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| **Agenda item: ADM 1** | **Document C25/11-E** |
| **16 May 2025** |
| **Original: English** |
|  |  |
| Report by the Secretary-General | |
| ARREARS AND SPECIAL ARREARS ACCOUNTS | |
| **Purpose**  The Plenipotentiary Conference (Dubai, 2018) instructed the Secretary-General to report annually to the ITU Council on the measures taken and progress made towards collection of the debts of Member States, Sector Members, Associates, and Academia in arrears or having special arrears accounts, and on all cases of non-compliance with the agreed terms of settlement. Previously, the Council, at its 1999 session, laid down guidelines for repayment schedules for the settlement of arrears and special arrears accounts.  **Action required by the Council**  The Council is requested to:  1) **take note** of this document;  2) **authorize** the Secretary-General to write off **CHF 950 306.68** of interest on arrears and irrecoverable debts; and  3) **adopt** the draft decision attached in [Annex B](#AnnexB).  **Relevant link(s) with the Strategic Plan**  The financial management of the arrears contributes to the implementation of the two strategic goals and the thematic priorities of the strategic plan.  **Financial implications**  The writing-off of interest on arrears and irrecoverable debts in the amount of CHF 950 306.68 against a withdrawal from the Provision for Debtors’ Accounts.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [*CS No. 169*](https://www.itu.int/en/council/Documents/basic-texts-2023/Constitution-E.pdf)*,* [*CV No. 474*](https://www.itu.int/en/council/Documents/basic-texts-2023/Convention-E.pdf)*; Resolutions* [*41 (Rev. Dubai, 2018)*](https://www.itu.int/en/council/Documents/basic-texts/RES-041-E.pdf) *and* [*152 (Rev. Busan, 2014)*](https://www.itu.int/en/council/Documents/basic-texts/RES-152-E.pdf) *of the Plenipotentiary Conference; Council Documents* [*C99/27*](http://www.itu.int/itudoc/gs/council/c99/docs/docs1/027.html)*;* [*C14/26*](http://www.itu.int/md/S14-CL-C-0026/en)*;* [*C15/50*](http://www.itu.int/md/S15-CL-C-0050/en)*;* [*C16/42*](http://www.itu.int/md/S16-CL-C-0042/en)*;* [*C17/42*](https://www.itu.int/md/S17-CL-C-0042/en)*;* [*C18/42*](https://www.itu.int/md/S18-CL-C-0042/en)*;* [*C19/42*](http://www.itu.int/md/S19-CL-C-0042/en)*;* [*C20/42*](http://www.itu.int/md/S20-CL-C-0042/en)*;* [*C21/42*](https://www.itu.int/md/S21-CL-C-0042/en)*;* [*C22/43*](https://www.itu.int/md/S22-CL-C-0043/en)*;* [*C24/40*](https://www.itu.int/md/S24-CL-C-0040/en)*,* [*C24/43*](https://www.itu.int/md/S24-CL-C-0043/en)*,* [*C24/INF/6*](https://www.itu.int/md/S24-CL-INF-0006/en)*, and* [*C25/INF/2*](https://www.itu.int/md/S25-CL-INF-0002/en) | |

Arrears and special arrears accounts

# 1 Status of arrears and special arrears accounts as at 31 December 2024

1.1 The changes of arrears and special arrears accounts from 2017 until 31 December 2024 are given in [Annex A](#AnnexA) to this document as well as in Document [C25/INF/2](https://www.itu.int/md/S25-CL-INF-0002/en).

1.2 The sanctions imposed and efforts deployed to recover the amounts owed and wipe off irrecoverable debts have made it possible to curb the increase in arrears and obtain an appreciable and consistent reduction therein between 2017 and 2024 (see Annex A). Recovery rates were 5 per cent in 2024 as well as in 2023 (amounts paid from what had been provisioned). Thus, the total of arrears, special arrears accounts and cancelled special arrears accounts fell from CHF 45.3 million as at 31 December 2017 to CHF 36.9 million as at 31 December 2024, a decrease of 19 per cent.

1.3 As at 31 December 2023, total arrears amounted to CHF 35.3 million against CHF 36.9 million as at 31 December 2024, which represents a slight increase of 4 per cent.

# 2 Actions taken with a view to the settlement of arrears and special arrears accounts and implementation of [Resolution 41 (Rev. Dubai, 2018)](https://www.itu.int/en/council/Documents/basic-texts-2023/RES-041-E.pdf) of the Plenipotentiary Conference

2.1 Pursuant to No. 169 (Article 28) of the ITU Constitution, “A Member State which is in arrears in its payments to the Union shall lose its right to vote ... for so long as the amount of its arrears equals or exceeds the amount of the contribution due for the two preceding years”. According to Resolution 41 (Rev. Dubai, 2018) of the Plenipotentiary Conference, in order to pay their arrears, Member States have the possibility to submit and agree with the Union a repayment agreement in conformity with the guidelines established by the ITU Council at its 1999 session (see Document [C99/114](https://www.itu.int/itudoc/gs/council/c99/docs/docs1/114.html)).

2.2 Furthermore, *resolves* 6 of Resolution 152 (Rev. Busan, 2014) of the Plenipotentiary Conference provides that, in the event of late payment, suspension of participation in ITU shall, in the case of a Sector Member or Associate, “occur six months (180 days) after the date on which payment of the annual contribution was due, and in the absence of a negotiated and agreed repayment schedule, exclusion of a Sector Member or an Associate on grounds of non-payment shall occur three months (90 days) after the date of receipt of the notification of suspension”, while *resolves* 7 of the same resolution stipulates that, “with a view to retaining members and recovering past debts owed, the Secretary-General may have flexibility in implementing *resolves* 6 of this resolution and negotiating repayment plans with Sector Members and Associates”.

2.3 Finally, under No. 474 of the ITU Convention, amounts due in respect of contributions “shall bear interest from the beginning of the fourth month of each financial year of the Union at 3% (three per cent) per annum during the following three months, and at 6% (six per cent) per annum from the beginning of the seventh month”. As at 31 December 2024, interest of CHF 2 433 783.15 had been calculated on arrears of contributions owed.

2.4 A statement of account is sent to each debtor at least twice a year, and the outstanding amounts are given in the quarterly Finance Circular issued by the ITU Financial Resources Management Department.

2.5 Each year, a reminder is sent to Member States which have lost their right to vote or which are liable to lose their right to vote in the following year if their arrears are not settled. Member States in arrears for publications are also reminded that unless their arrears are settled, publications will be delivered only against prepayment.

2.6 The Secretary-General has taken all possible actions to reduce outstanding amounts, including special reminders and ongoing efforts by all the regional offices of the Union.

2.7 Member States in arrears are requested to submit to the Secretary-General a repayment schedule, and to comply strictly with the agreed terms of settlement. Those which have not complied have been informed about the sanctions immediately taken in their regard, including cancellation of the special arrears account and the obligation to renegotiate a repayment schedule in accordance with the guidelines laid down by the Council in 1999.

2.8 Sector Members, Associates, and Academia in arrears are likewise requested to negotiate repayment schedules. Those which have not done so or have not complied with the agreed terms of settlement have been informed of the suspension of their participation in the work of the Sector(s) or, as appropriate, study group concerned. They receive regular reminders of the amounts that need to be settled in order to recover the right to participate in the works of the Union.

2.9 Pursuant to Resolution 41 (Rev. Dubai, 2018), one new special arrears accounts with a Member State was opened by the Secretary-General in 2024. The Secretary-General thus signed a repayment agreement with Cameroon.

2.10 Three repayment agreements were cancelled for non-payment in 2024, concerning the following Member States: Gabon, Vanuatu and Yemen. Besides, nine other accounts had been cancelled prior to 2024. The Member States (Central African Republic, Democratic Republic of Congo, Dominica, Equatorial Guinea, Guinea-Bissau, Liberia and Sierra Leone) as well as the Organizations concerned (Apprentissages sans Frontières (Switzerland) and Ellipsat Inc. (United States of America)) are thus obliged to negotiate new repayment schedules for their respective debts in accordance with the guidelines laid down by the Council. All other Members are strictly complying with their agreed repayment schedules.

2.11 Regarding satellite network filings (SNF), pursuant to Council Decision 545 (C07), of the 28 administrations/operators that were entitled to have their invoices revised, 27 settled their debts, and one signed a repayment schedule (Ellipsat Inc., United States of America, including the debt of the former Virtual Geosatellite, bought by Ellipsat Inc.). However, the repayment agreement signed by Ellipsat Inc. was cancelled in 2017 for non-payment. At present, Ellipsat Inc. has an outstanding SNF debt amounting to CHF 41 900 as at 31 December 2024.

2.12 Under Resolution 41 (Rev. Dubai, 2018), the Council was instructed to review the level of the Reserve for Debtors’ Accounts with a view to ensuring appropriate debt coverage. As from 2009, following the introduction of the IPSAS standards, new principles for establishing the Reserve for Debtors’ Accounts were introduced.

2.13 Thus, as at 31 December 2024, the balance of the Reserve for Debtors’ Accounts stood at CHF 42.7 million and covered 100 per cent of the amounts to be taken into account by the Reserve in compliance with the aforementioned new principles. The balance of the Reserve for Debtors’ Accounts is revised systematically on 31 December each year. It is to be noted that this 100 per cent coverage does not exonerate Members from their commitments to the Union.

# 3 Recommendation

3.1 The Council is requested to approve the writing-off of interest on arrears and irrecoverable debts totaling **CHF 950 306.68**, in accordance with the guidelines laid down by the Council in 1999, against a corresponding withdrawal from the Reserve for Debtors’ Accounts. Details of the irrecoverable debts are as follows:

– organizations for which the recovery procedure has been exhausted; and

– organizations in court-supervised liquidation, according to the correspondence received from the administrations concerned or from national competent authorities.

The organizations in question are:

|  |  |  |
| --- | --- | --- |
| Country | Organization Name | Year |
| Hungary | MCNTelecom, Budapest | 2017 |
| India | Amity Institute of Telec Eng & Mgmt., Noida | 2017 |
| India | C & C Marine Combine, Mumbay | 2017 |
| India | HMR Institute, New Delhi | 2016-2018 |
| Iran | Telecommunication Company of Iran (TCI), Tehran | 2019-2022 |
| Israel | IP Light, Petah Tikva | 2017 |
| Italy | Eutelia S.p.A., Arezzo | 2018 |
| Luxembourg | Luxembourg Space Telecomm. S.A., Luxembourg | 2018 |
| Senegal | Expresso Telecom, Dakar | 2017-2018 |
| Senegal | Initiatives Africaine des Tech. Avancées, Dakar | 2018 |
| Switzerland | Apprentissages Sans Frontières, Geneva | 2016 |
| Tunisia | Prisma, Tunis | 2015-2018 |
| Tunisia | Ecole supérieure des Communications de Tunis (Sup'Com), Ariana | 2017-2018 |
| Tunisia | Telnet Technocentre, Tunis | 2012-2017 |
| Ukraine | Ukrainian Number and Address Operation Center Consortium (UNAOC), Kiev | 2017 |
| United States | Applied Micro Circuits Corp AMCC, Andover | 2017 |
| United States | ConceroConnect, Utah | 2015 |
| United States | EnVerv Inc., San Jose | 2015 |
| United States | Ikanos Comm, Fremont | 2016 |
| United States | Nortel Networks (USA), Richardson | 2009 |
| United States | Ossia Inc, Redmon | 2017-2018 |
| United States | Range Networks Inc., San Francisco | 2013-2014 |
| Res. 99 (Rev. Dubai, 2018), Palestine | An-Najah National University, Nablus | 2021 |

These debts amount to a total of **CHF 438 163.08.** [Annex B](#AnnexB) contains further details.

ANNEX A

Changes in arrears and special arrears accounts  
(in CHF thousands)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Situation at 31 December** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|  |  |  |  |  |  |  |  |  |
| **Member States** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Contributions | 9 639 | 8 683 | 8 965 | 11 068 | 12 362 | 8 927 | 12 281 | 12 649 |
|  |  |  |  |  |  |  |  |  |
| Publications | 37 | 40 | 41 | 47 | 46 | 49 | 52 | 55 |
|  |  |  |  |  |  |  |  |  |
| Total | 9 676 | 8 723 | 9 006 | 11 115 | 12 408 | 8 976 | 12 333 | 12 704 |
|  |  |  |  |  |  |  |  |  |
| **Sector Members & others** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Contributions | 13 938 | 11 213 | 11 193 | 9 356 | 7 550 | 3 655 | 1 562 | 1 206 |
|  |  |  |  |  |  |  |  |  |
| Publications | 5 | 52 | 52 | 50 | 53 | 196 | 154 | 200 |
|  |  |  |  |  |  |  |  |  |
| Total | 13 943 | 11 265 | 11 245 | 9 406 | 7 603 | 3 851 | 1 716 | 1 406 |
|  |  |  |  |  |  |  |  |  |
| ***Contributions*** | ***23 577*** | ***19 896*** | ***20 158*** | ***20 424*** | ***19 912*** | ***12 582*** | ***13 843*** | ***13 855*** |
|  |  |  |  |  |  |  |  |  |
| ***Publications*** | ***42*** | ***92*** | ***93*** | ***97*** | ***99*** | ***245*** | ***206*** | ***255*** |
|  |  |  |  |  |  |  |  |  |
| **TOTAL ARREARS** | **23 619** | **19 988** | **20 251** | **20 521** | **20 011** | **12 827** | **14 049** | **14 110** |
|  |  |  |  |  |  |  |  |  |
| **REPAYMENT AGREEMENTS** | **7 601** | **17 229** | **4 550** | **6 712** | **6 191** | **15 259** | **6 736** | **6 451** |
|  |  |  |  |  |  |  |  |  |
| **CANCELLED REPAYMENT AGREEMENTS** | **13 394** | **2 111** | **14 644** | **12 948** | **13 301** | **5 607** | **14 044** | **15 751** |
|  |  |  |  |  |  |  |  |  |
| **SATELLITE NETWORK FILINGS** | **584** | **384** | **263** | **253** | **267** | **283** | **300** | **341** |
|  |  |  |  |  |  |  |  |  |
| **MISCELLANEOUS INVOICES** | **66** | **63** | **63** | **63** | **143** | **65** | **76** | **76** |
|  |  |  |  |  |  |  |  |  |
| **UIFN Maintenance Fees** | **--** | **--** | **29** | **78** | **77** | **53** | **73** | **125** |
|  |  |  |  |  |  |  |  |  |
| **GMPCS** | **--** | **--** | **--** | **--** | **2** | **0** | **0** | **0** |
|  |  |  |  |  |  |  |  |  |
| **Total** | **45 264** | **39 775** | **39 800** | **40 575** | **39 992** | **34 094** | **35 278** | **36 854** |

ANNEX B

Draft decision [...]

Cancellation of interest on arrears and irrecoverable debts

The ITU Council,

having examined

the report by the Secretary-General on arrears and special arrears accounts (Document [C25/11](https://www.itu.int/md/S25-CL-C-0011/en)),

decides

to approve the writing-off of the following interest on arrears and irrecoverable debts in the amount of **CHF 950 306.68** against a corresponding withdrawal from the Reserve for Debtors’ Accounts. Please refer to the details on the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Organization Name** | **Year** | **Principal** | **Interest** | **Total** |
| Burkina Faso | Autorité de Régulation des Communication Autorité de Régulation des Communication | 2022-2024 | 0.00 | 6 532.35 | 6 532.35 |
| Cameroon | Cameroon Telecommunications (CAMTEL), Yaounde |  | 0.00 | 122 953.20 | 122 953.20 |
| Iran | Ministry of Information & Communications Technology (MICT) | 2020-2024 | 0.00 | 57 780.00 | 57 780.00 |
| Israel | Ministry of Communications | 2024 | 0.00 | 11 395.00 | 11 395.00 |
| Pakistan | Ministry of Information Technology | 2017-2023 | 0.00 | 257 561.90 | 257 561.90 |
| Senegal | Autorité de Régulation des Télécommunications et des Postes (ARTP) | 2022-2023 | 0.00 | 46 778.65 | 46 778.65 |
| Togo | Autorité de Régulation des Communications Electroniques et des Postes (ARCEP) | 2021-2024 | 0.00 | 9 142.50 | 9 142.50 |
|  |  |  |  |  |  |
| ***Sub-total 3.2*** | | | **0.00** | **512,143.60** | **512 143.60** |
| Hungary | MCNTelecom, Budapest | 2017 | 10 600.00 | 5 936.20 | 16 536.20 |
| India | Amity Institute of Telec Eng & Mgmt., Noida | 2017 | 1 987.50 | 1 113.00 | 3 100.50 |
| India | C & C Marine Combine, Mumbay | 2017 | 43 887.00 | 13 810.55 | 57 697.55 |
| India | HMR Institute, New Delhi | 2016-2018 | 1 987.50 | 1 012.05 | 2 999.55 |
| Iran | Telecommunication Company of Iran (TCI), Tehran | 2019-2022 | 0.00 | 5 206.35 | 5 206.35 |
| Israel | IP Light, Petah Tikva | 2017 | 10 600.00 | 5 936.20 | 16 536.20 |
| Italy | Eutelia S.p.A., Arezzo | 2018 | 1 000.00 | 0.00 | 1 000.00 |
| Luxembourg | Luxembourg Space Telecomm. S.A., Luxembourg | 2018 | 31 800.00 | 15 000.45 | 46 800.45 |
| Senegal | Expresso Telecom, Dakar | 2017-2018 | 1 656.25 | 843.35 | 2 499.60 |
| Senegal | Initiatives Africaine des Tech. Avancées, Dakar | 2018 | 1 656.25 | 781.25 | 2 437.50 |
| Switzerland | Apprentissages Sans Frontières, Geneva | 2016 | 6 360.00 | 4 570.55 | 10 930.55 |
| Tunisia | Prisma, Tunis | 2015-2018 | 10 600.00 | 5 350.00 | 15 950.00 |
| Tunisia | Ecole supérieure des Communications de Tunis (Sup'Com), Ariana | 2017-2018 | 1 987.50 | 1 011.70 | 2 999.20 |
| Tunisia | Telnet Technocentre, Tunis | 2012-2017 | 10 600.00 | 6 811.55 | 17 411.55 |
| Ukraine | Ukrainian Number and Address Operation Center Consortium (UNAOC), Kiev | 2017 | 1 490.63 | 834.70 | 2 325.33 |
| United States | Applied Micro Circ Corp AMCC, Andover | 2017 | 31 800.00 | 17 808.50 | 49 608.50 |
| United States | ConceroConnect, Utah | 2015 | 7 950.00 | 5 985.10 | 13 935.10 |
| United States | EnVerv Inc., San Jose | 2015 | 10 600.00 | 7 980.05 | 18 580.05 |
| **Country** | **Organization Name** | **Year** | **Principal** | **Interest** | **Total** |
| United States | Ikanos Comm, Fremont | 2016 | 31 800.00 | 20 785.00 | 52 585.00 |
| United States | Nortel Networks (USA), Richardson | 2009 | 29 812.50 | 0.00 | 29 812.50 |
| United States | Ossia Inc, Redmon | 2017-2018 | 31 800.00 | 15 303.00 | 47 103.00 |
| United States | Range Networks Inc., San Francisco | 2013-2014 | 10 600.00 | 9 141.25 | 19 741.25 |
| Res. 99 (Rev. Dubai, 2018), Palestine | An-Najah National University, Nablus | 2021 | 1 987.50 | 379.65 | 2 367.15 |
| ***Sub-total 3.3*** | | | **292 562.63** | **145 600.45** | **438 163.08** |
| **Grand Total** | | | **292 562.63** | **657 744.05** | **950 306.68** |

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