a logical way to manage a budget to talk in terms of using within the budget an item, a potential source of income, that really, to be honest, hasn't been agreed by this particular Conference as of yet.

I'm referring to the potential revenue to be obtained from INRs. It seems a little bit strange to start counting your chickens before they have come to roost, or whatever the appropriate expression is. In this instance, it is a little bit unusual. While I sympathize with the almost impossible task of juggling the accounts within a very short number of hours since earlier this week, it is a little bit odd to perhaps just assume you can obtain a certain revenue from a certain source. It's hardly the most satisfactory form of revenue, and account management.

And I think there is perhaps an opportunity over the coming days to address the matter by looking at what ways either further savings can be made, or to understand slightly better where we might be with respect to the proposal on INRs so then we'll be able to come to a better conclusion as to whether any funds need to be taken from the reserve account.

Let us not forget that my understanding is we're talking about 10 million Swiss francs being taken from a preserve account that has 30 million Swiss francs within it, if I'm correct. That would represent approximately 33% of that reserve account. It's not an insignificant amount, and it's not as if it's buildings that you can sell off and that they're not relevant to the needs of the organization. So I think we need to focus on the actual task and what money is being spent upon without trying to assume sources of income that haven't yet been approved, and using, let us say, an element of creative accounting to do things, whilst I understand, as I say, you are really in a big dilemma in trying to balance the books over a very short number of hours, since last Monday morning. Thank you, Mr. Chairman.

>> CHAIRMAN: Thank you, Ireland. Somalia, please. Dr. Touré would like to take the floor.

>> SECRETARY-GENERAL: Somalia, first, let them finish.

>> CHAIRMAN: Sorry, Somalia first, please.

>> SOMALIA: Okay, my apologies, I'll start again. First of I want to Somalia as a contributing member we just joined in terms of contributing so I'm watching this issue very carefully because I want to understand how the financial situation works.

But here are my thoughts on this issue. I think first of all I support the proposal to use reserves. I think there's no other option available as I can see and exceptional circumstances I guess we have to use exceptional solutions and in this case, I can't think of any other solution.

But more importantly very quickly I think one thing to remember, how did we manage to be in this situation in the first place? I think perhaps that's what I'm really trying to share with you and how do we avoid this happening again? I remember similar issues from the Guadalajara era and now it seems to have happened again so my suggestion is this, I think we should be, if possible, legally I'm not sure it's possible, if there's a way to amend the Convention or the Constitution in such a way that this issue cannot arise again so that we know in advance what people are supposed to pay and when they will pay rather than 36 hours before. I think this is unacceptable in any case if we don't do anything and we continue the status quo it's like that wise genius person who said repeating the same thing again and again and expecting different outcome it's almost the definition of insanity, I think. Thank you very much.

>> CHAIRMAN: Thank you, Somalia. I'll give the floor to Dr. Touré.

>> SECRETARY-GENERAL: Thank you very much. I wanted to just say at this point in time, I just want to let you know that we're in the planning stage. It's not execution. The Financial Plan is giving us a framework. When it comes to putting ‑‑ setting the biennium budget with the operational plan, that's where you come with the real figures and that's how we've been able to save money, and reduce those things. But I remember back in 2010‑2011 budget, we were given 10 million from the reserve account. That was a buffer zone. We only spent 3.5 million. We returned 6.3 million, 6.8 million, to the reserve ‑‑ unused. It's just something that gives us that ability.

Please for New Zealand, I agree, the ‑‑ Ireland, I agree that the planning of the INR and Japan, also, may be premature but it's in there. It's something that we discussed during the Council time, and that's why we put it in there as an assumption, if possible.

If we don't look at that road, if you don't want to take money from the reserve account for that one, we're ready to look at some other avenues. I just put back $4 million in the ASHI. It's unnecessary maybe, not urgent task. We can take that money, that $4 million from the ASHI and put it back in the Financial Plan. It can help us. It may be only 1 million out of the assumption we're putting for INR, and we'll solve that problem.

I have no problem with that. But it was an assumption that was agreed. That's why we put it in but if it's not, then we will find ‑‑ there are some people who are also nervous about the ASHI. It's like making omelets. You break the eggs, and if you eat an egg, you're lost an egg, a chicken so you have to find a way to do that. And there's no miracle. We really have to find a solution one way or another but we are prepared positively to really find solutions together that will be workable for everyone.

And again, definition of the reserve account it is here to reducing the amount of the contributory units, to balancing the budget of the Union, or to transfer to other reserve funds, or any amount to be divided to the account by prescribed by the International Public Sector Accounting Standards of the accounting standards of the United Nations system. That's why we created a reserve account. If it's not to be taken, if no money has to be withdrawn from the reserve account, then it will not be a reserve account anymore, and there's no need to create it in the first place, and we have made a lot of effort in making sure that that money is replenished.

So therefore, I believe that there is room ‑‑ what we're all saying here, I think we're not far from one another. There is room where we can find a common ground to leverage this and why we're putting enough safeguards so that we don't ‑‑ there is no room for abuse and there's no room for overuse of the thing without it setting a precedent, because we need not to be ‑‑ I agree.

If every time we have a deficit like this we go to the reserve account then those who reducing their contributory units be encouraged to do so. That's not what we want but we all recognize we're in exceptional circumstances where we have these huge numbers coming at the last minute. And therefore in order to resolve that, we need that assumption so we can have that framework that will help us move forward, so management could have some room to maneuver while they're trying to find solutions in the way.

I told you when I took office in 2007, during the first quarter, I told the staff, you're not going to see me very often in this room. I asked my Deputy to manage the house and he did it very well. And I went out there to try and look for money. And by the time we came to Council, there are many countries who have been convinced by the way we're managing the funds, and that's why I was giving you the first example that was South Korea and India who each of them doubled their contributory units from 5 to 10 units during the first Council Session, because they knew where the money goes.

And I'm sure this trend will continue with the new management because 4 out of 5 as remaining in this group, and the 5th coming is coming from Korea, a country that also have that culture of saving and of transparency, as well. And therefore, I believe that we are not far apart in terms of how we want to do. I'm ready to have enough safeguards that will enable the next management ‑‑ I'm not doing it for me. It would have been difficult if I were the one reelected. By the way, I'm working on that so that you guys will take Zhao out in our state. Nobody's laughing.

Okay. So because I'm leaving, I want to be sure that I am in a position, I'm in better position, to defend the organization, because I know I can be very objective, and no one will doubt my sincerity in this, and will not doubt my objectivity in it, and this is why I'm saying here: It is a good thing for the next management, but give them enough safeguards, enough principles and guidelines, so that they make sure that this is not set as a precedent and the reserve account be replenished back to its original place or even further. Thank you.

>> CHAIRMAN: Thank you, Dr. Touré. I have Brazil the next on the list. After Brazil, we might have a coffee break, because we have quite a number of other speakers. Brazil, please.

>> BRAZIL: Thank you, Madam Chairman. First of all, Dr. Touré, you have to be praised for the excellent work that you have been doing. You have endured the two economic and financial crises during your two terms, and to have highlighted the Union as it did, without increasing the contributory units, and without downsizing the organization and actually highlighting it in the global community, it's very ‑‑ it's to be very well praised.

But I have to state here that I have been working very closely with the Secretariat for the last year and a half in the strategic and financial planning, so I can say first‑hand that it's a very difficult job to balance this Financial Plan. And we all have to praise Mr. Ba and Dr. Touré for this. But as you know, we have Inter‑American Proposal that's proposing several measures for reducing expenditures, and we elaborated this based on the fact that the Secretariat was very successful in implementing the previous Annex II to Decision 5 which had the measures for reducing expenditure, and this gave a new financial life for the Union, so that based on that fact, that we are proposing new measures for reducing expenditure.

So with the intention of reducing to the greatest extent possible the withdrawal from the reserve account, we would like to ask the Secretariat to provide some feedback to us as they have been doing every year at Council on the estimate of how much money we could save if we are to approve the measures for reducing expenditure that we are proposing at IAP number 11, Document 34R1/11 which we are supposed to present after the discussion of the Financial Plan so thank you very much for the floor.

>> CHAIRMAN: Thank you very much, Brazil. We'll now take a coffee break, about 20 minutes, so we'll see you back here at a quarter past 4:00.

Thank you, everyone.

[ Coffee break ]

>> ANNOUNCER: Ladies and gentlemen, the Seventh Meeting of Com 6 will resume shortly. Please be seated and put on your headset. Once again, the Seventh Meeting of Com 6 will resume shortly. Please be seated and put on your headset. Thank you.

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>> CHAIRMAN: Thank you, everyone. If you could please take your seats, we'll begin immediately.

I have a request from the floor from pole land. Poland, please.

>> POLAND: Thank you, Madam Chair. I would like to ‑‑ I wanted to take the floor before the coffee break, but unfortunately that was not possible. However, as a regional CEPT Coordinator, I feel that there is a need for my reaction to Secretary‑General's comment on the Swedish statement. Secretary‑General, apologies, but I believe that that kind of comments are, in my opinion, not appropriate.

Secretary‑General, please do not assume that the delegate from Sweden doesn't know what is he talking about. We all know him for a long time, and he's always precise and to the point. As a CEPT coordinator that what he has said is right, this is CEPT position. The Financial Plan should be balanced, the reserve account should not be used to balance the budget and considering INRs, this issue should be further studied.

We have repeatedly expressed our views during previous meetings of the Council in May in Geneva and even here in Busan, a number of CEPT Member States made these kind of interventions last Sunday. It has to be mentioned however that Europe appreciates your activities. In your intervention you mentioned that originally we started from 40 million deficit and you managed to bring it to 0. This should be applauded and appreciated. However, we think that more should be done. We know that you are in a difficult position, that the timing is not right, but some other countries have already mentioned a possibilities of new savings or reprioritization.

There's a number of proposals on the table as proposed for example by Brazil and by CITEL, and let's discuss these openly. I can confirm that Europe will be happy to work with you in an open manner in this respect. Thank you very much.

>> CHAIRMAN: Thank you, Poland. Rwanda, please.

>> RWANDA: Thank you. We thank the Secretary‑General for his efforts to balance the accounts, as Tunisia and others have said before me. We're facing a difficult situation and in that situation we need to use what means are available without putting the future at risk.

The reserve is 3 times higher than the minimum, as we've been told, and we think that there is still some margin to use it, and that we should use it in the current circumstances, and we're still okay here, so that's our position.

We also advocate optimizing expenses without compromising the Union's efficiency. Thank you.

>> CHAIRMAN: Thank you, Rwanda. Spain, please.

>> SPAIN: Thank you, Chair. I'd like firstly to extend our thanks for the Secretariat's efforts to present a Financial Plan in a very short time. I'd also like to express our thanks for the changes and reforms which have been guided by the Secretariat over the course of recent years, bearing in mind the difficult financial circumstances which the Union's found itself in.

And I'd like to extend our thanks for the efforts to face up to the challenges of medical insurance costs through the creation of this fund which as the Secretary‑General said has increased, and we're very grateful for all of this. We're also grateful for the continual efforts under Mr. Ba and the Secretariat to identify areas where savings can be made. Some difficult measures have been taken, so we're grateful for all of this.

As the Secretary‑General said, we find ourselves in a situation that's very difficult to manage. When we know of our revenue only shortly before the Financial Plan comes out, that's very difficult to deal with. The exceptional situation here isn't the use of the reserve fund. Unfortunately over the course of the last few years, that's been a common theme.

The exceptional circumstance here is that we've so little margin with which to now face this additional shortfall which we have.

A second point I'd like to make is that if I've understood correctly, a number of statements here seem to overlook the difference between the reserve fund and reserves themselves. Reserves in the strictest sense are when an organization assets are larger than its liabilities, and among those reserves, we have the reserve fund. But bearing in mind the Union's overall assets, there's a deficit of 200 million. We're not talking about virtual figures here. We're talking about an account which over the years has emerged, so if we have a situation where expenditure pressure increases and revenue goes down, that's unsustainable, so if we continue to use the reserve fund in those circumstances and we end up emptying the reserve fund we're being very short‑termist about it. What will we use after that when we've exhausted the reserve fund?

So I think we need to be quite courageous here and we need to bear in mind what's going to happen over the years to come. If in the years to come we have a problem to the tune of 70 million francs and in the next four years we approve a deficit, we're putting a very high level of risk of pressure on the budget, 7, 8, 9 million francs a year, how will we cope with that? What will we do to cope with that? We're find ourself in a much worse situation at the next Plenipotentiary if we do that so I think we need to take action now and rather than going for the easiest option, I think what we need is to make a joint effort between the Member States and the Secretariat. The Secretariat can identify other areas of savings and priorities to avoid putting extra pressure on the budget and also identify ways where we can be constructive. And I think this Conference is an opportunity for that. We can approve some kind of extraordinary expenditure. I think that's an opportunity but we need an agreement there. We need consensus to be able to do that.

I think the order is very important, though. Firstly we need to make our efforts. Then we need to see what we can achieve, and only after that can we go for these short‑term options which aren't sustainable in the long term.

>> CHAIRMAN: Thank you, Spain. Burkina Faso, please.

>> BURKINA FASO: Thank you, Madam Chair. Burkina Faso would like to welcome all of the transparency measures observed by the Secretary‑General during the development of the Financial Plan. We also welcome all of the efforts which have been made to make savings. The administration of Burkina Faso supports this Financial Plan, as it has been redrafted, particularly regarding the use of the reserve account which also in the reserve account are particularly justified given the circumstances. Thank you, matted am Chair.

>> CHAIRMAN: Thank you, Burkina Faso. The Netherlands, please.

Netherlands? Uganda, please.

>> UGANDA: Thank you very much, Madam Chair. We thank the Secretary‑General for his very clear explanation. We have been informed that the Secretariat had endeavored to balance the Financial Plan, but the unexpected involvements that happened only a few days ago led to the deficit which we have now.

In the circumstances, Uganda supports the proposal to use the reserve fund as the Secretariat seeks possible other avenues of replenishing the reserve fund. We would also support introduction of a charge on the International Numbering Resources in order to balance the Financial Plan. We thank you, Chair.

>> CHAIRMAN: Thank you, Uganda. Germany, please.

>> GERMANY: Thank you, Madam Chair. Well, we also welcome and appreciate all the efforts of the outgoing Secretary‑General and by the Secretariat to come up with a balanced budget, and to prepare safe ground for the new period to come.

When I pushed the button here to ask for the floor, it was not very clear whether Mr. Anders Hektor from Sweden would be the one speaking for CEPT. He is. I can confirm that, as it has already been confirmed by our polished colleague, Mr. Kaspersky, so he speaks also on our behalf and that shortens my statement a lot, so just to underline our priorities of savings first, reserves should normally not be used and of course, the issue on the International Numbering Resource and revenues coming from that, I think it's too early to decide at the Conference but it should be further studied, of course.

We are willing to support the Brazilian approach to look for further savings to look at the ideas expressed there, and of course, we are open‑minded to come up with a solution which is acceptable for everybody and good for ITU. Thank you.

>> CHAIRMAN: Thank you, Germany. Pakistan, please.

Okay, Saudi Arabia, please.

>> SAUDI ARABIA: Thank you, Madam. At the outset, I would like to say to you that I am very optimistic since you are Chairing this Committee. I am certain we're going to be able to arrive at a solution at was the case when you were heading up the Council.

Firstly I would like to thank the Secretariat of the ITU and the Secretary‑General in particular for having prepared this Financial Plan for the Union. This is a plan which was approved by the Council. You know that the Council takes the place of the Plenipotentiary until the next one is held. We are all very optimistic, and we thought that this Financial Plan would be adopted by the Plenipotentiary in accordance with the options which were presented, that is to say, that the ITU members were going to keep the level of contributory units at the same level, or even increase them, particularly since they saw the objectives which were achieved by the Union over recent years.

They also saw that the Union has a very Honorable place in the world stage. However, the unexpected has taken place, that is to say that there has been a reduction in contributions by some members of the Union. The Secretariat is not to be blamed in such a case. This situation should not have a negative impact on the activities which the Union must undertake and implement in the framework of this Financial Plan.

This plan was put together because it was thought that the activities needed to be implemented over the next four years, because these are important activities, and these activities were included because of this, particularly they're important for developing countries.

These countries have an urgent need for these projects, but what has happened is that the contributions have been reduced, so this Conference therefore needs to take a decision, a brave decision, and I do not think that that is going to be a risky decision. The Union has faced much more difficult situations than that which we are facing today, and despite that, the Union was able to continue with its work. It was able to continue to achieve its goals.

The Saudi administration believes that we have two paths to follow. Firstly, the path of using International Numbering Resources as one of the resources to be used to cover expenditure. These are resources which are available to the Union. I see no hindrance to us using them, and secondly, these of the reserve account. This fund is in a good situation. The reserves in there are higher than the minimum required. This Financial Plan is a framework plan, we should be aware. There is going to be a budget which will be adopted every two years. And it is within these budgets that the possibility will be provided of making savings, that the possibility will be of making savings, as was the case in the past.

I see no danger to us in using the reserve account funds to address the deficit. The Secretariat has the habit of finding every way it can of making savings which we didn't even expect. The new Secretary‑General has fortunately seen these experiences which I spoke of. He witnessed them himself, and as a consequence, he is going to be able to benefit from that experience so as to ensure that the necessary savings are made.

I would also like to recall that the reserve account was established in order to deal with such situations as the one we're facing today. So there is no need not to use it. So I would once again like to repeat that there is a solution to this problem, the use of International Numbering Resources on the one hand, and on the other hand, the use of the reserve account. Through doing this, we could resolve the problem without any threat.

Thank you.

>> CHAIRMAN: Thank you, Saudi Arabia. Now, on my list I have the Russian Federation, the Czech Republic, China, India, Gabon, Senegal, Netherlands, United States, and Portugal.

And following that, Dr. Touré would like to respond. So the Russian Federation, please.

>> RUSSIAN FEDERATION: Thank you, Madam Chair. This is a very important issue for the ITU. The Russian Federation as one of the Founder countries of the ITU has through the entire history of the ITU been in favor of the sustainability of the Union, and it has made every effort in order to ensure this in the work of all the structures of the ITU, and particularly in the structures pertaining to financial issues.

Financial sustainability, in fact, determines the functional stability of the Union, and over its history, right up till the present day, including the Council Working Group of Financial and Human Resources issue, and also at the Plenipotentiary, the Russian Federation has proposed decisions for increasing the efficiency of the work of the Union and increasing the effectiveness of the expenditure of the Union and the sustainability. We've always been in favor of careful and well thought out approaches to the use of the reserve account and its replenishment.

However, the Russian Federation is fully in agreement with the Secretary‑General and his assessment of the situation that it is exceptional, and we hope that there is agreement amongst countries that this is an exceptional situation, both regarding the situation and the scale of the problem.

I'd also like to note that for the first time the International Telecommunication Union has developed a Strategic Plan in which tasks are indicated by Sector. All countries actively participated in development of this Strategic Plan. And worked actively on proposals as regards the tasks which were to be carried out by the sectors and the Secretariat. A reduction in the budget of the Union could lead to a situation in which a number of tasks were not implemented or were less effectively implemented.

I believe that none of the members of the Union is interested in this coming about. In connection with this, and taking into account all of the arguments expressed and also the arguments of those countries who expressed their misgivings about these issues in the budget we need to once again consider the possibility and I would like to emphasize this phrase, consider the possibility of making a withdrawal of the indicated sum from the reserve account so as to ensure the sustainability of the ITU. And of course continuing with work to find solutions and to support these solutions so as to replenish the reserve account as were noted by a number of countries are important in addressing these problems. Thank you.

>> CHAIRMAN: Thank you, Russian Federation. The Czech Republic, please.

>> CZECH REPUBLIC: Thank you, Madam Chairperson, and good afternoon to everybody. We are pleased by the Secretary‑General's promise he gave us here about the balanced budget without using the reserve account. We also appreciate the efforts the ITU Secretariat has already made especially in accumulating financial resources to cover the starting gap for filling reserve account and ASHI Fund.

We understand the point Secretary‑General made about the International Numbering Resources and reserve account. Nevertheless, we associate ourselves to the remarks made by a lot of previous speakers especially Sweden, United Kingdom, Japan, Ireland, Poland, Spain, Germany, Brazil. We share the concerns about the proposed use of these two. We are aware that to create balanced budget is a difficult task, and really appreciate Dr. Touré and Mr. Ba for doing this job, and for this reason, we would like to encourage the Secretariat to continue in the efforts to economize, to introduce further effectiveness and savings as already expressed also the delegate of Saudi Arabia.

We have to think about possible emergency cases requiring the use of reserve account, and also to bear in mind the need to solve the problems with the buildings as there is not only Verembé building in bad condition. We are assured we will get the balanced frame as Mr. Secretary‑General calls the Financial Plan for the next period, soon. Thank you very much.

>> CHAIRMAN: Thank you, Czech Republic. China, please.

>> CHINA: Thank you, Madam Chair. First of all we would like to thank the Secretariat for the detailed Financial Plan. For China, with regard to the efforts made by ITU in the very difficult circumstances, and to maintain the balanced budget as well as to maintain the stability of the contributory units, we would like to appreciate it. In the special circumstances we are facing today in the stability of financial situation, ITU is still facing big challenges and daunting tasks. Without finding an appropriate solution to the difficulties today we agree with Delegates from Saudi Arabia and Russia for their comments. We could make the withdrawal of the reserve account to find a solution with that. In the meantime we hope that ITU will increase its efficiency to save more money and reduce the expenses, and make its utmost efforts to improve the financial situation so as to achieve the financial stability.

Furthermore, we also support the Secretary‑General in his proposal of the arrangement of contributory units scheme, because this is contributive to the certainty of financial planning. Thank you very much.

>> CHAIRMAN: Thank you, China. India, please.

>> INDIA: Thank you, Chair Madam. At the outset, we appreciate the acknowledgment made by Secretary‑General Hamadoun Touré for Indian contribution, and also we'd like to thank the Secretary‑General for producing a Financial Plan in a very short time, in spite of the fact that some reduction has taken place only one or two days back.

So indeed, it is a great task. As all of us know, that in any Financial Plan, if a deficit is there, there are two sides, one expenditure and one revenue. When the difficult situations are there, many times instinct is to cut only core activities so here we need to take care that we don't cut on the core activities. However, it will be nice to control the expenditure by cutting down nice to do activities, and activities which entail a lot of expenditure but they give visibility.

Those activities may be done when financially we are strong.

Number two, on the expenditure side, probably some of the activities can be outsourced to local centers, taking the help of ICT Applications. After all, ITU is the best placed organization to use ICT Applications for reducing the cost. It may be difficult for me to get what are the activities, but say, for example, what we come across is translation activities ‑‑ could easily say translation activities where the help of ICT can be taken and activities can be outsourced.

The third expenditure control measure could be the tighter monitoring of the activities. On the revenue side, intrinsically, the Numbering Resources cannot be a source of bridging the deficit. However, there is no harm in the Numbering Resources expenditure at least is covered by the revenue from the Numbering Resources. So as we stated during the last Council meeting, the numbers ‑‑ as oxygen is to the life, so is the numbering to the telecommunication system, but a slight difference is there. Where the premium numbers are there, those could be charged, and the deficit which is accruing out of the management of the numbers definitely can be bridged.

So some revenue can be raised by charging the revenue activities.

Secondly, for revenue, maybe ITU could think of providing high‑level consultancy kind of services to the countries where the countries which can afford to pay for such consultancies.

Having taken these measures if still there is a deficit, we believe then there is no other way than to draw from the reserves, but this would not become a routine matter because if we keep drawing the reserves after all reserves are also a limited amount in it and after a couple of years or so they will also get exhausted.

So over a long period of time, we should create a mechanism by which such deficit do not take place. For that, we need to strengthen our system and one idea that comes to mind that lest we are faced with a situation as we are facing today, maybe the Member States should be affirmed their contribution at least one month before the Financial Plan is to be made by ITU. Earlier, it was assured that the member state will contribute, and therefore the system was working, but the financial condition of the world is very jittery and it's a dynamic situation so therefore it is better we strengthen our systems. By doing so on one hand, we would be meeting the short‑term needs by drawing the reserves whatever are required to bridge the present gap, but on the other hand, in the long run, we would be able to provide a stability to the Union. If we are looking still for higher stability, maybe some mechanism has to be created where some assurance by the Member State is there for contributing certain amount of units depending on its GDP or per capita income kind of thing.

So that may be a long‑term solutions and need discussions but can except for this, the other things what we believe are workable. Thank you, Chair.

>> CHAIRMAN: Thank you, India. Gabon, please.

>> GABON: Thank you, Madam, and good afternoon to all of you. Gabon would like to subscribe to what's been said by previous speakers in congratulating the Secretary‑General on his work which has allowed the Union's finances to be balanced until now.

Having heard the previous statements which have contributed a great deal, particularly those of Mali, Uganda, Saudi Arabia and many others, we support the proposals which seek to authorize under the Council's supervision some funds from the reserve fund. However, we do think thinking should take place about the future of using the reserve fund and how to prevent these circumstances in future. Thank you.

>> CHAIRMAN: Thank you, Gabon. Senegal, please.

>> SENEGAL: Thank you. We are proud of the Secretary‑General's efforts to prepare the field for the new team in financial terms. Many congratulations go to him for his concern for transparency and continuity of service in the Union.

We believe that the reserve fund is a solution which will allow us to overcome this temporary problem which has been put to us by the Secretary‑General and his team. We think that this is possible. We think that that proposal can be taken up, and we can then think about a definitive solution to the problem.

We could establish a Committee within the Council, for instance, to think about all the different proposed solutions, and move towards a definitive solution for this problem.

Thank you, Madam Chair.

>> CHAIRMAN: Thank you, Senegal. Netherlands, please.

>> NETHERLANDS: Yes, thank you, Madam Chair. This time the microphone is working. We also like, as others, to thank the Secretariat for the Document presented, and we also acknowledge and appreciate all the savings that have been realized in the past. We also acknowledge the difficult situation in which the ITU is now as a kind of last‑minute situation.

But that doesn't take away that we don't feel comfortable with the proposed solutions, and we are not ready to accept them. We don't think that the reserve account should be used to balance the budget, and we do not accept that incomes have been introduced in the budget that have not been accepted, in this case, the INRs.

I agree with others that we have to find solutions and identify areas where additional savings can be made, and I also accept what Dr. Touré said, that it is your kind of framework plan that we are in the planning stage. Dr. Touré gave also the example of taking 10 million out of the reserve fund in the past, and returning 6.8 million, so in that case, savings were realized, as well. And that should be looked for again.

We agree with Brazil, with Spain, that we have to find additional cuts in expenditures, other savings to be found. There's some proposals made by Brazil, by IAP, and I heard India coming up with some proposals. I think that in summary that our Spanish delegate was correct in giving some kind of order that we have to make efforts for a cost reduction and see what we can achieve, and only after that we could make take some short‑term measures to achieve again a balanced budget. But the time is not right to do so, I would say. Thank you very much.

>> CHAIRMAN: Thank you, Netherlands. I'm sorry about the microphone. United States, please.

>> UNITED STATES OF AMERICA: Hi. I seem to also have problems with the microphone. I lost my spot so this makes it very easy for me because I can happily echo many of the comments made by Brazil and CEPT. We also want to see a balanced budget without the use of the reserve account but we acknowledge the difficulties in perhaps getting this accomplished. We have previously expressed our concern about the use of the using the reserve account. This is not a viable long‑term solution.

We agree that what we need to do is change the order of the conversation. We should first exhaust all possible efficiency savings. We should look at prioritizing activities. We should find all the ways of increasing revenue through additional contributory units, and only then if there's still a difference between the revenue and the expenses, only then as a measure of last resort should we use the reserve account.

ITU is lucky that they have this safety net. Most organizations do not.

The current proposal to withdraw from the reserve account and then to replenish does not guarantee that tough decisions will be made, and unfortunately, tough decisions will need to be made. In terms of what the Plenipotentiary has to accomplish, they have to approve the general framework, not the allocations. All the allocations including a potential withdrawal from the reserve account does not need to be done now. This will be done by Council next year, so the organization has been entire year to finish all the particulars. And we certainly look forward to continue the dialogue to find a suitable solution. Thank you.

>> CHAIRMAN: Thank you, United States. Portugal, please.

>> PORTUGAL: Thank you, Madam Chair. We too have an easier task now that all the countries have spoken before us. While we do appreciate the efforts made by the Secretary‑General to come to the Plenipot with a balanced Financial Plan and we also sympathize with the difficulties facing having to review this plan in such a short time due to change of scenario, we do share the positions that have been expressed by other European countries before us, and in particular, the principle of presenting a balanced budget and avoiding to use the reserve account.

On the other hand, we also share the positions made by other countries on a very positive note, and I remember Brazil but others after Brazil have made the same point, that we still have a number of proposals on the table that we can consider, and that might help us go through this problem, and find the middle solution like the U.S. has just said. Let's work a little bit more on what we have in the table. Let's make our collective effort on this issue, and maybe we can come to a positive solution that will be agreeable to all of us. Thank you.

>> CHAIRMAN: Thank you, Portugal. On my list I have United Arab Emirates, Oman, France, Qatar, Algeria, New Zealand, Italy, Uzbekistan and Zimbabwe. So with that, I'd like to close the list. And Iran.

And if those who intervene make a representation this afternoon could keep them short, that would be very much appreciated. United Arab Emirates.

>> UNITED ARAB EMIRATES: Thank you very much, Madam. And with your request, I'll try to be brief. The Delegations which have gone before me have asked all my questions. We'd like firstly to thank the Secretary‑General, Dr. Hamadoun Touré, for the tireless efforts which he's made in recent years to balance the budget. We have a number of concerns about the ITU's main activities, particularly with regard to programmes and activities for developing countries.

We've also heard it said that mechanisms are in place which could allow us to streamline expenses, including a reduction in the number of staff. However, this will make it difficult to achieve the numerous tasks which have been asked of those staff at various conferences, and that's why we support the previous speakers, particularly Saudi Arabia, the Russian Federation, China, India, Mali, and Gabon, as well as all the speakers who have referred to the reserve fund, and concerning INRs, we applaud the ITU's efforts in that regard and its efforts on the withdrawal from the reserve fund as a means of covering the deficit which has arisen. Thank you.

>> CHAIRMAN: Thank you, UAE. Oman, please.

>> OMAN: Thank you, Madam. On behalf of the Sultanate of Oman, we agree with what was said by the UAE and Saudi Arabia on this area as well as what was said by the Russian Federation and China. We also thank the Secretary‑General of the ITU, as well as the Secretariat for having presented this matter to us in such a professional and transparent fashion. And we're quite convinced that the ITU will prove able to resolve this problem, and achieve the goals which we all seek to achieve.

For that reason, then, we believe that the reserve fund should be used to ensure that the ITU's programmes can be continued, particularly where developing countries are concerned, whilst also keeping all doors open with a view to reducing costs and achieving the ITU's goals in general.

>> CHAIRMAN: Thank you, Oman. France, please.

>> FRANCE: Thank you, Madam Chair. I'd like to begin by thanking the Secretary‑General and the Secretariat for the presentation of DT/32 on the Draft Financial Plan. Like Senegal, I'd also like to congratulate the Secretary‑General for the transparency with which the Financial Plan has been prepared. The members of the Council and more generally the members of the Union have all been involved in this process. I'd also like to congratulate him for his management of the ITU over the course of the past 8 years, because as the Netherlands have said before me, a number of measures have been taken to improve the management of the ITU, and I think we can say here today that the Union's financial management is very healthy. If a figure had to be given I think we could mention the figure of the reserve fund, which at 3 million Swiss francs is well above the figures required by the Union.

As was indicated in Document DT/32, we have today to face up to a reduction in revenue, but certainly significant in absolute terms, 30 million Swiss francs, but the thing we need to realize, this is only around 2% of the budget, so it's relatively little, and I think that the ITU can tackle this situation without too much concern.

As my European colleagues have already mentioned, we believe at this stage that priority should be given to finding savings, bearing in mind that those savings should in no way undermine the work of the Union. In that regard, Annex II of the Financial Plan offers a number of avenues to explore. I think that's very useful, and they should indeed be explored.

Bearing that in mind, over the past few years, the Council's given its agreement for withdrawals from the reserve fund on a number of occasions, but that's always been on the condition that that shouldn't deplete the reserve fund in the long term, and I think that's very important. Thanks to the ITU's excellent management, expenditure has always proved lower than expected, and revenue has always proven higher, and that's made the long‑term situation a positive one.

However, as the Netherlands has said, we need only to adopt a Financial Plan here. This is just a general framework to lay out the broad guidelines for our actions. The most important Document is the budget which will be approved by the Council.

We also believe, Madam Chair, that the Council requires a certain amount of flexibility when preparing the budget concerning having recourse to the reserve fund. So we think priority should at this time be given to efficiency measures. Thank you.

>> CHAIRMAN: Thank you, France. Qatar, you have the floor. And once again, if we could keep them very short.

>> QATAR: Thank you, Madam Chair. I'll be very brief. Firstly, we would like to thank the Secretary‑General for his excellent and very professional management of the Union over the course of recent years. The Secretary‑General's professional qualities are outstanding.

The Financial Plan which has been presented to us is a very transparent Document. However, surprises do always arise, and since I've been asked to be brief, I think we should stand side by side with the ITU and with the Secretariat. For that reason, we agree with the withdrawal from the reserve fund and with the idea of making all possible savings. Thank you very much.

>> CHAIRMAN: Thank you, Qatar. Algeria, please.

>> ALGERIA: Thank you, Madam. We'd like firstly to thank the Secretary‑General most warmly, as well as the Secretariat for their efforts to prepare this Financial Plan. And also for having presented a balanced budget to us.

We'd also like to thank the Secretary‑General for the excellent way in which he has guided our Union during the past few years. It's not always the case with the leadership of international organizations.

Algeria fully supports the Financial Plan which has been presented. The Strategic Plan which the Member States have adopted has taken into account only priority actions. We have two options now, either we have to reduce our priority activities, or we have to find a solution to ensure that those priority activities, and particularly activities which benefit developing countries, can be implemented, and thereby achieve our goals.

With that in mind, then, Algeria supports the proposal to make a withdrawal from the reserve fund, and also supports any other measure or course of action which could be implemented to garner other resources, including INRs.

The question which has been asked of us is whether we should make withdrawal from the reserve fund, or whether we should find a solution which would allow us to make reductions to overcome this deficit. Mr. Ba presented a number of budgetary savings which could be made, and reductions, and a number of solutions have been put forward by countries which might be debated at a future point by the Council.

These potential solutions don't at all prevent us from making this withdrawal from the reserve fund. Secretary‑General reminded us that 6.8 million was put back in the reserve fund at one stage. This means that the 10 million which we're going to take out could well in two years or three years' time be put back. This reserve fund, then, is a guarantee of our ability to be able to carry out our Strategic Plan now.

The withdrawal of this 10 million doesn't stop us from reviewing our budget, our actions, or anything else to be able to reduce expenditure. This course of action at the current time doesn't prevent us from looking at alternative ways of balancing the budget in future. But the fact is that we have this reserve fund which can allow us to ‑‑ allow our team to work, and in the meantime we can look for alternative solutions to the reserve fund. Thank you very much.

>> CHAIRMAN: Thank you, Algeria. New Zealand, please.

>> NEW ZEALAND: Thank you, Chairman. And again, thanks are clearly due to the Secretary‑General and the management team for the way they have managed the Union in the last few years.

Chairman, I make the comment that we come to this Conference with new requests, new requirements, new Resolutions requiring new work by the Secretariat and then we turn around and reduce the funding available to them to do that. Somewhere along the line, I think we are not playing fair with our Secretariat here. Seems to me we need to think carefully about asking for new things, and yet not funding those new things.

Chair, I have a question which perhaps might be answered. I'm wondering if my memory failed me, but I do recall in a Plenary Session a most generous donation was announced, and I wonder whether that has been at this stage cost into the figures, because I wasn't able to ascertain where that might fall.

I want to comment again on the INR question. It seems to us that it is reasonable to follow the lead from India and to consider making this a cost recovery activity but I would be cautious and note that when satellite filings were moved to a cost recovery activity there was a great deal of uncertainty and fluctuated in the revenue that eventuated. It was not as if you could just turn on a tap and the money flowed. People will find ways to ensure they only pay what they think is reasonable for the services we provide. If we seek to charge over and above the costs of providing the service we will find that inventively people will find ways to avoid paying that cost so the revenue will not flow so I think it's very dangerous to consider putting charges up to anything greater than the cost of doing the business which is maybe a million dollars, so maybe we could increase it by some sums.

But Chairman, the question of the reserve account I think we see that as a last resort. We see that it is an accounting process where we can, in fact, provide a balanced budget with a change in the reserve account level. But I do not think that should in fact be the end of it. I think we must continue to expect from the new Secretary‑General and his new management team that they will continue to find savings such that in fact they do not expend the funds that we have voted for, that they do provide more value for members with less, but that is a task we must set our new management team. It's not a platter of just giving them the money and saying go and do it all. It's a matter of saying yes we'll balance the budget with a withdrawal in the box but we don't expect to continue to use it. You must still make savings. Thank you, Chair.

>> CHAIRMAN: Thank you, New Zealand. Italy, please.

>> ITALY: Thank you, Chairman. The Union has a particular structure of the Financial Plan and budget that everyone has in mind. First there is contribution from Member States. After, there is contribution from Sector Members, and cost recovery activity. Those while first the contribution of Member States once will not fluctuate the other activity may fluctuate and the results a fact of the Union compared with the other that the choice of the contributory unit and how to support the Union is free, so everyone can do whatever he prefer to do, and we act accordingly. Italy, we have decided to maintain our contributory unit, although we are in very difficult economic situation, and I think that should be kept in mind.

Now, we are in favor to have explore way of new source of revenue. However, this should be realistic and difficult to realize as is the case for the revenue on the number resources. First we have to study clearly the problem and decide what is feasible and what is not unrealistic, to put immediately in the Financial Plan the resource revenue may be the mistake.

At the same time, we have to think also the future, because we are the present generation. We have found the resource maybe because past generation acted well. What will be next generation? You don't forget that there will be project likely to appear like a new building or things like that, in order to be financial, so I really appreciate the management of ITU and its financial part. I think we will make together an effort to join to realistically real but some Financial Plan. Thank you.

>> CHAIRMAN: Thank you, Italy. Uzbekistan, please.

>> UZBEKISTAN: Thank you very much, Madam Chair. I would like first on behalf of the Republic of Uzbekistan to express our sincere gratitude to the Secretariat and Secretary‑General Hamadoun Touré himself for his proposal on balancing the deficit and on the Financial Plan which has been proposed. We and other speakers have noted the fact that we are exceeding the minimum sums that have been known and I think we should use the reserve at the needed time, though. For example in such situations when we don't have enough funds in the normal budget.

In our view, these are the particular situations, these are the very situations in which the reserve fund should be used. At the same time, however, we understand the concerns of other countries on the future consequences which could arise from using these reserves.

So if we are to follow the proposal mentioned by the Secretary‑General, we of course support that proposal, and that would allow if we carry out that proposal to, that would allow the team we've recently elected over the last few days to carry out their mandate but we need to come up with a plan and a mechanism to balancing the accounts in future. Thank you very much, Madam Chair.

>> CHAIRMAN: Thank you, Uzbekistan. Zimbabwe, please.

>> ZIMBABWE: Thank you very much, Chair. Allow me to rehash the facts and put them into perspective. We understand there's 30 million in the reserve fund, and we need to clear the deficit 13.5 which is far less than what is in the reserve fund. We also understand that the reserve fund is clearly specifically to take care of situations like we are in. And therefore, it is my understanding from the little arithmetic which is here that if this 13.5 million would be removed from the reserve fund to clear the deficit, we didn't contravene any guidelines of the ITU regarding the management of the fund.

We also understand that we got into the quagmire we are in not because of the liking of the Secretariat, as I said before, but because of circumstances beyond their control.

I also observe curiously that the proposal by U.K. and Brazil and the others seem to dovetail with the proposition from the Secretary‑General. The difference being that what comes first? Otherwise, we seem to agree, though we seem to be talking past each other.

Firstly, there is one proposal that lets us explore other sources to meet the deficit. When the Secretary‑General says, let us, we are going to explore other sources to also clear the deficit, we agree on that, but the Secretary‑General is saying: Let's take from the reserve fund and clear this deficit while other people are saying let's explore other services. Both of us agree. I'm of the view that let's clear the deficit now since we do agree by using the reserve fund. Then we explore other services to fill the reserve fund, the hole that has been left in the reserve fund.

Now, both options seem to lead to the same, in my view, except the sequencing of these options. It's also important to note that the same Secretariat worked very hard to boost the reserve fund to the level it is now. We shouldn't lose sight of that fact. Therefore, if the Secretariat worked so hard and was very responsible, I implore members in this house that we should trust the Secretariat that they will be able to rectify the problem that besets us now.

I also want to observe that the reserve fund exists solely for the reason we are in now, to take care of the problems like we are addressing in this august house, and then let us do what the reserve fund was created for, and also taking note, and also giving heed to the Secretariat perhaps to avoid the similar situations in the future.

But we are not wrong in my view to utilize what the reserve fund was created for. I therefore support the idea that we draw from the reserve fund and quickly explore other sources of funding to fill the gap left in the reserve fund. Otherwise, our new Secretariat will suffer a stillborn by undermining it by not giving it enough resources for it to function. Thank you very much.

>> CHAIRMAN: Thank you, Zimbabwe, and Iran, please.

>> ISLAMIC REPUBLIC OF IRAN: Thank you, Madam Chair. I would like to express my thanks and appreciations to the Secretary‑General and his teams for their great efforts for having the balanced budget.

As the APT representative on this issue, I would like to mention that we have an APT Common Proposal, ACP/67A1/7 on Revision of Decision 5, including measures for reducing expenses that may cover whole or some part of the deficit. Otherwise, Madam Chair, if it would not be covered, I think we should consider the use of reserve account, taking into account the exceptional circumstances that the Union face to it. Thank you, Madam Chair.

>> CHAIRMAN: Thank you, Iran. I'll now give the floor to the Secretary‑General, Dr. Touré.

>> SECRETARY-GENERAL: Madam Chairperson, I believe it's better that Mr. Ba respond to some of the technical questions that were asked so that I could complement it. Thank you. If you allow us. Thank you.

>> CHAIRMAN: Mr. Ba, please.

>> SECRETARY OF COM 6: Thank you very much, Madam Chair, and allow me to thank all of the Delegates who took the floor and participated in this very interesting discussion on the Financial Plan 2016‑2019.

Now, most people made comments. There were no specific questions except perhaps that from New Zealand with regard to the generous contributions that we recently heard voiced, particularly from China. For us, we believe that these contributions were aimed at specific projects, so contributions that were slightly restrictive in nature, they were earmarked to specific projects, but we can see with China if eventually these contributions could be applied to the regular budget that could be used in that function which would allow us to reduce the gap which exists between the estimated budget and the expected expenditures.

Now, with regard to the comments that I've heard, I would just like to clarify what was mentioned by the Algerian delegate, that we have 10 million but this is just a guarantee, because we were to present to this august hall a balanced budget Financial Plan and it's when we return to Geneva that we will work in greater detail to look at the budget for the 2016‑2017 period and then eventually moving on to the 2018‑2019 period.

Now, as you indicated, the Secretary‑General mentioned earlier in the 2010‑2011 budget, we did use some 10.1 Swiss francs, and then when we applied the new IPSAS rules, we saw that we only had 3.7 million available, so we weren't able ‑‑ that is to say, we weren't in a position to use the 10.1 which had been originally authorized by the Council. That was the situation then.

Now, if we look at the period now, we have some 10 million for four years. Now, it's not been requested 10 million per biennium or 10 million per year. That means you have 10 for the four years, 5 for biennium. So if we are able to increase our income through publications, through satellite incomes, through administrative costs linked to the projects, then we of course won't need to use those reserves that we've mentioned.

It's just to allow us to a guarantee to make sure that we really have a balanced Financial Plan between our expected income and our expenditures. We have 13 in contribution. We're requesting another 10 from the reserve, and the Secretariat, despite the efforts that we've been making now, despite we've only come up with some 95% of the budget, which means that we have some 5% that we need to make up, so that's the difficulty that we're facing. It would be a difficulty in implementing our planned projects.

We don't have a sufficient time period to make up for that. There are certain sectors where they haven't envisaged their staff's retirement for the coming year, so we need to face those charges. Also, pursuant to IPSAS rules, we need to cover projects in the very year that they are initiated. So for example, if you think about the fact that we have 30 days of vacation, some person is only taking 25 days of vacation, that has to be accounted for, as well.

When the international staff person retires, then their retirement also needs to be covered, so what we're talking about is maybe not an actual cost but a provision to be able to cover those different costs.

So those are the different pieces of information I wanted to bring to the discussion and I'll now leave the floor to the Secretary‑General. Thank you, Sir.

>> SECRETARY-GENERAL: In the structure of the Union, we have a Strategic Plan that is the foundation. It's a pyramid. On top of that, we have a Financial Plan, how to finance that Strategic Plan. And on top of that, Council will on a biennial basis approve an operational plan, and a budget on top of that operational plan. That's the process we are following.

Now, let me go back to comments made by Poland about my comments about not being the spokesperson. As far as I know, I've been officially notified that Poland is the spokesperson for CEPT, and therefore ‑‑ but I take his note that Anders is the spokesperson of the CEPT, and I leave it at that.

We are here not to be personal. We are here to have intellectual debates on this very important issue but it's not the most difficult issue we have ever discussed in this august Assembly here. We've had many more difficult things that we've agreed on, and I'm sure the positions are not far from one another. Some people are coming with a matter of principle, which is not what we're looking for here. We're not looking for principles. We're looking for solutions, workable solutions.

According to the financial regulations that is approved by Council, it says in Article 27, number 2, that the reserve account by special decision of the Council, withdrawal is made for balancing the budget of the Union. It is clearly stated in the financial regulations. Now, if you come and say by principle we don't agree that the reserve account not be used, take it out of the financial regulations but as far as I'm concerned it's in there today and we should make use of it. But we make use of it in only exceptional circumstances and we do our best effort not to misuse it and make sure it is replaced. And that's what we're doing here as a matter of fact.

We always took in the Strategic Plan is a result of a carefully discussed Document, carefully debated into details, bringing the opinions of all parties developed and developing countries. I call it our lowest common denominator. Now, if we want to go back and replace the Council here in this august Assembly, 3,000 people, redrafting the Strategic Plan, it won't work, in the time that's allocated to us, and we all know that.

And what is priority for some developed countries may not be a priority for developing countries, or vice versa. We are able in this Strategic Plan to bring the needs of all parties together. Are we going to be at the last minute here taking out the priorities set by some countries for themselves, and for which as a Union we have agreed to implement together so that we all go together.

Again, I'm telling you that we are having to take some tough decisions, and the use of the reserve account to balance this Financial Plan will not only be a model of doing the right thing here, it will save jobs. ITU staff is listening to us here from the Internet, and they're worried. 40 positions will be jeopardized if we don't approve this Financial Plan, and our citizens, citizens of our countries here, all of the countries here in this room, and they're listening to you.

And it's my duty that my colleagues to defend them, because they are already overwhelmed by the work that we're doing. Over the past eight years, we've been reducing the financial revenues, and therefore, staff has been reduced to the minimum, and they're working very hard and very efficiently. It's an opportunity to congratulate those who are here and those who are back in Geneva working for the preparation of this Conference for whom I've received many positive comments from all the Delegations here.

So I would like to really ‑‑ and let me also mention one fact. Some people have mentioned the new building. The new building will cost less than the annual cost for repair, maintenance and energy consumption of the current building. And I reaffirm that.

A new building will not enter in this current financial period that we're talking about. New building will start in 2019. So please don't think that anything we're approving for the new building that will put our staff in better conditions and will save much more money for the Union is something that is creating imbalance here. It is not the case, and I reaffirm that again.

It's something that we discussed with the Swiss authorities, and they have looked at it with numerous Delegations. You know that no country will decide between 100 million and 350 million likely. So they have come and done their homework and commonly decided that the best solution is to replace this building, and I think it's the best solution.

So I believe that we should look at this in a very reasonable manner to find some common ground, and there are many common grounds. As France mentioned, there are many, many ways that we can come together and find common solutions.

I see more support for this solution than no support, and those who are not supporting are not supporting for matter of principle, but principle is here laid out in the financial regulations that you have approved, so let's work together and see, not trying to come here and re‑open the debates over the Strategic Plan, because you will touch on something as not a priority for you, which may be a priority for someone else.

So please, let's look at it and be reasonable. I believe that we can leave the ‑‑ all the discussion out and see $10 million over a four‑year period, it's 2.5 million per year that we're debating here. As France says, less than 2% that we're mentioning here, and I'm sure the new management will find ways and means to make sure that they make enough savings so that we don't touch all of this money but give them the room to please. Please make my day. Thank you.

I forgot to talk about the INRs, which could, if you allow, could be used on a trial basis for two years, not start immediately. Give one year for preparation, and then start, you know, a trial period. We've done that for many new ideas that have come, to give a trial period for that.

Say, in 2017, start preparing for that. But just leave the door open for us to explore new ideas. Every time management comes with a new idea, it may be already dead before it's even exposed here or discussed. We have to come with very innovative ideas, many innovative ideas, in order really to continue to survive.

We have really many common points in this discussion. To me, the debates were going on two different issues, or it's just the chicken and egg, which one come first. And really, I'm sure we'll find a common solution. I leave it to the Chairman to really try and help us out of these discussions. I'm very much confident that we'll find a common solution to this. I want to go out of here with a Financial Plan that is workable for the next management team and is workable for the staff of the Union. And that's workable for the Union members themselves for us to implement really the objective that we were setting in this Strategic Plan. Thank you.

>> CHAIRMAN: Thank you, Dr. Touré my proposal for a way forward and acknowledging what the Secretary‑General said, that what I'm hearing is a lot of support for the ITU and its work, and also for the Secretariat and the work that it has done to date to balance the budget at the last Council, and also to find savings, so I feel that we can work together and to do that, I would like to ask miss Mary Blanca Rios to head up if she's kind enough to do that an Ad Hoc Group to consider our deliberations tomorrow about Decision 5 and the contributions there, as well as the Annex II, and whatever comes out of the discussion on INRs, as well as the proposal from the Secretary‑General concerning the reserve account.

Would that be acceptable, Ms. Rios? United States?

>> UNITED STATES OF AMERICA: It would be an honor. Thank you.

>> CHAIRMAN: Philippines, please.

>> PHILIPPINES: Mr. Chairman, following up the statement made by the Secretary‑General, let us, may we be allowed to make our observation? Actually, or in truth, there is no actual controversy on the floor. If at all, the controversy is purely theoretical. There are those who said that we must first exhaust other alternatives, but, in fact, the solution is found in the comment of the gentlelady from the U.S., and the gentleman from New Zealand that if push comes to shove, resources withdrawing from the reserve fund must be the last resort.

That being so, let therefore those who propose alternative solutions come up with concrete proposals during the ad hoc rather than just saying, let us look for ways and means. Then if there is no concrete proposal on an alternative way of solving this issue on how to balance the budget, then within a reasonable time, prior to the closure of the Plenipot, let us, as a default, let us as a last resort, authorize the Secretariat to withdraw such amounts as are necessary to balance the budget. Thank you.

>> CHAIRMAN: Thank you for those observations, the Philippines.

Now, we had a conversation with Professor Minkin at the coffee break concerning Resolution 25, strengthening the regional presence, which we had endorsed to send to Committee 4. Professor Minkin noted that there was a problem with the Russian version, which referred to the regional office staff organizing technical discussions, and that he felt that that should be ‑‑ which should be "organizing" rather than "leading," as it was in the Russian text, but he did note, and this is in "resolves" 3 of that Document, which is DT/15, Rev 1. So "resolves" 3 says that regional offices play a key role in the technical discussions and the dissemination of information and results of activities of all three sectors of the ITU.

And Professor Minkin ‑‑ and I'll let him have the floor ‑‑ made the point that actually, the ITU regional office staff do not lead those technical discussions. They have a very important role in organizing, but they do not lead.

So, Professor Minkin?

>> VLADIMIR MINKIN: I thank you very much, Madam Chair. You explained very clearly exactly what I wanted to say. This is in Paragraph 3 of DT/15. It's 15 decides, 15.3 decides, "play a key role in the technical discussions." I suppose that they should play maybe key role in facilitating technical discussion or organization technical discussion.

I thank you very much, Madam Chair. Perhaps my colleague can find a better English word. But as it's currently worded, it seems that the regional offices themselves are playing a key role, but the key role is being played of course by the membership. Thank you.

>> CHAIRMAN: Thank you, Professor Minkin. I think that your suggestion of a key role in facilitating the technical discussions sounds to me to be perfect. Does anybody have an objection to that edit? Saudi Arabia, please.

>> SAUDI ARABIA: Thank you, Madam Chairperson. Is it only exclusive to technical discussions? The Regional Bureaux addresses well the capacity building activities and other activities. Should we just limit them, saying the technical discussions, or should we say they play a key role in facilitating the discussions related to the region as a whole? Without limiting the scope to the technical side. Thank you.

>> CHAIRMAN: Thank you, Saudi Arabia. Do you have a reaction, Mr. Canazza?

Brazil, please.

>> BRAZIL: Thank you, Madam Chairman. Perhaps we could have a further conversation on this with Russia and Saudi Arabia, and then come back with a DT/15, Rev 2. I think this issue is very close to be solved. Thank you.

>> CHAIRMAN: I think so too, so that would be fine. Now, the last item on our agenda for this afternoon is just to revisit Resolution 144, the availability of model host country agreements in advance for conferences and Assemblies held away from Geneva, and that was DT/14, Rev 1. And I'd ask Ms. Harris to report on the Revision to that Resolution.

>> UNITED STATES OF AMERICA: Thank you, Chairman, and good afternoon. Yes, Chairman, we have reached agreement on this Resolution and I believe it is ready to go forward to the Editorial Committee. Thank you very much.

>> CHAIRMAN: Thank you very much, Ms. Harris. Are there any comments on the Document? I see none, so I would consider that endorsed and ready to go to Committee 4. So that is the conclusion of our work this afternoon, and I thank you all for your very active participation. We start again tomorrow at 9:30, and our session is a morning session.

So thank you all very much. And good evening.

[ End of session ]

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