|  |  |
| --- | --- |
| **Agenda item: ADM 1** | **Document C25/54-E** |
| **16 May 2025** |
| **Original: English** |
|  |  |
| Report by the Secretary-General |
| PRELIMINARY AMOUNT OF THE CONTRIBUTORY UNIT |
| **Purpose**It is the intention of the Secretary-General to propose that the contributory unit (CU) be maintained at the current level of CHF 318 000. As was done at the last plenipotentiary conference, this will be a good basis for discussing the Financial Plan for all Member States and allow for adequate preparation before the 2026 Plenipotentiary Conference.Based on the discussions at the Council Working Group on Strategic and Financial Plans, the Secretary-General also proposes that the Council initiate work toward establishing a methodology for future consideration of changes to the contributory unit.**Action required by the Council**The Council is invited to **consider** and **approve** this proposal, and initiate the work to develop a methodology for future changes to the contributory unit for consideration of Council 2026.**Relevant link(s) with the Strategic Plan**n/a**Financial implications**None.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**References**[*ITU Constitution Articles 8, 28, and 33*](https://www.itu.int/en/council/Documents/basic-texts/Constitution-E.pdf)*;* [*Decision 5*](https://www.itu.int/en/council/Documents/basic-texts-2023/DEC-005-E.pdf) *(Rev. Bucharest, 2022) of the Plenipotentiary Conference* |

Proposal

1 The purpose of the draft Financial Plan for 2028-2031 is to provide a reference for the 2026 Plenipotentiary Conference to establish the basis for the budget of the Union and determine related financial limits, until the next plenipotentiary conference, after considering all relevant aspects of the work of the Union in the period concerned (Article 8, No. 51 of the Constitution).

2 According to Article 28, No. 161B of the Constitution, at its session preceding the plenipotentiary conference, the Council shall fix the provisional amount of the contributory unit (CU), on the basis of the draft financial plan for the corresponding period and total number of contributory units.

3 In this context, Decision 5 (Rev. Bucharest, 2022) *invites the Council* to fix, to the extent practicable, the preliminary amount of the contributory unit for the period 2028-2031 at its 2025 ordinary session and *invites Member States* to announce their provisional class of contribution for the period 2028-2031 before the end of the calendar year 2025. The value of the contributory unit has been maintained at CHF 318 000 as per Decision 5 (Rev. Bucharest, 2022), i.e. zero nominal growth, since the year 2006.

4 At the meetings of the Council Working Group for strategic and financial plans 2028‑2031 (CWG-SFP) in October 2024 and February 2025, the secretariat presented provisions for the consideration by Member States of an increase in the contributory unit. In Documents [CWG-SFP-1/5](https://www.itu.int/md/S24-CWGSFP1-C-0005/en), and [CWG-SFP-2/7](https://www.itu.int/md/S25-CWGSFP2-C-0007/en) and [CWG-SFP-2/INF/1](https://www.itu.int/md/S25-CWGSFP2-INF-0001/en), the secretariat presented various considerations of the Union’s financial situation for the consideration of CWG-SFP. The secretariat noted that, having regard to cost increases since the CU was established at its current level in 2006, and in the context of declining cost recovery revenues, the ITU has been required to economize by deprioritizing several important expenses in recent years due to inadequate financial resources. The secretariat proposed that adequate funding for the Union during the financial period from 2028-2031 could be secured through the Council approving an increase in the fees for Satellite Network Filings (SNF) to recover the full costs of the work involved in those efforts, and Member States’ agreement to an increase in the CU to cover any remaining funding gap. This proposal was not met with approval by Member States, particularly in relation to the contributory unit increase, with members of the CWG noting the following considerations:

– Requirement for additional adequate, detailed information in the proposals presented regarding the ITU’s use of its financial resources.

– The need for the secretariat to implement additional efficiencies in ITU’s operations.

– Need for improved focus by ITU on key activities.

– The need for additional resource mobilization toward achieving ITU’s mandate.

– Challenges related to the current global financial environment.

5 While the secretariat considers that an increase in the CU remains appropriate having regard to ITU’s financial situation, the Secretary-General has taken note of the comments and concerns raised by delegates to CWG-SFP. In recognition of those concerns, the current economic environment impacting Member States and the multilateral system, as well as the resulting lack of support for an increase in the CU at this time, the Secretary-General proposes that the contributory unit be maintained at the current level of CHF 318 000. This will provide a clear basis for discussions of the Strategic and Financial Plan for 2028-2031 for all Member States and will allow for adequate preparation before the 2026 Plenipotentiary Conference. It is noted that in the absence of an increase in the CU, the financial envelope for the Union’s Strategic Plan will be based on declining revenues and increasing costs. At the CWG-SFP meetings in February, delegates discussed that a clear methodology should be developed which would provide an approach for future considerations of changes to the CU. The secretariat considers that this would be a valuable exercise as it would bring enhanced stability to ITU's planning and budgeting processes.

6 Once the Council has approved the preliminary amount of the contributory unit, the Secretary-General will send a letter to all Member States inviting them to announce their provisional choice of class of contribution for the period 2028-2031 by 31 December 2025.

7 The 2026 Plenipotentiary Conference is expected to establish the framework and the directives under which the two biennial budgets for 2028-2029 and 2030-2031 shall be developed.

8 The draft Financial Plan for 2028-2031 will be presented and discussed at the meeting of CWG-SFP in 2026.

9 [Annex 1](#Annex1) contains the current situation of the classes of contribution chosen by Member States.

10 [Annex 2](#Annex2) shows the evolution in the contributory units chosen by Sector Members and the evolution in the number of Associates and academic institutions between the last plenipotentiary conference (Bucharest, 2022) and the current situation as at today.

***Annexes:*** *2*

ANNEX 1

| Member States | Number of units at 28.02.2025 |
| --- | --- |
|   |  |
| Afghanistan | 1/16 |
| Albania  | 1/4 |
| Algeria | 1 |
| Andorra | 1/4 |
| Angola | 1/8 |
| Antigua and Barbuda | 1/16 |
| Argentina | 1/2 |
| Armenia  | 1/4 |
| Australia  | 13 |
| Austria | 1 |
| Azerbaijan | 1 |
| Bahamas  | 1/4 |
| Bahrain  | 1 |
| Bangladesh | 1/8 |
| Barbados  | 1/4 |
| Belarus | 1/4 |
| Belgium  | 3 |
| Belize  | 1/8 |
| Benin  | 1/4 |
| Bhutan  | 1/8 |
| Bolivia | 1/4 |
| Bosnia and Herzegovina  | 1/16 |
| Botswana | 1/2 |
| Brazil | 11 |
| Brunei Darussalam  | 1/2 |
| Bulgaria | 1/4 |
| Burkina Faso | 1/4 |
| Burundi | 1/16 |
| Cambodia | 1/8 |
| Cameroon  | 1 |
| Canada | 11 |
| Cabo Verde | 1/16 |
| Central African Republic | 1/16 |
| Chad | 1/16 |
| Chile | 1/2 |
| China | 20 |
| Colombia | 1 |
| Comoros | 1/16 |
| Congo  | 1/4 |
| Costa Rica  | 1/4 |
| Côte d'Ivoire | 2 |
| Croatia | 1/4 |
| Cuba  | 1/4 |
| Cyprus  | 1/4 |
| Czech Republic | 1 |
| Dem. Rep. of the Congo | 1/16 |
| Dem. People's Rep. of Korea | 1/8 |
| Denmark | 1 1/2 |
| Djibouti | 1/16 |
| Dominica | 1/16 |
| Dominican Republic | 1/4 |
| Ecuador  | 1/4 |
| Egypt | 1/2 |
| El Salvador | 1/4 |
| Equatorial Guinea  | 1/4 |
| Eritrea | 1/16 |
| Estonia | 1/4 |
| Eswatini | 1/8 |
| Ethiopia | 1/16 |
| Fiji  | 1/4 |
| Finland  | 2 |
| France | 21 |
| Gabon | 1/4 |
| Gambia | 1/8 |
| Georgia | 1/4 |
| Germany | 25 |
| Ghana | 1/4 |
| Greece | 1 |
| Grenada | 1/16 |
| Guatemala | 1/4 |
| Guinea | 1 |
| Guinea-Bissau | 1/16 |
| Guyana  | 1/4 |
| Haiti | 1/16 |
| Honduras | 1/4 |
| Hungary | 1/2 |
| Iceland  | 1/4 |
| India | 10 |
| Indonesia | 1 |
| Iran | 1 |
| Iraq | 1 |
| Ireland  | 2 |
| Israel | 1 |
| Italy  | 15 |
| Jamaica | 1/4 |
| Japan | 30 |
| Jordan | 1/2 |
| Kazakhstan | 1/2 |
| Kenya | 1 |
| Kiribati | 1/16 |
| Korea (Republic of) | 10 |
| Kuwait | 5 |
| Kyrgyzstan | 1/4 |
| Lao People's Democratic Republic | 1/16 |
| Latvia | 1/4 |
| Lebanon  | 1/4 |
| Lesotho | 1/16 |
| Liberia | 1/16 |
| Libya | 1/4 |
| Liechtenstein | 1/2 |
| Lithuania | 1/4 |
| Luxembourg | 1/2 |
| Madagascar | 1/8 |
| Malawi  | 1/16 |
| Malaysia | 2 |
| Maldives | 1/8 |
| Mali | 1/4 |
| Malta | 1/4 |
| Marshall Islands | 1/16 |
| Mauritania | 1/16 |
| Mauritius | 1/4 |
| Mexico | 3 |
| Micronesia  | 1/16 |
| Moldova | 1/4 |
| Monaco | 1/4 |
| Mongolia | 1/4 |
| Montenegro | 1/8 |
| Morocco | 1 |
| Mozambique | 1/16 |
| Myanmar | 1/8 |
| Namibia | 1/4 |
| Nauru | 1/16 |
| Nepal  | 1/16 |
| Netherlands | 5 |
| New Zealand | 2 |
| Nicaragua | 1/4 |
| Niger | 1/8 |
| Nigeria | 2 |
| North Macedonia | 1/8 |
| Norway | 5 |
| Oman | 1 |
| Pakistan | 1 |
| Palau | 1/16 |
| Panama | 1/4 |
| Papua New Guinea | 1/2 |
| Paraguay | 1/2 |
| Peru | 1/4 |
| Philippines | 1/2 |
| Poland | 1 |
| Portugal | 1 |
| Qatar | 2 |
| Romania | 1 |
| Russian Federation | 15 |
| Rwanda | 1/4 |
| Saint Kitts and Nevis | 1/16 |
| Saint Lucia | 1/16 |
| Saint Vincent and the Grenadines | 1/16 |
| Samoa | 1/16 |
| San Marino | 1/4 |
| Sao Tome and Principe | 1/16 |
| Saudi Arabia | 13 |
| Senegal | 1 |
| Serbia | 1/4 |
| Seychelles  | 1/16 |
| Sierra Leone | 1/8 |
| Singapore | 1 |
| Slovakia | 1/2 |
| Slovenia | 1/4 |
| Solomon Islands | 1/16 |
| Somalia | 1/16 |
| South Africa | 4 |
| South Sudan | 1/16 |
| Spain  | 6 |
| Sri Lanka | 1/4 |
| Sudan | 1/16 |
| Suriname | 1/4 |
| Sweden | 4 |
| Switzerland | 10 |
| Syrian Arab Republic | 1/4 |
| Tajikistan | 1/16 |
| Tanzania | 1/4 |
| Thailand | 1 1/2 |
| Timor-Leste | 1/16 |
| Togo | 1/4 |
| Tonga | 1/16 |
| Trinidad and Tobago | 1/2 |
| Tunisia | 1/2 |
| Türkiye | 1 |
| Turkmenistan | 1/4 |
| Tuvalu | 1/16 |
| Uganda | 1/4 |
| Ukraine | 1/4 |
| United Arab Emirates | 3 |
| United Kingdom | 10 |
| United States of America | 35 |
| Uruguay | 1/4 |
| Uzbekistan | 1/4 |
| Vanuatu | 1/16 |
| Vatican | 1/4 |
| Venezuela | 1/2 |
| Vietnam | 1/2 |
| Yemen | 1/16 |
| Zambia | 1/8 |
| Zimbabwe | 1/2 |
| **Total** | **356** |

ANNEX 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sector Members | No. of units PP-22 | No. of units at 28.02.2025 | Difference | Difference in % |
| ITU-R Sector Members | 100 1/2 | 103 | 3 | 3% |
| ITU-T Sector Members | 94 | 90 | -4 | -4% |
| ITU-D Sector Members | 22 | 24 | 2 | 9% |
| **Total** | **216** | **217** | **1** | **0%** |
|   |   |   |   |   |
| Associates | Number of AssociatesPP-22 | No. of Associates at 28.02.2025 | Difference | Difference in % |
| ITU-R Associates | 20 | 22 | 2 | 10% |
| ITU-T Associates | 162 | 144 | −18 | −11% |
| ITU-D Associates | 12 | 19 | 7 | 58% |
| **Total**  | **194** | **185** | **−9** | **−5%** |
|   |   |   |   |  |
| SMEs Associates\* | Number of SMEsPP-22 | No. of SMEs at 28.02.2025 | Difference | Difference in % |
| ITU-R Associates | 18 | 20 | 2 | 11% |
| ITU-T Associates | 52 | 73 | 21 | 40% |
| ITU-D Associates | 0 | 0 | 0 | – |
| **Total**  | **70** | **93** | **23** | **33%** |
| \* Res. 209, Dubai 2018 – New participation of SMEs as Associates in the Sectors of the Union. |
|   |   |   |   |   |
| Academic Institutions | Number of AcademiaPP-22 | No. of Academia at 28.02.2025 | Difference | Difference in % |
| **Total** | **151** | **162** | **11** | **7%** |

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