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Contribution by the Secretariat

EXEMPTIONS FROM FEES FOR INTERNATIONAL AND REGIONAL ORGANIZATIONS

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| **Summary**PP-14 instructed Council to review the criteria for exemption from fees for international and regional organizations. Council 17 approved revised criteria. This document outlines the revised criteria as in **Annex** and highlights some implementation issues for consideration. **Action required**The CWG-FHR is invited to consider the analysis and recommendation of the Secretary-General related to implementation of the new criteria. |

# 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.

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. By analogy, international/regional Academia may be considered for exemption as well.

1.3 Currently, there are 119 exempted regional and international organizations. A full list is available [here](https://www.itu.int/en/membership/Pages/exempted-countries.aspx).

1.4 In Resolution 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.” PP-14 also approved the list of exempted entities, pending Council’s review of the criteria. PP-18 suppressed Res. 187.

1.5 The CWG-FHR reviewed the criteria for exemptions at its 2015-2017 meetings. Council-17 approved revised criteria as in **Annex**. Council 18 reviewed 8 new applications for exemption against the newly revised criteria, and accepted 5 of the requesting entities.

# 2 Criteria

Below are measures taken by Council to tighten the criteria:

2.1 ***More clearly define regional/international organization***. Prior to the revisions of Council‑17, the term regional/international organization was not well-defined. In practice, entities which have members in more than one country have traditionally been considered as regional or international. To address this, Council added that the entities must be “a legally-recognized non-profit organization”, with “a significant membership, presence and activities in multiple Member States.”

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 was more clearly defined to require that the entity be non-profit as well as “representing members who are primarily non-profit.”

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 Sector Member status and access, while receiving only limited access in return. To address this issue, Council more clearly defined reciprocity to mean 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*.” (New text is in italics). In practical terms, this means providing reciprocal access to information/documentation similar to that provided by ITU to its Sector Members/Associates/Academia through the TIES restricted access system.

# 3 Analysis

3.1 Upon further review of the impact of the changes in criteria on specific entities, the following are some additional considerations.

3.2 The tightened provisions regarding the definition of international/regional organization are relatively straightforward to put into practice. This change would nonetheless result in several entities losing their existing fee exempt status.

3.3 The restriction of exemption status to entities whose members are not-for-profit is less obvious to implement as a significant number of international-regional organizations have mixed membership of government and private sector, for-profit entities.

3.4 Furthermore, a number of entities with private sector members, in particular at the regional level, which have been very active in ITU for many years, would no longer qualify. Some may be able or willing to continue as fee-paying members. Others will likely denounce their participation, as they have modest budgets and are not-for-profit organizations, even though some or all of their members are for-profit companies. In some ITU regional activities, these associations are among a small number of entities providing industry input, so the risk of losing them as members is a concern. They also often host ITU meetings and events at no-charge to the Union, including training, workshops and regional consultations.

# 4 Recommendations

Taking into account the above, it is recommended that Council:

4.1 Approve the extension of exemption status for all *currently* exempted entities (see 1.3 above) for another four-year period, recognizing that Council may still at any time revoke such exemption for any entity that fails to prove that it has a recognized legal status and/or which ceases to offer full reciprocal benefits to ITU. Allow such entities to be considered for exemption from fees for additional sectors, according to the criteria as established by Council 2000.

4.2 Apply the criteria for exemption as revised by Council 2017 to new requests.

ANNEX

**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:

1. be an organization of international character dealing with telecommunications;
2. be a legally-recognized non-profit organization, and representing members who are primarily non-profit;
3. 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;
4. 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;
5. 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:

1. the advantages for ITU of participation of the organization in ITU's activities;
2. 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. Under no circumstances can the exemption 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 publicly 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)