|  |  |
| --- | --- |
| **COUNCIL WORKING GROUP ONFINANCIAL AND HUMAN RESOURCES**7th meeting, Geneva, 30 January – 1 February 2017 |  |
| INTERNATIONAL TELECOMMUNICATION UNION |  |
|  |  |
|  | **Document CWG-FHR 7/2 (Rev.1)** |
| **17 February 2017** |
| **English only** |

**CONTRIBUTION BY THE SECRETARIAT**

**Council Review of Fee Exemptions**

1. **Background**

1.1. Each year, ITU receives requests from organizations seeking exemption from membership fees and other financial contributions to the Union. These requests are considered as per the procedure established by Council at its 2000 session ([*C2000/28(Rev.1)*](http://www.itu.int/itudoc/gs/council/c00/docs/28rev1.html)) and in accordance with No. 476 of the Convention and [Council Resolution 925](http://www.itu.int/en/council/Documents/Resolution-925.pdf). As per this procedure, exemptions granted by the various sessions of the Council are valid up until the following plenipotentiary conference. In practice, once approved by Council, these entities have been automatically included on the list submitted to PP for another four year period, without having to reapply for exemption status.

1.2. 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. If approved, they become Sector Members or Associates under the terms of No. 231 of the Convention.

1.3. Currently, there are 117 exempted regional and international organizations. A full list is available in [**Annex 1**](#Annex1). There has been a relatively quick rise in exemptions in the last few years: about one-third of the total has come since PP-10. Today, about one in five Sector Members is now exempt from fees. These exemptions represent 224 Sector Member participations across the three Sectors: 70 in ITU-R, 66 in ITU-T, and 88 in ITU-D, and 3 Associate participations: 2 in ITU-T and 1 in ITU-D.

1. **PP-14 Outcomes and Follow up**

2.1. In Res. 187 (Busan, 2014), the 2014 Plenipotentiary Conference instructed Council to “review the practice and criteria for exempting entities from membership fees and, if necessary, make changes to tighten the criteria to help bring greater clarity, consistency and fairness between paying and non-paying members and to reduce the total of exempted entities.”

2.2. PP-14 also approved the list of exempted entities on a temporary basis, rather than for the entire four-year period, pending Council’s review of the criteria. Given PP-14’s stated objective of reducing the total of exempted entities, new applications for fee exemption have since been put on hold, pending a decision by Council regarding possible changes to the criteria. The CWG-FHR may wish to consider whether or not new applications should be considered under the existing criteria, pending Council agreement on revisions.

2.3. The CWG-FHR reviewed the criteria for exemptions at its 7-9 October meeting in 2015 and its 24-26 February 2016 meeting and recommended changes to Council 2016 ([Section 8 C16/50: CWG-FHR Chairman’s Report](http://www.itu.int/md/S16-CL-C-0050/en)). Council discussed the proposed changes but concluded that more study was required ([Section 7.11/7.12 of C16/115: Report by the Chairman of the Standing Committee on Administration and Management](http://www.itu.int/md/S16-CL-C-0115/en)). Council asked that a list of the entities that would be affected by the proposed changes be provided. This document provides an analysis of the impact of the proposed changes, including a list of the entities that would possibly no longer be exempted if the changes were to be adopted.

1. **Profile and Participation**

3.1. Of the 117 currently exempted entities (and based on the information available online or provided to ITU), it is estimated that 30.5% are intergovernmental organizations, 30.5% are non-governmental organizations (NGOs), 36% are industry associations and 3% are standard development organizations (SDOs). Some 36% of exempted entities are members of the three Sectors (ITU-R, ITU-T, ITU-D) and 42% are members of only one Sector.

3.2. In terms of participation, 69% of exempted entities registered to at least one ITU event[[1]](#footnote-1) during the 2010-2014 period. For the other 31%, the Secretariat has no trace of registrations for ITU events during this period.

3.3. In the lead up to PP14, all exempted regional and international organizations were formally invited via a letter dated 1 April 2014 from the Secretary-General to confirm their wish to continue their participation in the work of ITU as Sector Members and to fill in a survey regarding their participation in and contributions to ITU.

3.4. In response to the Secretary-General’s letter, 72% exempted regional and international organizations filled in the survey. More than 90% of exempted members who answered the survey reported participation in ITU activities between 2010 and 2014, including attending ITU events and making contributions to study groups and working parties. About the same percentage said that they invited ITU to participate in their activities and access their documentation, free of charge. Likewise, more than 90% reported that they plan to participate in the Union and to offer reciprocal benefits in the coming years.

1. **Criteria**

4.1. The growth in the number of exempted entities can in large part be explained by the vagueness of the existing criteria, combined with the practice of granting renewal of exemption status of the entire list of exempted entities at each PP, without discussion or assessment of individual cases.

4.2. Below are possible measures to tighten the criteria and to ensure their continued observance:

4.2.1. ***More clearly define regional/international organization***. At present, the term regional/international organization is not well-defined. In practice, entities which have members in more than one country have traditionally been considered as regional or international. Portugal has proposed a more restrictive definition: “entities with members in the majority of countries within at least one region or with members in two or more regions.[[2]](#footnote-2) To be more specific, we could refer to “legal entities” or “entities with a recognized legal status”, and to clarify that this restriction would not apply to intergovernmental organizations.[[3]](#footnote-3) We could also add reference to not only members in multiple countries, but also activities and presence. See [**Annex 2**](#Annex2)for the list of entities, which could be affected by this proposed change. A tighter definition of this nature could reduce the existing list over time, but not immediately by very much. That said, a tighter definition of regional/international would bring greater clarity, discipline and consistency, thus reducing the potential for future increases.

4.2.2. ***More clearly define “not-for-profit” to exclude “industry/business” associations***. Currently, some “industry/business” associations, which are technically not-for-profit, but which represent profit-making entities, are exempted from fees, while other associations of this kind are paying fees. The term not-for-profit could be more clearly defined to “exclude international or regional organizations whose members are profit-making entities. The impact of this change would be to reduce the existing list by about one third (just over 30 entities). A list of entities, which could be affected by this change is in [**Annex 3**](#Annex3).

4.2.3 ***Tighten the definition of reciprocity.*** As per the Council text in 2000, reciprocity has been defined to mean that exempted organizations invite ITU to participate in their activities free of charge, and that they give ITU access to relevant documentation. This is a rather vague definition, leaving open the possibility where ITU gives exempted entities full member status and access, while receiving only limited access in return. To address this issue, reciprocity could be more clearly defined to ensure that exempted entities “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*, and that exempted entities “allow ITU access to relevant documentation, *including information available only to their members*.”

4.2.4. ***Review the list within the 12 months prior to each PP and remove the privilege of exemption from entities that no longer meet the criteria, including their non-profit, international/regional status, and reciprocity***. Such a review could result in a decrease, but would require significant monitoring and reporting, as well as improvements in ITU databases to be sure that all participation is properly captured. Efforts are underway to address these challenges.

**5. Recommendations**

The CWG-FHR is invited to recommend to Council 2017 the adoption of the revised Resolution contained in [**Annex 4**](#Annex4).

ANNEX 1

Current List of Exempted Entities

CV 231: Regional and other international telecommunication, standardization, financial or development organizations;

CV 269B: Regional telecommunication organizations; and,

CV 269C: Intergovernmental organizations operating satellite systems.

| **ENTITY** | **ITU-R** | **ITU-T** | **ITU-D** | **Categories** |
| --- | --- | --- | --- | --- |
| African Civil Society for the Information Society (ACSIS) | N | N | Y | CV 231 |
| African ICT Consumers Network (AICN) | N | Y | Y | CV 231 |
| African Telecommunications Union | Y | Y | Y | CV 269B |
| African Union | Y | Y | Y | CV 231 |
| African Union of Broadcasting | Y | Y | Y | CV 231 |
| Arab Business Forum for Information and Communication Technology | N | N | Y | CV 231 |
| Arab Information and Communication Technology Organization (AICTO) | Y | Y | Y | CV 231 |
| Arab Private Broadcasting Union | Y | Y | Y | CV 231 |
| Arab Regulators Network | Y | Y | Y | CV 231 |
| Arab States Broadcasting Union | Y | N | Y | CV 231 |
| Asia-Pacific Broadcasting Union | Y | Y | Y | CV 231 |
| Asia-Pacific Institute for Broadcasting Development | N | N | Y | CV 231 |
| Asia-Pacific Telecommunity | Y | Y | Y | CV 269B |
| Asociación Interamericana de Empresas de Telecomunicaciones | Y | Y | Y | CV 231 |
| Asociación de Reguladores Administrador del Foro Latinoamericano de Entes Reguladores de Telecomunicaciones | Y | Y | Y | CV 231 |
| Associação Empresarial de Comunicações de Portugal | N | N | Y | CV 231 |
| Associação de Reguladores de Comunicações e Telecomunicações da Comunidade dos Países de Língua Portuguesa (ARCTEL-CPLP) | N | N | Y | CV 231 |
| Association of Andean Community Telecommunications Enterprises | Y | Y | Y | CV 231 |
| Broadcast Networks Europe | Y | N | N | CV 231 |
| Caribbean Association of National Telecommunication Organizations | N | N | Y | CV 269B |
| Caribbean Broadcasting Union | Y | N | Y | CV 231 |
| Caribbean Telecommunications Union | Y | Y | Y | CV 269B |
| Centre for Environment and Development for the Arab Region and Europe | N | Y | Y | CV 231 |
| Child Helpline International | N | Y | Y | CV 231 |
| Committee on Radio Astronomy Frequencies | Y | N | N | CV 231 |
| Committee on Space Research | Y | N | N | CV 231 |
| Commonwealth ITU Group | Y | Y | Y | CV 231 |
| Commonwealth Telecommunications Organisation | N | Y | Y | CV 231 |
| Communauté économique des Etats de l'Afrique centrale | Y | Y | Y | CV 231 |
| Consortium d'Appui aux Actions pour la Promotion et le Développement de l'Afrique (CAPDA) | N | N | Y | CV 231 |
| Consumers International | N | Y | Y | CV 231 |
| Cooperation Council for the Arab States of the Gulf | Y | Y | Y | CV 231 |
| Diaspora africaine pour la société de l'information | N | N | Y | CV 231 |
| Digital Opportunity Trust | N | N | Y | CV 231 |
| Digital Radio Mondiale | Y | N | Y | CV 231 |
| Dominic Foundation | N | Y | Y | CV 231 |
| EIDQ Association -The Association for the Directory Information and Related Search Industry | N | A17 | N | CV 231 |
| East African Communications Organization | Y | Y | y | CV 231 |
| East African Community | N | N | y | CV 231 |
| Ecole Supérieure Multinationale des Télécommunications | Y | Y | y | CV 231 |
| Economic Community for West African States | Y | Y | y | CV 231 |
| European Broadcasting Union | Y | Y | y | CV 231 |
| European Communications Office | Y | Y | y | CV 231 |
| European Competitive Telecommunications Association | Y | Y | y | CV 231 |
| European Conference of Postal and Telecommunications Administrations | Y | Y | y | CV 269B |
| European Telecommunications Network Operators' Association | Y | Y | y | CV 231 |
| European Telecommunications Satellite Organisation | Y | Y | y | CV 269C |
| European Telecommunications Standards Institute | Y | Y | y | CV 269B |
| FTTH Council Asia-Pacific | N | N | y | CV 231 |
| Fibre to the Home Council Middle East & North Africa (FTTH MENA) | N | N | y | CV 231 |
| Forum of Incident Response and Security Teams (FIRST) | N | Y | y | CV 231 |
| G3ict - Global Initiative for Inclusive Information and Communication Technologies | N | Y | y | CV 231 |
| Global Knowledge Partnership Foundation | N | N | y | CV 231 |
| Global VSAT Forum | N | N | y | CV 231 |
| Gobal ICT Standardization Forum for India (GISFI) | N | Y | N | CV 231 |
| High Frequency Co-ordination Conference | Y | N | N | CV 231 |
| IJMA3-The Arab ICT Organization | N | Y | Y | CV 231 |
| Indigenous Peoples ICT Task Force | N | N | Y | CV 231 |
| Institute of Electrical and Electronics Engineers, Inc. | Y | Y | Y | CV 231 |
| Inter-American Telecommunication Commission | Y | Y | Y | CV 269B |
| International Air Transport Association | Y | Y | Y | CV 231 |
| International Amateur Radio Union | Y | N | Y | CV 231 |
| International Association of Broadcasting | Y | N | N | CV 231 |
| International Association of IT Lawyers (IAITL) | N | Y | N | CV 231 |
| International Association of Marine Aids to Navigation and Lighthouse Authorities | Y | N | N | CV 231 |
| International Astronautical Federation | Y | N | N | CV 231 |
| International Astronomical Union | Y | N | N | CV 231 |
| International Bureau of Weights and Measures | Y | N | N | CV 231 |
| International Center for Disability Resources on the Internet (ICDRI) | N | Y | N | CV 231 |
| International Center for Promotion of Enterprises | N | N | Y | CV 231 |
| International Committee of the Red Cross | Y | Y | Y | CV 231 |
| International Council for Science | Y | N | N | CV 231 |
| International Council on Large Electric Systems | Y | Y | N | CV 231 |
| International Electrotechnical Commission | Y | Y | Y | CV 231 |
| International Federation for Information Processing | N | Y | Y | CV 231 |
| International Maritime Radio Association | Y | Y | N | CV 231 |
| International Mobile Satellite Organization | Y | N | N | CV 231 |
| International Organization for Standardization | Y | Y | Y | CV 231 |
| International Satellite System for Search and Rescue | Y | N | N | CV 269C |
| International Special Committee on Radio Interference | Y | N | N | CV 231 |
| International Telecommunication Academy | N | A13 | A2 | CV 231 |
| International Telecommunications Satellite Organization | Y | Y | Y | CV 231 |
| International Telecommunications Users Group | N | Y | Y | CV 231 |
| International Union of Radio Science | Y | Y | Y | CV 231 |
| Internet Society | N | Y | Y | CV 231 |
| Internet Systems Consortium | N | Y | Y | CV 231 |
| ITU-APT Foundation of India | N | Y | N | CV 231 |
| League of Arab States | Y | Y | Y | CV 269B |
| Mandat International | N | Y | N | CV 231 |
| NetHope Inc | N | N | Y | CV 231 |
| North American Broadcasters Association (NABA) | Y | N | N | CV 231 |
| Open Geospatial Consortium (OGC) | N | Y | Y | CV 231 |
| Pacific Islands Telecommunications Association | Y | Y (PP14) | Y | CV 231 |
| Personal Connected Heath Alliance | Y | Y | Y | CV 231 |
| Regional African Satellite Communications Organization | Y | N | Y | CV 269C |
| Regional Commonwealth in the Field of Communications | Y | Y | Y | CV 269B |
| Scientific Committee on Frequency Allocations for Radio Astronomy and Space Science | Y | N | N | CV 231 |
| Sintesio Foundation | N | N | Y | CV 231 |
| Society of Motion Picture and Television Engineers | Y | N | N | CV 231 |
| Southern Africa Telecentre Networks | Y | Y | Y | CV 231 |
| Southern African Development Community | N | N | Y | CV 231 |
| Telecentre.org Foundation | N | N | Y | CV 231 |
| Telecommunications Regional Technical Commission | Y | Y | Y | CV 269B |
| The Abdus Salam International Centre for Theoretical Physics | N | N | Y | CV 231 |
| The Asia-Pacific Satellite Communications Council | Y | N | N | CV 231 |
| UMTS Forum | Y | Y | Y | CV 231 |
| Union Economique et Monétaire Ouest Africaine | N | Y | Y | CV 231 |
| United Kingdom Telecommunications Academy (UKTA) | N | Y | Y | CV 231 |
| WebForce International Federation | N | N | Y | CV 231 |
| West Africa Telecommunications Regulators Assembly | Y | Y | Y | CV 231 |
| World Association of Community Radio Broadcasters | Y | N | Y | CV 231 |
| World Broadcasting Unions - Technical Committee | Y | N | N | CV 231 |
| World Forum for Digital Audio Broadcasting | Y | N | N | CV 231 |
| **Additional Exemptions Confirmed by PP-14** |
| Associação Internacional das Comunicações de Expressão Portuguesa (AICEP) | Y | Y | Y | CV 231 |
| Association for Progressive Communications (APC) | Y | N | Y | CV 231 |
| Economic Community of Central Africa States (ECCAS) | Y | Y | Y | CV 231 |
| International Multilateral Partnership Against Cyber Threats (IMPACT) | N | Y | N | CV 231 |
| Pacific Islands Telecommunications Association (PITA) | Y | Y (PP-14) | Y | CV 231 |

ANNEX 2

**Current List of Exempted Entities that would potentially NOT Qualify Under New Proposed Definition of Regional/International Organizations**

**(As in Section 4.2.1)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ENTITY** | **ITU-R** | **ITU-T** | **ITU-D** | **Categories** |
| Dominic Foundation | N | y | Y | CV 231 |
| Ecole Supérieure Multinationale des Télécommunications | Y | Y | Y | CV 231 |
| Global ICT Standardization Forum for India (GISFI) | N | Y | N | CV 231 |
| Internet Systems Consortium | N | Y | Y | CV 231 |
| ITU-APT Foundation of India | N | Y | Y | CV 231 |
| Commonwealth ITU Group | Y | Y | Y | CV 231 |
| Sintesio Foundation | N | N | Y | CV 231 |
| United Kingdom Telecommunications Academy (UKTA) | N | Y | Y | CV 231 |

ANNEX 3

**Current List of Exempted Entities that Would Potentially NOT Qualify for Exemption if Industry Associations were No Longer Eligible**

**(As in Section 4.2.2)**

| **ENTITY** | **ITU-R** | **ITU-T** | **ITU-D** | **Categories** |
| --- | --- | --- | --- | --- |
| African Union of Broadcasting | Y | Y | Y | CV 231 |
| Arab Business Forum for Information and Communication Technology | N | N | Y | CV 231 |
| Arab Private Broadcasting Union | Y | Y | Y | CV 231 |
| Arab States Broadcasting Union | Y | N | Y | CV 231 |
| Asia-Pacific Broadcasting Union | Y | Y | Y | CV 231 |
| Asociación Interamericana de Empresas de Telecomunicaciones | Y | Y | Y | CV 231 |
| Associação Empresarial de Comunicações de Portugal | N | N | Y | CV 231 |
| Associação Internacional das Comunicações de Expressão Portuguesa (AICEP) | N | Y | Y | CV 231 |
| Association of Andean Community Telecommunications Enterprises | Y | Y | Y | CV 231 |
| Broadcast Networks Europe | Y | N | N | CV 231 |
| Caribbean Association of National Telecommunication Organizations | N | N | Y | CV 269B |
| Caribbean Broadcasting Union | Y | N | Y | CV 231 |
| Digital Radio Mondiale | Y | N | Y | CV 231 |
| European Broadcasting Union | Y | Y | Y | CV 231 |
| European Competitive Telecommunications Association | Y | Y | Y | CV 231 |
| European Telecommunications Network Operators' Association | Y | Y | Y | CV 231 |
| Fibre to the Home Council Middle East & North Africa (FTTH MENA) | N | N | Y | CV 231 |
| FTTH Council Asia-Pacific | N | N | Y | CV 231 |
| Global VSAT Forum | N | N | Y | CV 231 |
| Global ICT Standardization Forum for India (GISFI) | N | Y | N | CV 231 |
| International Air Transport Association | Y | Y | Y | CV 231 |
| International Association of Broadcasting | Y | N | N | CV 231 |
| International Association of IT Lawyers (IAITL) | N | Y | N | CV 231 |
| International Maritime Radio Association | Y | Y | N | CV 231 |
| International Telecommunications Users Group | N | Y | Y | CV 231 |
| North American Broadcasters Association (NABA) | Y | N | N | CV 231 |
| Personal Connected Heath Alliance | Y | Y | Y | CV 231 |
| Society of Motion Picture and Television Engineers | Y | N | N | CV 231 |
| UMTS Forum | Y | Y | Y | CV 231 |
| World Association of Community Radio Broadcasters | Y | N | Y | CV 231 |
| World Broadcasting Unions - Technical Committee | Y | N | N | CV 231 |
| World Forum for Digital Audio Broadcasting | Y | N | N | CV 231 |

ANNEX 4

**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.[[4]](#footnote-4)

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 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 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.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. ITU conferences and assemblies, study groups and rapporteur groups. [↑](#footnote-ref-1)
2. It would be prudent to also indicate which region: i.e. Administrative (5), BDT regions (6), Radio regions (3), or other. [↑](#footnote-ref-2)
3. 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. [↑](#footnote-ref-3)
4. 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-4)