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| **Council 2017 Geneva, 15-25 May 2017** |  |
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| **Agenda item: ADM 3** | **Document C17/50-E** |
| **14 March 2017** |
| **Original: English** |
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| REPORT BY THE CHAIRMAN OF THE COUNCIL WORKING GROUP ON FINANCIAL AND HUMAN RESOURCES (CWG-FHR) | |

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| Summary  This document presents a report on the deliberations of the CWG-FHR, which was held from 30 January to 1 February 2017.  Action required  The Council is invited **to take note** of the work of the CWG-FHR and also to **consider** and **offer views**, as appropriate, on the actions identified in the report.  \_\_\_\_\_\_\_\_\_\_\_\_  References  [*C15/27 (Rev.1)*](http://www.itu.int/md/S15-CL-C-0027/en)*;* [*C16/50*](http://www.itu.int/md/S16-CL-C-0050/en) *and* [*Council Decision 563*](http://www.itu.int/md/S13-CL-C-0113/en) |

Since the 2016 session of the Council, there has been one meeting of the Council Working Group on Financial and Human Resources (CWG-FHR). The meeting was held in Geneva from 30 January to 1 February 2017 with Mr Frédéric Riehl (Switzerland) as Chairman. The full report of the last meeting (30 January to 1 February 2017) can be accessed at the following link: <https://www.itu.int/md/S17-CLCWGFHRM7-C-0023/en>. Council delegates should refer to this report for an expansion of the various views expressed during the discussions.

**1 Actions arising from the outcome of Council-16**

**ITU publications (Document** [**CWG-FHR 7/13**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0013/en)**)**

1.1 A request was made to add titles and descriptions of all free documents stipulating if these are publications, reports, or documents, and providing their respective costs. The decision to sell or give away free publications should be the prerogative of ITU in general and not the Bureaux.

**Recommendation:** The Council is invited to **approve** the document.

**Current mandate of and possible overlap between Council working groups and other bodies – Review of the terms of reference of CWG-FHR (Document** [**CWG-FHR 7/22**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0022/en)**)**

1.2 The secretariat introduced the document outlining the Terms of Reference of CWG-FHR which consist of twelve (12) main responsibilities. Since the formulation of this version in Council-15, no proposed amendment has been received.

1.3 The secretariat read its proposed amendment to no. 2 (iv) of the Terms of Reference and explained that all JIU recommendations worldwide should be taken into account and not only those affecting the financial and human resources management of the Union.

1.4 One delegate thanked the secretariat for its proposal but felt that such a proposal should come from Member States. Nevertheless, a number of delegates understood the need to expand the role of the CWG-FHR and had no objection to the amendment.

1.5 After some minor edits, the secretariat provided the written text to the Group as follows: [Ensure that] “relevant UN Joint Inspection Unit recommendations are taken into account, and that recommendations affecting financial resources and human resources management of the Union and those addressed to the UN Legislative Bodies are considered.”

1.6 One delegate requested clarification on whether the CWG on Strategic and Financial Plans should be merged with CWG-FHR. The secretariat informed the Group that the CWG on Strategic and Financial Plans only reconvenes during Council-17. Numerous issues are already being dealt with by CWG-FHR and such merging may result in its being overburdened. However, should Member States wish to merge the two CWGs, this would be another issue for discussion.

**Recommendation:** The Council is invited to **approve** the revised amendment to item 2(iv) of the Terms of Reference of the CWG-FHR as presented in Annex 1 to this document.

**Resolution 187 (Busan, 2014): Review of the current methodologies and development of a future vision for the participation of Sector Members, Associates, and Academia in the activities of ITU (Documents** [**CWG-FHR 7/2 (Rev.1)**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0002/en) **and** [**CWG-FHR-INF 7/2**](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0002/en)**)**

1.7 As requested by the Council, the document “Council Review of Fee Exemptions”  
[CWG-FHR 7/2 (Rev.1)](http://www.itu.int/md/S17-CLCWGFHRM7-C-0002/en) includes a list of entities which would possibly no longer qualify for exemption if the criteria were to be revised, as per Resolution 187 (Busan, 2014). Exemption from fees is granted by the Council following an analysis of the relevant Sectors and a recommendation by the Secretary-General. The main criteria are that the entity must be a regional or international organization dealing with telecommunications/ICTs, non-profit-making, and must offer reciprocal benefits to ITU, such as inviting ITU to participate in their activities free of charge, and giving ITU access to relevant documentation.

1.8 As requested by the Council, the document “Council Review of Fee Exemptions”  
[CWG-FHR 7/2 (Rev.1)](http://www.itu.int/md/S17-CLCWGFHRM7-C-0002/en) includes a list of entities which would possibly no longer qualify for exemption if the criteria were to be revised, as per Resolution 187 (Busan, 2014). Delegates expressed general support for tightening the criteria but some clarifications were sought. Responding to delegations, the ITU Legal Advisor noted that a “legally recognized” entity is one having its own juridical personality and, as such, has the capacity to, inter alia, take commitments, contract, and institute legal proceedings, on its own. Some delegations asked for additional information on the participation of exempted entities. The secretariat replied that such information could be provided for Council-17, and that more data will be available in the next two years as new IT systems are implemented. The Chairman said that he will include the draft text in Annex 4 as a proposal from the Chairman for the consideration of administrations in preparation for Council-17.

1.9 As requested by the Council, the secretariat provided more information in [CWG-FHR-INF 7/2](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0002/en) about SME participation in ITU, including current trends of regional distribution, size, and type of company, as well as possible barriers that limit further engagement of SMEs in ITU´s activities. It was noted that administrations may wish to consider other definitions of SMEs as the definition used by the European Commission may not reflect the situation of many developing countries and that administrations may wish to make proposals to Council-17 regarding future participation of SMEs in ITU.

**Recommendation**: Regarding the review of fee exemption criteria, it is recommended that administrations consider the proposal of the Chairman in Annex 2 to this document when preparing for the Council. It is further recommended that Council **note** the additional information provided in Analysis of SME participation in ITU and consider making proposals on this topic.

**Contributions by the United States of America and the Kingdom of Saudi Arabia: ITU participation in MoUs with financial and/or strategic implications   
(Documents**[**CWG-FHR 7/20 (Rev.1)**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0020/en) **and** [**CWG-FHR 7/21**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0021/en)**)**

1.10 The delegate from the United States presented the document which includes a draft resolution on ITU participation in MOUs with financial and/or strategic implications (Appendix 1) and Annex 1 to the draft resolution as Criteria and guidelines for ITU participation in MOUs with significant financial and/or strategic implications.

1.11 Resolution 192 (Busan, 2014) instructs the Council to formulate criteria and guidelines for ITU participation in MoUs that have financial and/or strategic implications based on certain principles.

1.12 The importance of linking strategic, financial, and operational actions to achieve the objectives and goals of ITU was highlighted.

1.13 Taking into consideration the comments from other Members and the secretariat, the revised draft resolution no longer contains the previous proposal that MoUs that have financial and/or strategic implications should only be entered into pursuant to criteria adopted by the Council and subject to Council approval. Furthermore, the proposed criteria cannot affect regional and national development initiatives or various other MoUs, a concern that has been previously raised by other Members. Moreover, the United States had accepted the suggestion that such criteria and guidelines as forwarded by the CWG-FHR be adopted as a Council resolution and no longer as an addendum to the Financial Regulations as it has initially proposed.

1.14 A number of delegates expressed support to the contribution from the United States. However some delegates are of a different opinion and instead supported the contribution from the Kingdom of Saudi Arabia (see below).

1.15 The delegate from the Kingdom of Saudi Arabia presented the document which includes Criteria and guidelines for ITU participation in Memoranda of Understanding (MoUs) with financial and/or strategic implications presented as Annex 1.

1.16 MoUs are one of the effective tools that help generate revenue for ITU and provides benefits to Member States especially those from developing countries.

1.17 These criteria and guidelines shall:

(i) be based on the three (3) principles outlined in Resolution 192 (Busan, 2014):

* that any involvement of the Secretary-General in this capacity should contribute to and be within the purposes of the Union as set forth in Article 1 of the Constitution, and within the strategic and financial plans of the Union,
* that interested Member States and Sector Members will be kept informed of the activities of ITU when they participate in MoUs that have financial and/or strategic implications,
* that the sovereignty and rights of ITU Member States are fully respected and preserved;

(ii) be very precise;

(iii) take into account the need to allow sufficient flexibility to elected officials;

(iv) avoid obstructing the work of the secretariat; and

(v) avoid micro-managing the Union.

1.18 A number of delegates expressed support to the contribution from the Kingdom of Saudi Arabia while another group supported the contribution from the United States of America.

**Recommendation:** In the absence of consensus, the Chairman requested the Group to further discuss the issue and find a solution which is acceptable to everyone.

**2 Draft Budget of the Union for 2018 – 2019 (Document** [**CWG-FHR 7/14**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0014/en)**)**

2.1 The draft biennial Budget of the Union for 2018-2019 was presented by the secretariat in accordance with Decision 5 (Rev. Busan, 2014). The amount of contributory unit to be paid by the Member States of CHF 318,000 has been maintained as in the previous budgets resulting in a zero nominal growth. No withdrawal from the Reserve Account is foreseen to balance the 2018-2019 draft Budget. Two major events are included in the draft Budget (Plenipotentiary Conference, (PP-18) and World Radiocommunication Conference, (WRC-19)). Several delegates expressed their appreciation and acknowledged the great efforts of the secretariat in preparing a balanced draft Budget.

2.2 The 2018-2019 draft Budget totals CHF 319.7 million which is CHF 1.6 million lower than the 2016-2017 Budget of CHF 321.3 million. A Results-based budget will be presented to Council-17. Based on a time survey, linkage with the goals and objectives of the ITU Strategic Plan for 2016-2019 will be provided.

2.3 Efficiency measures enumerated in Annex 2 to Decision 5 (Rev. Busan, 2014) have been taken into account in the preparation of the 2018-2019 draft Budget. A number of these measures had already been applied in previous biennial budgets as early as 2012-2013. Estimated savings from further application of these measures will be taken into consideration in the 2020-2021 biennial Budget.

2.4 No withdrawal from the Reserve Account has been foreseen to balance the 2018-2019 budget. In 2016-2017, although a withdrawal of CHF 2.45 million has been made to fund WTDC-17, a deposit of CHF 1.3 million will be made from savings resulting in the 2017 Voluntary Separation Programme. In addition, CHF 1.15 million has been allocated in the 2018-2019 draft Budget to be deposited to the Reserve Account. Therefore, for the period 2016-2019, since the same amount withdrawn is foreseen to be deposited to the Reserve Account, there will be no impact on the Reserve Account during this period.

2.5 The level of Reserve Account as at 31 December 2016 represents 16.7% of one year Budget while the authorized minimum amount is only 6%.

2.6 One delegate inquired about the possibility of requesting assistance from the regional offices to reduce cost on translation. The secretariat informed the Group that the language budget of more than CHF 38 million in 2014-2015, which included translation, has been reduced to around CHF 33 million in the 2018-2019 draft Budget. The possibility of outsourcing translation in order to further reduce cost is being considered.

2.7 It was suggested by another delegate that the secretariat should exercise caution and not be very optimistic in presenting to Council-17 the draft Budget relating to Satellite Network Filings (SNF) since the amount for this specific revenue is not stable. According to the delegate, the income in 2013 amounted to more than CHF 13 million while it was only around CHF 9 million in 2014. A lower figure for 2018 compared with 2019 should be expected taking into consideration the schedule of conferences, i.e. the tendency is a higher income prior to a conference. The secretariat confirmed the correctness of the figures cited by the delegate for 2013. However, an increase in revenue from SNF is expected in 2016 for which the accounts have not yet been closed and are currently being finalized. The secretariat is confident that there will be an increase in revenue from SNF of CHF 1 million per year as presented in the 2018-2019 draft Budget. Nevertheless, the figures will be reviewed and updated, if necessary taking into consideration the actual revenue for 2016.

2.8 Addressing a query as to why the estimated expense for WRC in 2018-2019 has been reduced by CHF 362,000, the secretariat informed the Group that this is mainly due to the application of the Union’s paperless policy.

2.9 Another delegate reminded the Group to review the possible areas under consideration as enumerated in paragraph 24 of the document. The secretariat added that these areas are potential sources of savings.

2.10 Referring to security, the secretariat informed the Group that the 2018-2019 draft Budget does not have provisions for the security enhancement since this new requirement was not in the 2016-2019 Financial Plan. However, in view of the current situation, there is an urgent need to take security measures into consideration, and therefore, this project will be presented to Council-17 in order to find a mechanism to fund this important issue. One delegate suggested that in order to avoid queries, the revised draft Budget for 2018-2019 should clearly indicate which Decisions, Resolutions of the conferences with financial consequences were not included in the draft budget and may be funded from savings, if any.

2.11 On the early separation programme, the secretariat informed the Group that savings from the 2016 budget have been used to pay the staff members who availed of the package, and that there was no need to withdraw from the Reserve Account. For staff who will be separated in 2017 under this programme, withdrawal from the Reserve Account may be made up to CHF 3 million for which the Secretary-General has been authorized by PP-14.

2.12 Addressing a query as to why merging Telecom budget with the ITU regular budget has been presented as an area to be considered as potential source of savings, the secretariat clarified that since the Telecom secretariat is self-financed, there will be no financial impact involved in the proposed merging. The idea is to make use of Telecom human resources for other ITU activities between two Telecom events, since there is only one Telecom event per year.

2.13 A delegate requested for more details on the financial implications of IPSAS standards. The secretariat conveyed to the Group that relevant detailed information will be provided to Council-17 in the Financial Operating Report on IPSAS, which is a complicated subject with significant financial implications. The outcome of actuarial study each year has to be awaited to determine the amount to be allocated to the After-Service Health Insurance (ASHI) fund. An amount from savings is transferred each year to the ASHI fund.

2.14 Taking into account the comments and remarks made by the delegates, the 2018-2019 draft Budget will be revised accordingly.

**Recommendation:** The Council is invited to approve the revised draft biennial Budget of the Union for 2018-2019.

**3 Efficiency measures (Document** [**CWG-FHR 7/5**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0005/en)**)**

3.1 The secretariat presented an updated information on the implementation of the thirty (30) efficiency measures as outlined in Annex 2 to Decision 5 (Rev. Busan, 2014).

3.2 Efforts are continuously being made by the secretariat in finding innovative solutions through the use of new technologies, in the preparation of the draft Financial Plan 2020-2023.

3.3 The delegates thanked the secretariat for presenting a very informative document, which is in line with what has been previously contained in the 2018-2019 draft Budget. A full report was requested to be provided after the finalization of the early separation programme in 2017. The report should indicate the positive outcome in terms of the reduced number of staff, as well as the amount to be withdrawn, if necessary, from the Reserve Account. The secretariat will prepare the document on the outcome of the early separation programme as implemented in 2016 and 2017.

**Recommendation**: The Council is invited to take note of the efficiency measures as enumerated in Document CWG-FHR 7/5.

**4 Security (Document** [**CWG-FHR 7/3**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0003/en)**)**

The summary of this item is available in the TIES protected version of Document [C17/50](http://www.itu.int/md/S17-CL-C-0050/en).

**5 Outcome of WTSA-16 with financial implications - Report of the Budget Control Committee (Committee 2) to the Plenary Meeting (Document** [**CWG-FHR 7/6**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0006/en)**)**

5.1 The secretariat highlighted the financial implications of Decisions and Resolutions of WTSA-16 as contained in item 8 and Annex B of the report of the Budget Control Committee of the World Telecommunication Standardization Assembly (WTSA-6), Document WTSA-16/77, which was approved by the fifth Plenary Meeting of WTSA-16.

5.2 Addressing a query as to whether the additional cost of Decisions and Resolutions taken by WTSA-16 is included in the Union’s 2018-2019 draft Budget, the secretariat clarified that since the 2016-2019 Financial Plan had been approved by PP-14 without this cost element, the 2016-2017 Budget and the 2018-2019 draft Budget do not include these additional expenses. As in WTDC-15 and WRC-15, should the secretariat have unutilized budget (savings), this could be the source of funding this additional cost. However, although the secretariat will try to do its best to implement a Resolution or Decision, it cannot guarantee that it will be able to provide funding if the expense has not been included in the Budget. In case the secretariat could not absorb the cost, a request to the Council will be submitted to cover the expense through a withdrawal from the Reserve Account. This applies not only to WTSA but also to WTDC and WRC.

5.3 One delegate highlighted the importance of giving due consideration to financial consequences prior to adopting a resolution or decision. The secretariat agreed citing references on Financial Responsibilities of Conferences as in Article 34, paragraphs 488 1 and 489 2 of the Convention as well as Article 18 paragraph 115 (PP-98) of the Constitution which states that “…When adopting resolutions and decisions, the assemblies shall take into account the foreseeable financial implications and should avoid adopting resolutions and decisions which might give rise to expenditure in excess of the financial limits laid down by the Plenipotentiary Conference.”

5.4 The secretariat expressed its sincere appreciation to the Government of the Republic of Tunisia for the excellent organization and facilities which had been accorded to the Assembly.

**Recommendation:** The Council is invited to take note of the Report of the Budget Control Committee of WTSA-16.

**6 Report and follow-up to the recommendations of the External Auditor  
(Document** [**CWG-FHR 7/15**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0015/en)**)**

6.1 The secretariat presented the document containing the recommendations made by the External Auditor, the comments by the Secretary-General and the status of the following as of 31 December 2016:

* Recommendations made in the External Auditor’s Report on the audit of financial statements for 2015;
* Recommendations made in the External Auditor’s Report (Corte dei Conti) on the Audit of the Union’s accounts on ITU Telecom World 2015.

6.2 Following the CWG-FHR meeting in February 2016, all recommendations have been reviewed by the External Auditor during the audit of the 2015 accounts. Eight (8) out of sixteen (16) open recommendations have been implemented and are now considered as closed.

6.3 Five (5) new recommendations have been made by the External Auditor on the 2015 accounts that are primarily related to Asset Management and ASHI liability.

6.4 All open recommendations will be reviewed and discussed further with the External Auditor during the audit of the 2016 accounts. An update of the status of these recommendation will be presented to Council-17 in the External Auditor’s Report.

**Recommendation**: The Council is invited to take note of the status as of 31 December 2016 of the follow-up on the recommendations of the External Auditor.

**7 Report and follow-up to the recommendations of the Independent Management Advisory Committee (IMAC) (Document** [**CWG-FHR 7/16**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0016/en)**)**

7.1 The secretariat introduced document CWG-FHR 7/16, on the follow-up on the recommendations of IMAC. The document presented the detailed list of all the IMAC Recommendations per year, their current status and the progress made in their implementation, with consolidated statistics of implementation from 2012 to 2016.

7.2 The Chair of IMAC, Dr Beate Degen, intervened through remote participation to provide an update on the activities of the Committee and a briefing on the very successful first meeting of the UN System Oversight Committees, which took place in New York on 28 November 2016.

7.3 Dr Degen noted with satisfaction the overall progress achieved on the IMAC related topics as well as in the implementation of the IMAC Recommendations. With regard to benchmarking with other UN system oversight committees, Dr Degen noted that IMAC and ITU operate in a relatively high level of transparency and availability of public information, and noted a relative high level of progress in particular in areas such as risk management.

7.4 Dr Degen also highlighted that the Committee will be putting its best efforts to provide the annual report in due course for the Council meeting in May, noting the challenges to do so, given the timeframe for the availability of the External Auditor’s Report.

7.5 The group noted the document, as well as the briefing provided by the Chair of IMAC, and looked forward to receive the Annual Report of the Committee to be submitted to the 2017 session of Council.

**8 Implementation of systematic risk management in ITU**

**Draft ITU risk management policy (Document** [**CWG-FHR 7/8**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0008/en)**) and Draft ITU risk appetite statement (Document** [**CWG-FHR 7/9**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0009/en)**)**

8.1 The Draft ITU Risk Management Policy and the Draft Risk Appetite Statement were introduced by the secretariat. The documents have been elaborated as part of the implementation of the systematic risk management framework in ITU, as per Resolution 151 (Rev. Busan, 2014) on the implementation of Results-based Management in ITU, and Resolution 71 (Rev. Busan, 2014) on the Strategic Plan for the Union for 2016-2019. The documents also respond to the recommendation on risk management from the 2016 JIU Review of Management and Administration in the ITU (Rec. 6), and the relevant recommendations of IMAC.

8.2 The secretariat clarified that as the risk management process is integrated into the business processes of the organization and the elaboration of the risk registers is a process which is taking place along with the elaboration of the operational plans of the three Sectors and the General Secretariat, the key risks identified and the related mitigation measures are being consulted with and presented to membership within the four Operational Plans.

8.3 The secretariat is currently exploring possibilities to further improve the tools to consolidate and present the risk registers in a dashboard.

8.4 The risk management process is also aligned and linked with the budgeting process: the operational plans, taking into consideration the risks identified and their mitigation measures, indicate the allocation of costs to the various outputs of the Sectors and the General Secretariat.

8.5 The recommendation for the elaboration of a risk appetite statement has been suggested by IMAC Rec. 9 (2016) (Doc. C16/22).

8.6 With regard to the responsibilities of the group, it was clarified that the group was requested to endorse the policy, which does not imply approval or decision-making power. For the responsibilities of the governing bodies within the ITU risk management framework, a reference was made to Resolution 151 (Rev. Busan, 2014), where the Secretary-General and the Directors of the three Bureaux are instructed “to further integrate the risk-management framework at the ITU level, in the context of RBM”, and the Council is instructed to “continue to review the proposed measures and take appropriate action to ensure further development and appropriate implementation of RBB and RBM at ITU” and “to monitor the implementation of this Resolution at each subsequent session of the Council”.

**Recommendation**: The Council is invited to **review and approve** the draft risk management policy and risk appetite statement.

**9 Addressing JIU recommendations**

**Implementation status and plan of the JIU recommendations on the Review of management and administration in ITU (Document**[**CWG-FHR 7/11**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0011/en)**)**

9.1 JIU’s Programme of Work for 2015 included a review of management and administration in the ITU, which primarily focused on the following issues: governance, executive management, organizational structure, strategic planning, financial management, human resources management, information and communication technology management and oversight mechanisms.

9.2 ITU welcomed the comprehensive review (Document [C16/67](https://www.itu.int/md/S16-CL-C-0067/en)) and has accepted the eleven (11) formal recommendations addressed to the Secretary-General and a number of informal recommendations, which are “additional suggestions for reinforcing management framework and related practices at ITU.” One formal recommendation is addressed to the Plenipotentiary Conference and the Council.

9.3 The document prepared by the secretariat presents the implementation plan and the status of both formal and informal recommendations.

9.4 A number of documents that were discussed during this CWG-FHR address the JIU recommendations:

* Document CWG-FHR 7/17 – “Draft Accountability Framework”
* Document CWG-FHR 7/4 -“Improving the stability and predictability of the financial base of the Union”
* Document CWG-FHR 7/8 – “Draft ITU risk management policy”
* Document CWG-FHR 7/9 - “Draft ITU risk appetite statement”

9.5 The overall progress of implementation of all the JIU recommendations will be reported by the secretariat and reports required by the formal JIU recommendations will be submitted to Council-17.

9.6 In response to a query as to whether the Management has identified serious challenges in implementing the JIU recommendations, the Deputy Secretary-General expressed the secretariat’s confidence in being able to implement the recommendations within the timescale proposed by the JIU.

**Recommendation**: The Council is invited to take note of the implementation plan and status of the JIU recommendations from the “Review of management and administration in the ITU”.

**United Nations system-wide issues for 2015-2016 and recommendations to Legislative Bodies (Document**[**CWG-FHR 7/12**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0012/en)**)**

9.7 Resolution 57 (Kyoto, 1994) on Joint Inspection Unit (JIU) instructs the Secretary-General to submit to the Council reports of the JIU having a bearing on the Union; and instructs the Council to consider the JIU reports submitted by the Secretary-General, and to take action thereon as it deems fit.

9.8 As a result, a procedure has been established (see [CWG-FHR 7/14](https://www.itu.int/md/S17-CLCWGFHRM7-C-0014/en)) for the General Secretariat to submit to the CWG-FHR a summary list of relevant JIU system wide reports containing recommendations addressed to Executive Heads (to be noted) and Legislative bodies (to be considered).

9.9 This document covers the JIU reports published in 2015 and 2016 and a summary of the JIU 2016 program of work on UN system-wide issues. Addressing a query from one delegate, the Deputy Secretary-General confirmed that Annex 1 enumerates the JIU recommendations that are relevant and applicable to ITU.

9.10 Annex 2 of the document summarizes the significant progress achieved, since the beginning of 2015, on the acceptance and implementation of the long standing JIU UN system-wide recommendations, issued in the period from 2006-2014.

9.11 After 2015, ITU has increased the acceptance rate for the long-standing JIU recommendations from **~50%** to **87%**, ranking **5th** within the UN agencies (ITU was ranking 20th in February 2015) –while the implementation rates have gone up from **~46%** to **~86%** (ranking now **16th** instead of **28th** in Feb-15).

9.12 The Deputy Secretary-General informed the Group that most of the recommendations relate to internal management decision and should cost implications arise, these will be covered by the Budget.

**Recommendation**: The Council is invited to take noteof the reports and the overall status of acceptance and implementation of recommendations of JIU system-wide reports for the period 2006-2014 as contained in Annex 2 of the document.

**Improving the stability and predictability of the financial base of the Union (Document**[**CWG-FHR 7/4**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0004/en)**)**

9.13 JIU Recommendation 5 states that “the Secretary-General should develop a comprehensive plan to improve the stability and the predictability of the financial base of the Union, integrating options for increasing revenues and cost-saving proposals, and present it to the Council for endorsement at its 2017 session.“

9.14 As a preliminary response to JIU Recommendation 5, a plan has been outlined which will be further developed, updated and enhanced taking into consideration the experience and feedback from membership. The following aspects are addressed in the plan: resource mobilization strategy, sponsorship guidelines, revenue generation and savings, and diversifying financial support.

9.15 To address several related suggestions of JIU including the strengthening of reporting, the secretariat is reviewing current reporting methodologies and will enhance them where necessary to ensure that membership has easily accessible and comprehensive information on the status of all financial contributions.

9.16 Noting JIU’s suggestion that ITU would benefit from a corporate resource mobilization strategy, the secretariat presented a Proposal on the Principles for Resource Mobilization in Annex 1.

9.17 The current status of revenue was presented as Document [CWG-FHR-INF 7/1](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0001/en) covering Member State Contributions, Sector Membership, Cost Recovery and Voluntary Contributions.

9.18 The Secretary-General has been requested by PP-14 (Res. 158 (Rev. Busan, 2014)) to study and recommend to the Council through CWG-FHR, options for generating revenue. A group headed by the Deputy Secretary-General has identified and conducted several in-depth discussions on the potential areas for revenue generation, as well as savings based on the elements enumerated in PP-14 Decision 5, Annex 2. Such considerable efforts resulted in a balanced 2016-2017 budget and a balanced 2018-2019 draft budget without withdrawal from the Reserve Account. Document [CWG-FHR 7/5](http://www.itu.int/md/S17-CLCWGFHRM7-C-0005/en) enumerates the efficiency measures being taken and the corresponding savings achieved. The secretariat is considering the following potential sources of savings: possible centralization of administrative tasks i.e. finance, HR, and registration; co-location of events; a paperless ITU; and further reductions in the number of established posts.

9.19 In order to diversify funding sources, the secretariat is considering the possibility of having partnership with an entity in the United States with a charitable status, aimed at enticing US-based foundations and companies to support ITU projects and initiatives. If successful, ITU may establish its own entity/special fund with charitable status in the United States as what has already been done by UNICEF.

9.20 Delegates highlighted other important potential areas for revenue generation, i.e., increase in the number of full-paying Sector Members as well as the current sources of revenue as listed in Document [CWG-FHR-INF 7/1](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0001/en): Member State contributions, sector members, cost recovery, and voluntary contributions. Compared with the United Nations, ITU has a wider distribution of funding across Member States i.e., ITU’s top four contributors provide 35% while the UN’s top four contributors represent 46% of the total Member States contributions.

9.21 One delegate called on the secretariat to prepare an outline on how to envisage the process of inviting the Member States to announce during Council-17 a preliminary amount of its contributory unit for 2020-2023 and the fixed amount before the end of 2017. This is essential since consultations are required with the relevant authority of Member States. On the basis of Decision 5 (Rev. Busan, 2014), with the concurrence of the Member States, the secretariat will request them during Council-17 to announce their choice of contributory unit before the end of 2017. Reference was made by the secretariat to ITU Constitution paragraph 161B (PP-98) wherein the Council (18), at its session preceding the PP (18), shall fix the provisional amount of the contributory unit on the basis of the draft financial plan for the corresponding period and total number of contributory units. Since the CWG on Strategic and Financial Plan will reconvene in Council-17, the preliminary amount of the contributory unit will be fixed during Council-17 and reported to Council-18.

9.22 Addressing a query on the status of arrear accounts, the secretariat informed the Group that the level of Sector Member arrears has been stable since 2016 when Resolution 152 (Rev. Busan, 2014) was adopted. The Secretary-General has been granted flexibility on recovery of arrears, negotiation of payment conditions, and special terms and conditions for acquisitions. In the event of late payment of Sector Members or Associates, suspension of participation in ITU should occur six (6) months after the date on which payment of the annual contribution was due, and in the absence of a negotiated and agreed payment schedule, exclusion of a Sector Member or an Associate should occur three (3) months after the date of receipt of the notification of suspension. Therefore, the said Sector Member or Associate cannot participate in sector activities.

9.23 The secretariat reiterated its sincere gratitude to the United States in helping recover more than CHF 500,000 of arrears and interest on arrears between 2008 and 2015. Other Member States are deeply encouraged to follow the example of the United States, which will certainly generate significant amount of revenue and help improve the financial status of the Union.

9.24 On the other hand, the importance of taking into consideration all possible sources of revenue was highlighted by some delegates. The secretariat informed the Group that all potential areas for revenue generation will be considered as outlined in Annex 2 of Document [CWG-FHR 7/4](http://www.itu.int/md/S17-CLCWGFHRM7-C-0004/en) and that any additional suggestions from delegates are most welcome.

9.25 In response to the query on the purpose of Document [CWG-FHR 7/4](http://www.itu.int/md/S17-CLCWGFHRM7-C-0004/en), the Deputy Secretary-General referred to Decision 5 (Rev. Busan, 2014) wherein the Secretary-General has been instructed by PP-14 to draw up and implement a programme of appropriate revenue increases, cost efficiencies and reductions across all ITU operations to ensure a balanced budget. The Group on Decision 5 Annex 2 as well as the Inter-Sectoral Coordination Task Force are continuing their efforts to identify savings, and to ensure better coordination, avoid duplication and maximize effectiveness and efficiency. The document will be revised taking into account the comments made by delegates and will be presented to Council-17.

9.26 The Chairman requested the Group to take into account the different views regarding revenue generation in order to have a fruitful discussion and possible consensus in Council-17 based on Decision 5 (Rev. Busan, 2014).

**Recommendation**: The Council is invited to consider and approve the plan, which has been revised taking into consideration the comments made by delegates, as the basis for improving the stability and the predictability of the financial base of the Union, integrating options for increasing revenues and cost-saving proposals; and to consider the principles outlined in Annex 1 of Document [**CWG-FHR 7/4**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0004/en).

**Contribution by the United States of America on Document CWG-FHR 7/4 (Document**[**CWG-FHR 7/19**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0019/en)**)**

9.27 The United States does not believe in pursuing the first proposal in Annex 2, i.e. a market analysis to be completed on possibly charging market-based rates for the assignment by ITU of certain international numbering resources (INRs) as well as potential annual maintenance fees for such numbers. It believes that there are many numbers to which such fees may be applied to make the effort fiscally responsible; and its regulations regarding the assignment of numbers for telecommunications require that any such fees must be cost-based and not market-based. Service providers in the United States would likely be prohibited from paying market-based fees for the assignment of these ITU numbers.

9.28 Some delegates support the position of the United States that new or increased fees on the assignment of certain international numbering resources by ITU is not a viable source of additional revenue.

9.29 However, a number of delegates considered that INRs could be a potential area of revenue and that since no consensus has been previously arrived at, no further discussion should be made on this matter.

**Recommendation:** The Council is invited to take note of the document.

**Draft Accountability Framework (Document**[**CWG-FHR7/17 (Rev.1))**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0017/en)

9.30 The secretariat presented the document on Accountability and Transparency Framework in response to the JIU Recommendation 4 that the Secretary-General should further develop and consolidate the core elements of accountability into a stand-alone ITU Accountability Framework and present it to the Council at its 2017 session and report annually on its implementation.

9.31 The UN General Assembly in its Resolution 64/259 of 2010 defined Accountability as the obligation of the secretariat and its staff members to be answerable for all decisions made and actions taken by them, and to be responsible for honouring their commitments, without qualification or exception.

9.32 The ITU Accountability Framework is based on the principle of fulfilling the mandate of the Union in a transparent manner and being accountable to its Membership. The core elements of accountability include delegation of authority instruments, financial disclosure policy, ITU internal letter of representation, performance management tools and risk management in strategic planning, results framework enabling Results-based Management (RBM), and creation of the Independent Management Advisory Committee (IMAC).

9.33 The ITU Accountability Framework consists of three (3) pillars based on the structure presented in the JIU report: Covenant with Member States, Sector Members, Associates, Academia, and users of ITU services; Risk management and internal controls; and Complaints and response mechanism. These pillars comprise a total of seventeen (17) benchmarks which measure a robust accountability framework based on transparency and a culture of accountability.

9.34 ITU will continue to ensure that its Accountability Framework is reviewed periodically, responds to the evolving situation and takes into account the best practices in the United Nations system.

**Recommendation:** The Council is invited to **take note** of the Accountability and Transparency Framework of ITU.

**10 Results of consultation on PP modernization (Document**[**CWG-FHR 7/10**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0010/en)**)**

10.1 The secretariat presented Document CWG-FHR 7/10 on Possible improvements of the roll-out of the Plenipotentiary Conference, which is a compilation of proposals received from Member States as a response to CL-16/48.

10.2 Overall delegates agreed that there is a need to improve procedures and processes in order to improve the efficiency of the conference and reduce its duration. They encouraged looking into solutions such as fixing the contributory unit earlier so as to have a stable budget proposal, reducing length of documents, and reducing policy statements, among others.

10.3 Regarding electronic voting, one delegate proposed meeting with other UN organizations such as WHO, WMO, ILO, or ICRC to learn from their e-voting experiences. The secretariat confirmed that it has already contacted other organizations and will prepare a document to submit to the Council including pros and cons of e-voting to facilitate the discussion. Delegates supported exploring electronic voting possibilities in principle, but only for elections and not for procedural issues.

10.4 It was noted that the limited responses (only ten contributions from 12 countries were received) unfortunately did not reflect the importance of these issues and that it would be worthwhile to extend the consultation. It was agreed that the secretariat would re-circulate the letter and present the collective results at Council-17.

10.5 It was further agreed that based on the comments received, the secretariat would further detail its proposals on PP modernization in a document to be presented to the Council.

**11 Report on the implementation of PP Resolution 48**

**Human Resources Reporting and Statistics (Document**[**CWG-FHR-INF 7/3**](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0003/en)**)**

11.1 An oral report on the implementation of the PP Resolution 48 on Human Resources (HR) management and development was presented to the Working Group by the Acting Chief of the HR Management Department. It was indicated that the information would be incorporated in the written report to be presented on the same subject to Council-17 in May.

11.2 In 2016, most of the efforts in the area were concentrated on the implementation of decisions taken by the last Council session held in May 2016.

1. **Implementation of the new compensation package for staff in the professional and higher categories**

11.3 Council-16 adopted Decision 593 endorsing the elements of the new compensation package approved by the UNGA Resolution 70/244 based on recommendations submitted by the ICSC. The Council also endorsed the dates of implementation as established in the UNGA Resolution:

* 1 July 2016 for elements in relation to relocation of staff;
* 1 January 2017, for the unified salary scale, the dependency allowances and the step increment periodicity;
* School year in progress on 1 January 2018 for the new education grant scheme.

11.4 The main challenges encountered in the course of the implementation were:

* the preparation and promulgation of the regulatory framework (amendments to the Staff Regulations and Staff Rules, service orders), through the internal consultative process;
* the configuration of the ITU ERP system (SAP-HCM) for the integration of the new compensation elements. This exercise had to be realized in parallel with a major update of the system, called EVE (Entitlement Validation Engine). Tremendous efforts were realized by the teams of the IS and HRM Departments;
* the implementation on due dates, with the necessary quality control for correcting the potential bugs that the system had created.

1. **Mandatory age of retirement at 65**

11.5 The mandatory age of retirement had already been established at 65 for staff members recruited after 1 January 2014. The UNGA recommendation, in the same Resolution 70/244, that it be extended to staff members recruited before that date and who would be in service on 1 January 2018, was also approved by the ITU Council in Decision 594. However, a voluntary separation programme had to be launched for mitigating the financial implications of that decision on the budget to be established for the biennium 2018-2019. The programme was launched between June and December 2016 with two objectives: assisting the Secretary-General in the preparation of a balanced budget for 2018-2019 and producing savings for 2017, which would allow to finance other ongoing or future projects which were not included in the budget approved for 2016-2017.

11.6 While a complete information on the result of the programme will be included in the full report to be submitted to Council-17, it was already reported that the programme was successful, with 30 staff members who volunteered for an early separation between 31 December 2016 and 31 December 2017.

11.7 It was also stated that the departure of those staff members, in addition to the natural attrition taking place in 2017 will open opportunities for reviewing organizational structures and will require the implementation of a structured succession planning policy.

1. **Activities that had been endorsed by the ITU management and which, for some of them, were supported by the JIU in its formal and informal recommendations  
   (**[**Document CWG-FHR 7/11**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0011/en)**)**

* Development of a new performance appraisal system: the call for bids had been completed and a service provider selected. The configuration of the new system will start at the beginning of February with a go-live objective for May-June 2017;
* Development of an action plan in the area of:
* gender balance;
* geographical distribution;
* training and staff development activities;
* Management of the health insurance scheme for ensuring compliance with the social obligation of the ITU as an employer while establishing a short and long-term financial sustainability of the system.

11.8 This was presented as a non-exhaustive list of activities in the area of HR management and development and falling under PP Resolution 48 to be reported to Council-17.

11.9 The Annex “Human Resources Reporting and Statistic” to the written report to the Council was also presented to the Working group, in a draft version.

11.10 The Human Resources Reporting and Statistic was praised as being useful and offering transparency to the membership.

**Recommendation**: It is recommended that the Council take note of the complete report and its Annex.

**12 ITU Gender Policy review (Document** [**CWG-FHR-INF 7/5**](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0005/en)**)**

12.1 The secretariat informed the delegates that as requested by Council-16, the secretariat had begun reviewing the ITU Gender Equality and Mainstreaming Policy (GEM) adopted by the Council in 2013. The revised policy will be presented to Council-17.

12.2 In this context, the secretariat posted the Policy on an open platform to allow staff to comment. Delegates were also invited to participate in the review and to provide their comments on <http://consult.itu.int> during the month of February.

**13 TIES Email – Current situation and next steps (Document** [**CWG-FHR 7/7**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0007/en) **(Rev.1))**

13.1 ITU’s TIES email service was created in the 1990s to facilitate the work of delegates, at a time when alternatives were not available. As various alternative (mostly free) services have been introduced in the market, the number of TIES email users has dropped significantly. If the service is to continue, investments are urgently needed to bring it up to today’s security and user interface standards. Many security incidents have occurred over the last few years. If unaddressed, TIES email presents a significant risk to ITU’s digital infrastructure.

13.2 The following options are put forward for consideration in the document: 1) maintain and modernize TIES email service; 2) shift to an externally-hosted service, with ITU branding; or, 3) discontinue TIES email service (but offer delegates the opportunity to maintain their TIES email address so that they can forward messages to an alternative service). Given the low number of users and the security considerations, the secretariat recommended option 3. NOTE: Discontinuing TIES email service would not affect TIES accounts, which are used as a form of identification to access documents and other services. A number of delegations agreed with the secretariat’s recommendation, however, some preferred to explore options where ITU would instead modernize and maintain the service, either within ITU (option 1) or through an outsourcing arrangement (option 2).

13.3 The Chairman summarized the discussion by noting that additional information will be included in the document to be submitted to the Council as requested, including details on the scope and cost of modernizing or outsourcing the service, and options for cost recovery if the service is to be maintained. He also reiterated the point that if the service is discontinued, a sufficient transition period would be required. Lastly, he asked the secretariat to investigate if there are any delegates who would not have access to alternative services if TIES email were to be discontinued.

**Recommendation:** It is recommended that Administrations consider the options outlined in the document, with a view to seeking a decision at the Council on a path forward.

**14 Statement by the Staff Council**

14.1 Ms Satorre Sagredo, representative of the Staff Council, made a statement, the text of which is available in Annex 3 to Document [CWG-FHR 7/23](https://www.itu.int/md/S17-CLCWGFHRM7-C-0023/en).

14.2 Some delegations reiterated their last year’s demand, i.e. that the statement by the Staff Council be added at the beginning of the agenda of the ADM Committee and not at the end.

14.3 One delegation requested that the Statement of the Staff Council to the Council be published in advance and translated into all six languages. The secretariat agreed to this demand.

**15 Other business**

**Ethics (Document** [**CWG-FHR-INF 7/4**](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0004/en)**)**

15.1 The Ethics Officer (EO) provided a report on the work completed during the first three months in office. In particular, the EO explained that initial efforts had focused on: (a) assessing the specific context of ITU, in terms of organizational culture and legal framework; (b) stimulating awareness and engagement of staff; and (c) re-activating ITU involvement in the ethics network of the UN system, also to allow for benchmarking.

15.2 The EO described initial, positive outcomes of the work completed to date. This included the active engagement of the ITU leadership in promoting the ethics agenda. The EO noted that “tone-from-the-top” was critical for the success of any ethics programme. The EO also explained that there had been collaboration with various offices within ITU to ensure greater attention to ethical implications of how the organization conducts its affairs, including in dealings with vendors and sponsors. Furthermore, the EO mentioned that there had been individual visits from a number of staff members, explaining that confidence of staff to seek EO guidance was critical in the prevention of ethical problems.

15.3 Finally, the EO provided an outline of the overall ethics strategy. The EO explained that the ethics strategy would involve work on two parallel tracks: (a) enhancing the policy framework to ensure best practices, mindful of the specific context of ITU; and (b) promoting an environment of ethical awareness across the organization.

**Progress Update on ITU HQ Premises Project (Document** [**CWG-FHR-INF 7/6**](http://www.itu.int/md/S17-CLCWGFHRM7-INF-0006/en)**)**

15.4 On behalf of the Secretary-General, the secretariat presented an information document on the HQ Premises Project approved through [Council Decision 588](https://www.itu.int/md/S16-CL-C-0124/en), elaborating progress since Council-16.

15.5 Updates in four areas were highlighted:

* the first tranche of the *loan* from the Host Country was successfully obtained, CHF 12 million for use in the period 2017-2019;
* the *advisory group MSAG* has been constituted and has met once, with vacancies for representatives from the Americas and Africa regions;
* the *Architectural Competition* is on target for launch in February or March 2017, and completion at the end of 2017;.
* the *detailed specification* requested by Council-16 for presentation to Council-17 is in progress.

**Renewal of the mandate of the External Auditor (oral presentation)**

15.6 The secretariat informed the Group that the mandate of the current External Auditor, Corte dei Conti (Italy) expires on 30 June 2018 and may be further renewed without undergoing competitive bidding process for a period of two (2) years. With the concurrence of the Group, a document will be submitted by the secretariat to Council-17 on the further renewal of the External Auditor’s mandate for a total number of eight (8) years. Decision 586, Resolution 94 (Rev. Busan, 2014), Decision 566 and Article 28 of Financial Regulations refer.

**Recommendation:** The Council is invited to **take note** of the document to be submitted by the secretariat and approve the further renewal of the mandate of the External Auditor, Corte dei Conti (Italy) for a maximum of two (2) years from 1 July 2018 until 30 June 2020.

**Contribution by the Russian Federation: Proposal towards the establishment of a joint ITU Coordination Committee for Vocabulary (Document** [**CWG-FHR 7/18**](http://www.itu.int/md/S17-CLCWGFHRM7-C-0018/en)**)**

15.7 The delegate from the Russian Federation presented the document proposing that the current “ITU-R Coordination Committee for Vocabulary (CCV)” and “ITU-T Standardization Committee for Vocabulary (SCV)” be merged into one group called “ITU Coordination Committee for Vocabulary (ITU CCV)” in order to improve efficiency and avoid duplication of work.

15.8 In addition to the current representation by ITU-R and ITU-T representatives, it was proposed that ITU-D representative/s should also be invited to take part in the Committee.

15.9 A number of delegates made some comments including the need to clarify on the scope of work of the group, provide a clear distinction between vocabulary and definition, and identify the extent to which ITU-D participates.

15.10 Nevertheless, the delegates expressed their support to Russia’s proposal.

**Recommendation:** The Council is invited to **take note** of the document and **approve** the creation of a joint “ITU Coordination Committee for Vocabulary” with participation by representatives from the three (3) Sectors.

ANNEX 1

Council Working Group on Financial and Human Resources

Terms of Reference

1 To examine the provisions of the Financial Regulations and Financial Rules, with a view towards ensuring conformity and consistency with the basic instruments of the Union, decisions of the Plenipotentiary Conference and the Council, as well as the evolving needs of the ITU,

2 Ensure that:

i) results-based budgeting and management, including the assignment of all staff members’ activities to the corresponding strategic outputs, allow monitoring and control of all expenses under the ITU budget and reporting;

ii) constant enhancements to the ITU management system are consequentially reflected in ongoing changes to the financial instruments;

iii) alignments are made with the International Public Sector Accounting Standards (IPSAS) requirements and terminology in order to clarify such concepts of Net Assets and the Reserve Account;

iv) relevant UN Joint Inspection Unit recommendations are taken into account, and that recommendations affecting financial resources and human resources management of the Union and those addressed to the UN Legislative Bodies are considered.

v) all provisions of Decision 5 (Rev. Guadalajara, 2010), Income and Expenditure for the Union for the period 2012-2015 are taken into account including measures to reduce expenditures as a means of achieving balanced budgets;

3 To ensure that the flexibility arrangements provided for in the Financial Regulations and Financial Rules, including deferred activities to be carried out for the following biennium, are consistent with those of other United Nations organizations;

4 To address all matters directed by the Council and/or the Plenipotentiary Conference on a broad range of issues, such as those identified in “*resolves to instruct the Council*” of Resolution 158 (Rev. Guadalajara, 2010), Financial issues for consideration by the Council;

5 To undertake a review of the recommendations of the External Auditor, as presented annually to the Council, on an annual basis, taking into account Resolution 94 (Rev. Guadalajara, 2010) concerning the auditing of the accounts of the Union, and the terms of reference of the External audit function outlined in Article 28 and Annex 1 of the Financial Regulations;

6 To undertake, on an annual basis, a review of the status of the implementation of the recommendations of the Independent Management Advisory Committee (IMAC) as presented annually to the Council, taking into account Resolution 162 (Guadalajara, 2010);

7 To ensure that the Financial Regulations include provisions for internal control in line with those of other United Nations organizations;

8 To examine all relevant matters within the framework of human resources management and development, including those identified in the Annex to Resolution 48 (Rev. Guadalajara, 2010) (Matters for reporting to the Council on staff issues, including staff in regional and area offices, and recruitment issues), as well as issues associated with the implementation of the HR Strategic Plan;

9 To undertake continuous review of the Ethics function in ITU;

10 To review document access policy in ITU to determine the extent to which documentation should be made publicly accessible;

11 To consider criteria to determine the financial and strategic implications of the establishment of Memoranda of Understanding (as well as Memoranda of Cooperation and Agreement) to which the ITU is or will be a party;

12 To maintain close association with ITU management and the Staff Council with a view toward identifying issues of common concern, in respect of which the Council’s opinions and guidance are required and justified.

ANNEX 2

**EXEMPTION FROM PAYMENT of membership fees FOR ORGANIZATIONS OF AN  
INTERNATIONAL CHARACTER**

Original version: [C2000/28 (Rev.1)](http://www.itu.int/itudoc/gs/council/c00/docs/28rev1.html)

Over the years, the Council has exempted certain organizations of an international character from their financial obligations in defraying the expenses of ITU conferences and meetings.

**1 Criteria and guidelines**

1.1 In accordance with No. 476 of the convention, the Council may exempt organizations of an international character from payment of membership fees, subject to "reciprocity". The "reciprocity" is taken to refer to the mutual and similar benefits that could accrue to both ITU and the organization concerned as a result of the latter participating in the relevant activities of ITU.

1.2 To fulfil the conditions which lead to such a reciprocal arrangement, the organization concerned shall meet *all* of the following criteria:

– be an organization of international character dealing with telecommunications;

– be a legally-recognized non-profit organization, representing members which also have non-profit status;

– have a significant membership, presence and activities in multiple Member States whose participation in ITU activities would be beneficial to the aims of the Union;

– allow ITU to be represented at and participate in the organization's meetings free of charge and with the rights and benefits available to their members;

– allow ITU access to relevant documentation, including information available only to their members.[[1]](#footnote-1)

1.3 In reaching a decision as to the granting of an exemption, the Council shall take account of views expressed by the Secretary-General. Such views shall identify:

– the advantages for ITU of participation of the organization in ITU's activities;

– the benefits arising from participation of ITU in the activities of the organization.

**2 Procedure**

2.1 Each application for exemption shall be submitted, in writing, to the Secretary-General. It shall be presented to the Council for consideration, accompanied by evidence justifying the application (§ 1.2) and by comments from the Secretary-General (§ 1.3).

2.2 The Secretary-General will examine the request for exemption according to the criteria as stipulated in §§ 1.2 and 1.3 above and will report to the forthcoming session of Council, as appropriate.

2.3 If the application for exemption is approved by the Council, it will take immediate effect from the date of the Plenary meeting at which the decision is taken. Unless otherwise decided by the Council in exceptional circumstances, the exemption shall not be granted retroactively. Entities exempted by the Council remain responsible for any amounts owed prior to the effective date of exemption.

2.4 The exemption shall be valid until the following plenipotentiary conference, although the Council may at any time choose to revoke the exemption status from an entity which no longer fulfils the criteria noted above. Each plenipotentiary conference will review the list of exempted entities and decide which ones will continue to benefit from exempted status.

2.5 The list of exempted entities shall be made publically available on the ITU website.

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1. This means providing reciprocal access to information/documentation similar to that provided by ITU to its members through the TIES restricted access system. [↑](#footnote-ref-1)