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| **Council 2021 Virtual consultation of councillors, 8-18 June 2021** |  |
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| **Agenda item: ADM 9** | **Document C21/52-E** |
| **9 March 2021** |
| **Original: English** |
| Report by the Secretary-General | |
| IMPROVEMENT OF MANAGEMENT AND FOLLOW-UP OF THE DEFRAYAL OF ITU EXPENSES BY SECTOR MEMBERS, ASSOCIATES AND ACADEMIA | |

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| --- |
| Summary  In [Resolution 152 (Rev. Busan, 2014)](http://www.itu.int/pub/S-CONF-ACTF-2014), the Plenipotentiary Conference instructed the Secretary-General, in consultation with the Directors of the Bureaux, to report to the Council on the management and follow-up of the defrayal of ITU expenses by Sector Members and Associates, highlighting any difficulty that may be encountered and proposing further improvements.  Since Council 2011, the Secretary-General was granted greater flexibility in the implementation of Resolution 152 (Rev. Guadalajara, 2010) regarding the provision on automatic removal with the aim of retaining current Members and facilitating the recovery of past debts. The Plenipotentiary Conference (Busan, 2014), modified Resolution 152 to take into account this flexibility.  The 2020 version of this report (C20/52) was prepared for submission to 2020 session of the Council but was not reviewed.  **Action required.**  The Council is invited to take **note** of the report by the Secretary-General on the improvement of management and follow-up of the defrayal of ITU expenses by Sector Members, Associates and Academia and **endorse** the recommendations as per Section 4. The Council is also invited to note document [C20/52](https://www.itu.int/md/S20-CL-C-0052/en).  \_\_\_\_\_\_\_\_\_\_\_\_\_  References  *CV/*[*Article 19*](https://www.itu.int/pub/S-CONF-PLEN-2019)*,* [*CV 241*](https://www.itu.int/pub/S-CONF-PLEN-2019)*,* [*CV 241C*](https://www.itu.int/pub/S-CONF-PLEN-2019)*;* [*Resolution 152 (Rev. Busan, 2014)*](https://www.itu.int/en/council/Documents/basic-texts/RES-152-E.pdf) *Documents C93/49, C95/87, C95/112,* [*C01/34*](http://www.itu.int/itudoc/gs/council/c01/docs/034.html)*,* [*C06/25*](http://www.itu.int/md/S06-CL-C-0025/en)*,* [*C07/5(Rev.1)*](http://www.itu.int/md/S07-CL-C-0005/en)*,* [*C08/14*](http://www.itu.int/md/S08-CL-C-0014/en)*,* [*C09/5 (Rev.1)*](http://www.itu.int/md/S09-CL-C-0005/en), [*C10/33*](http://www.itu.int/md/S10-CL-C-0033/fr)*,* [*C10/96*](http://www.itu.int/md/S10-CL-C-0096/fr)*,* [*C11/21*](http://www.itu.int/md/S11-CL-C-0021/fr), [*C12/5*](http://www.itu.int/md/S12-CL-C-0005/fr), [*C12/10*](http://www.itu.int/md/S12-CL-C-0010/fr), [*C13/14*](http://www.itu.int/md/S13-CL-C-0014/fr)*,* [*C14/14*](http://www.itu.int/md/S14-CL-C-0014/en)*,* [*C15/14*](http://www.itu.int/md/S15-CL-C-0014/en)*,* [*C16/14*](http://www.itu.int/md/S16-CL-C-0014/en)*,* [*C17/14*](http://www.itu.int/md/S17-CL-C-0014/en)*,* [*C18/60*](http://www.itu.int/md/S18-CL-C-0060/en)*,* [*C19/52*](http://www.itu.int/md/S19-CL-C-0052/en)*,* [*C20/52*](http://www.itu.int/md/S20-CL-C-0052/en) |

# 1 Summary

1.1 Resolution 152 (Rev. Busan, 2014) instructs the Secretary-General, in consultation with the Directors of the Bureaux, to report to the Council on the management and follow-up of the defrayal of ITU expenses by Sector Members and Associates, highlighting any difficulty that may be encountered and proposing further improvements.

1.2 Resolution 152 (Rev. Busan, 2014) states the period for suspension and exclusion of Sector Members and Associates in the case of late payment as follows:

− suspension of participation occurs six months (180 days) after the due date of the annual contribution; and

− exclusion should occur three months (90 days) after the date of suspension.

1.3 The entry into force of Resolution 152, in 2010, had positive results but it also brought some important challenges such as: the systematic loss of Sector Members and Associates; difficulties in recovering debts of excluded Sector Members and Associates due to lack of incentives or alternative negotiation mechanisms once exclusion has taken effect; and lack of flexibility to negotiate Sector Member and Associate debts in the case of mergers and acquisitions (new or current Sector Members/Associates who have acquired an ex-ITU Sector Member/Associate having a debt).

1.4 Faced with the above-mentioned challenges and in an effort to reduce the number of exclusions, the Secretary-General requested and was granted flexibility by Council (in 2011 and renewed in subsequent years) in implementing Resolution 152. The Plenipotentiary Conference (Busan, 2014) then revised Resolution 152, taking into account the ongoing flexibility on the provision on automatic removal of Sector Members and Associates, to facilitate the recovery of past debts, retain current members, and attract potential new ones.

# 2 Background: Results obtained from the application of Resolution 152

2.1 The adoption of Resolution 152 had a positive impact on the payment of contributions, as reflected in a better collection rate and a consequent reduction in the debt of Sector Members and Associates. The following two tables show the progression of the contributions’ collection rate as well as the progression of the current debt (contributions due for the current year) and arrears (cumulative unpaid contributions for the preceding years) of Sector Members, Associates and Academic Institutions.

**Table 1 Progression of the contributions’ collection rate of Sector Members, Associates and Academia (% of amounts received as against amounts invoiced)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Members** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Sector Members | 99% | 98% | 98% | 98% | 98% | 98% | 97% | 96% | 96% | 98% |
| Associates | 93% | 94% | 93% | 93% | 93% | 93% | 96% | 94% | 95% | 94% |
| Academic Institutions | 80% | 86% | 92% | 95% | 93% | 96% | 94% | 93% | 95% | 90% |

**Table 2 Progression of the current debt and arrears of Sector Members, Associates and Academia   
(In thousands of Swiss francs)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Debt** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Current Debt (Contributions) | 374 | 469 | 470 | 487 | 441 | 515 | 542 | 871 | 720 | 493 |
| Arrears (Contributions) | 19,149 | 17,758 | 16,484 | 16,729 | 16,300 | 15,367 | 13,938 | 11,213 | 11,193 | 9,355 |

2.2 Table 1 shows that in spite of COVID-19, the collection rate of 2020 contributions for Sector Members was quite high (98 per cent in 2020 vs. 96 per cent in 2019). The collection rate of 2020 contributions for Associates almost remained the same (94 per cent in 2020 vs. 95 per cent in 2019), and there was a decrease on the collection rate for Academic Institutions (90 per cent in 2020 vs. 95 per cent in 2019).

2.3 Table 2 shows that over the ten-year period from 2011 to 2020, the current debt of Sector Members, Associates and Academia increased by 32 per cent, from CHF 0.37 million to CHF 0.49 million. However, the current debt decreased by the same percentage, 32 per cent, in 2020 compared to 2019. This decrease could be explained, in part, by the reduction in the amount of 2020 contributions’ interest on arrears. Because of Covid-19 and following numerous requests from members to extend the deadline to settle their 2020 contributions, the Secretary-General decided to grant a grace period of six months to all ITU members before applying default interest on arrears.

2.4 Concerning the arrears, they have had a significant decrease of 51 per cent, from CHF 19.1 million in 2011 to CHF 9.4 million in 2020 and a decrease of 16 per cent in 2020 compared to 2019.

# 3 Suspension/removal of ITU Sector Members, Associates and Academia

3.1 Since the adoption of Resolution 152 and, notably, since flexibility was granted to the Secretary-General (Council 2011), a customized reminder procedure was put in place for Sector Members, Associates and Academia in arrears with their payments, combined with proactive, coordinated follow-up involving the General Secretariat, the Bureaux of the Sectors, and Regional Offices. Administrations are informed of this process and in some cases, they play an active and very successful role in assisting the secretariat recover debts and re-engage suspended members. The secretariat is grateful for this support.

3.2 The procedure put in place has produced positive results, leading to a decrease in the number of suspended companies and those definitively excluded from membership. Out of 184 entities at risk of suspension in June 2020, 69 were suspended in October 2020. This was further reduced to 44 entities (at 3 March 2021), which are “frozen” since January 2021. The status of “frozen entity” provides additional time for suspended entities to settle their financial situation rather than be automatically excluded. “Frozen entities” are no longer invoiced, they remain suspended of participation, but remain on the list of Sector Members, Associates and Academia. The list of “frozen entities” since January 2021 is reproduced in Annex 1.

3.3 Considerable efforts have been undertaken to re-engage frozen entities at risk of exclusion. Nevertheless, of 50 entities that would have been excluded according to Resolution 152 (Rev. Busan, 2014) in January 2020, the secretariat was able to convince twenty-one entities to settle their fees and ten of them were reactivated, while sixteen entities officially denounced. Sixty-nine per cent of the denounced entities have resolved their financial situation.

3.4 Although it has been positive to provide additional time to retain some entities, when it is clear that some long-term suspended entities are not going to be re-engaged and settle their arrears, it is pertinent to exclude them. Experience has shown that entities interested in continuing to participate in the work of the Sectors will normally regularize their situation in a short deadline. In other words, the longer entities are suspended, the less likely they are to re-engage and repay their dues. The Secretary-General approved the exclusion of 25 entities, which have been “frozen” since January 2020, effective 30 June 2021. The list of these entities is reflected in Annex 2.

**4 Recommendations**

4.1 Close collaboration between the secretariat, the Bureaux and the Regional Offices for the follow-up of the payment of fees by Sector Members, Associates and Academia should be continued. Coordinated efforts are necessary to retain suspended entities with the aim of recovering their arrears and re-activate their participation in the work of the Sectors.

4.2 While experience has shown that flexibility has been useful to provide additional time to retain some entities, it is recommended that the Secretary-General continue to exclude long-term suspended entities, as they are unlikely to be re-engaged and repay their dues.

4.3 Notwithstanding the above, the ITU secretariat requests those administrations which, pursuant to Article 19 of the Convention, approve the participation of Sector Members, Associates and Academia to continue to provide ongoing support with regard to following up entities in arrears with their contributions.

**Annexes: 2**

ANNEX 1

SUSPENDED MEMBERS FROM 1 OCTOBER 2020 – FROZEN FROM 1 JANUARY 2021

*2020 Contributions due – Situation at 3 March 2021*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Entity** | **Period/Sector** | **ITU-R** | **ITU-T** | **ITU-D** | **Academia** |
| AFGHANISTAN | Afghan Wireless Communication Company | 2020/ITU-D |  |  | 1 |  |
| BOTSWANA | Botswana Fibre Networks | 2020/Assoc. ITU-T |  | 1 |  |  |
| BRAZIL | Fundação Instituto Nacional de Telecomunicações - FINATEL | 2020/ITU-D |  |  | 1 |  |
| CAMBODIA | CHUAN WEI (Cambodia) Co., Ltd. | 2020/ITU-R & ITU-D | 1 |  | 1 |  |
| CHINA | Dingli Corporation Ltd. | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Yong Xin Hua Yun Cultural Development Corporation | 2020/ITU-T |  | 1 |  |  |
| CÔTE D'IVOIRE | National Agency of the Universal Service of Telecommunications/ICT | 2020/ITU-D |  |  | 1 |  |
| DOMINICAN REP. | Universidad Autónoma de Santo Domingo | 2020/Academia |  |  |  | 1 |
| ESTONIA | Clementvale Baltic OÜ | 2020/Assoc. ITU-T |  | 1 |  |  |
| GHANA | Subah Infosolutions Ghana Limited | 2020/ITU-R & ITU-D | 1 |  | 1 |  |
| INDIA | Center for Study of Science, Technology and Policy | 2020/Academia |  |  |  | 1 |
| IRAN, ISLAMIC REPUBLIC OF | Iran University of Science & Technology | 2020/Academia |  |  |  | 1 |
|  | Faculty of Applied Science of Post and Telecommunication | 2020/Academia |  |  |  | 1 |
|  | Monenco Iran | 2020/Assoc. ITU-D |  |  | 1 |  |
| ISRAEL | Beezz Communication Sol. Ltd. | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Sckipio Technologies S.I. Ltd. | 2020/Assoc. ITU-T |  | 1 |  |  |
| ITALY | Institute of Communication, Information and Perception Technologies - Scuol | 2020/Academia |  |  |  | 1 |
|  | Sky Chance Trading | 2020/Assoc. ITU-R | 1 |  |  |  |
| JAPAN | Keio University | 2020/Academia |  |  |  | 1 |
| KENYA | Airtel Networks Kenya Ltd. | 2020/ITU-D |  |  | 1 |  |
| KOREA, REPUBLIC OF | Hankuk University of Foreign Studies | 2020/Academia |  |  |  | 1 |
|  | Smart Quantum Communication ITRC (Korea University) | 2020/Academia |  |  |  | 1 |
| KUWAIT | Kuwait Telecommunication Company (STC) | 2020/ITU-D |  |  | 1 |  |
| LEBANON | Mobile Interim Company 2 | 2020/ITU-D |  |  | 1 |  |
| LESOTHO | Econet Telecom Lesotho | 2020/ITU-T |  | 1 |  |  |
| MALI | Orange Mali SA | 2020/ITU-R & ITU-T | 1 | 1 |  |  |
| NIGERIA | University of Nigeria | 2020/Academia |  |  |  | 1 |
| QATAR | Ooredoo | 2020/ITU-R, ITU-T & ITU-D | 1 | 1 | 1 |  |
| **Country** | **Entity** | **Period/Sector** | **ITU-R** | **ITU-T** | **ITU-D** | **Academia** |
| ROMANIA | Telekom Romania Communications S.A. | 2020/ITU-T |  | 1 |  |  |
| SAO TOME AND PRINCIPE | Unitel STP | 2020/ITU-T |  | 1 |  |  |
| SUDAN | Sudatel Telecom Group | 2020/ITU-D |  |  | 1 |  |
| SWITZERLAND | High-Tech Bridge SA | 2020/Assoc. ITU-D |  |  | 1 |  |
| SYRIAN ARAB REPUBLIC | Syriatel Mobile Telecom SA | 2020/ITU-D |  |  | 1 |  |
| TANZANIA, UNITED REPUBLIC OF | The University of Dodoma | 2020/Academia |  |  |  | 1 |
| UNITED ARAB EMIRATES | Ajman University of Science and Technology | 2020/Academia |  |  |  | 1 |
|  | Higher Colleges of Technology | 2020/Academia |  |  |  | 1 |
| UNITED KINGDOM | ADA Innovation Lab Limited | 2020/ITU-T |  | 1 |  |  |
| UNITED STATES | Analog Devices, Inc. | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Continental Automotive Systems Inc. | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Georgia Institute of Technology | 2020/Academia |  |  |  | 1 |
|  | Oration Technologies, Inc. | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Private Internet Access | 2020/Assoc. ITU-T |  | 1 |  |  |
|  | Xelic, Inc. | 2020/Assoc. ITU-T |  | 1 |  |  |
| ZAMBIA | The University of Zambia, School of Natural Sciences | 2020/Academia |  |  |  | 1 |
| **TOTAL** | **44 Members** |  | **5** | **17** | **13** | **14** |

ANNEX 2

MEMBERS TO BE EXCLUDED EFFECTIVE 30 JUNE 2021

*Frozen from January 2020 – Contributions due from 2019*

*Situation at 3 March 2021*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Entity** | **Period/Sector** | **ITU-R** | **ITU-T** | **ITU-D** | **Academia** |
| BURKINA FASO | Office national des télécommunications (ONATEL) | 2019/ITU-D |  |  | 1 |  |
| BURUNDI | Econet Leo SA | 2019/ITU-D |  |  | 1 |  |
| BURUNDI | Office national des télécommunications du Burundi (ONATEL) | 2019/ITU-D |  |  | 1 |  |
| COLOMBIA | Universidad ICESI | 2019/Academia |  |  |  | 1 |
| CÔTE D'IVOIRE | VALSCH Consulting | 2019/ITU-D |  |  | 1 |  |
| EGYPT | Orange Egypt | 2019/Assoc. ITU-D |  |  | 1 |  |
| HUNGARY | Budapest University of Tech.& Economics | 2019/Academia |  |  |  | 1 |
| INDIA | Bharat Sanchar Nigam Ltd. (BSNL) | 2019/ITU-R, ITU-T & ITU-D | 1 | 1 | 1 |  |
|  | Konkan Railway Corporation Ltd. | 2019/Assoc. ITU-D |  |  | 1 |  |
| IRAN, ISLAMIC REPUBLIC OF | Iranian Net Comm. & Electro Services Co. | 2019/Assoc. ITU-D |  |  | 1 |  |
| ISRAEL | JpU Io Ltd. | 2019/Assoc. ITU-T |  | 1 |  |  |
| KOREA, REPUBLIC OF | Graduate School of Public Administration, Seoul National University | 2019/Academia |  |  |  | 1 |
|  | National Information Society Agency (NIA) | 2019/ITU-D |  |  | 1 |  |
| LEBANON | Telecommunications Regulatory Authority | 2019/ITU-R, ITU-T & ITU-D | 1 | 1 | 1 |  |
| PHILIPPINES | Globe Telecom | 2019/ITU-T |  | 1 |  |  |
| SENEGAL | Le Consortium du Service Universel | 2019/ITU-T & ITU-D |  | 1 | 1 |  |
| THAILAND | Chulalongkorn University, Faculty of Engineering | 2019/Academia |  |  |  | 1 |
| TUNISIA | Agence Tunisienne d'Internet (ATI) | 2019/ITU-D |  |  | 1 |  |
| USA | eCurrency | 2019/ITU-T |  | 1 |  |  |
|  | Space Systems Loral | 2019/Assoc. ITU-R | 1 |  |  |  |
|  | Tektronix, Inc. | 2019/Assoc. ITU-T |  | 1 |  |  |
|  | Toda Network Corporation | 2019/Assoc. ITU-T |  | 1 |  |  |
| VENEZUELA | Compañía Anónima Nacional Teléfonos Venezuela (CANTV) | 2019/ITU-R, ITU-T & ITU-D | 1 | 1 | 1 |  |
| ZIMBABWE | Econet Wireless (PVT) Ltd. | 2019/ITU-D |  |  | 1 |  |
| RES. 99 (REV. DUBAI, 2018) | Palestine Technical University | 2019/Academia |  |  |  | 1 |
| **TOTAL** | **25 Members** |  | **4** | **9** | **14** | **5** |

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