



NISSABA



Pre-meeting report

International Telecommunication Union (ITU) Council 2019

To be held 10 to 20 June 2019, in Geneva, Switzerland

This report has been prepared by Nissaba, a new initiative to provide concise, readable and actionable news and analysis on digital policy developments around the world. If you find this document useful, and want to see more information of this quality, please consider helping us to keep the initiative going:

<https://www.nissaba.net>



Table of contents

Introduction: Overview of ITU Council.....	1
Background: How ITU Council works	2
Background: Navigating ITU Council documents	3
Major issues under consideration this Council	5
1. Periodic review and revision of the International Telecommunication Regulations (ITRs).....	6
2. Cybersecurity	9
3. World Telecommunications Policy Forum (WTPF) 2021	10
4. Council Working Group on International Internet-Related Public Policy Issues (CWG-Internet) 12	
5. Confirming hosts for the WTSA-20, WTDC-21 and PP-22.....	14
6. Draft Budget of the Union 2020-21	15
7. Small and Medium Enterprise (SME) participation in ITU	17
8. Participation of Sector Members, Associates and Academia	19
9. Fraud Case in a Regional Office (NEW ISSUE)	20

Introduction: Overview of ITU Council

What the ITU Council does

The ITU's Council meets annually, acting as the Union's governing body between Plenipotentiary conferences to supervise the overall management and administration of the Union. There are two types of sessions at ITU Council:

1. **Plenary Sessions**, where formal Council considerations take place
2. **Standing Committee on Administrative and Management**, which deals with human resources and financial matters

Membership of ITU Council

The 48 members of Council elected at the Plenipotentiary Conference 2018 (PP-18) to serve until 2022 are:

Americas (Region A)	Western Europe (Region B)	Eastern Europe & Northern Asia (Region C)	Africa (Region D)	Australia & Oceania (Region E)
<ul style="list-style-type: none">▪ Argentina▪ Bahamas *▪ Brazil▪ Canada▪ Cuba▪ El Salvador *▪ Mexico▪ United States▪ Paraguay	<ul style="list-style-type: none">▪ France▪ Italy▪ Germany▪ Greece▪ Hungary *▪ Spain▪ Switzerland▪ Turkey	<ul style="list-style-type: none">▪ Azerbaijan▪ Czech Republic *▪ Poland▪ Romania▪ Russian Federation	<ul style="list-style-type: none">▪ Algeria▪ Burkina Faso▪ Côte d'Ivoire *▪ Egypt▪ Ghana▪ Kenya▪ Morocco▪ Nigeria▪ Rwanda▪ Senegal▪ South Africa *▪ Tunisia▪ Uganda	<ul style="list-style-type: none">▪ Australia▪ China▪ India▪ Indonesia▪ Iran (Islamic Republic of) *▪ Japan▪ Korea (Republic of)▪ Kuwait▪ Pakistan▪ Philippines▪ Saudi Arabia▪ Thailand▪ United Arab Emirates

* Member States newly elected to the Council at the ITU Plenipotentiary 2018

Dr Elsayed Elsayed Azzouz of Egypt will chair the 2019 session.

Why this meeting of ITU Council is important

As the first ordinary session of Council since last year's PP-18 held in Dubai, this is the Council meeting where many of the delicate balances achieved at Plenipotentiary via carefully worded resolutions are revisited by Member States, who will want to interpret the resolutions in ways that are aligned with their strategic objectives. This means that many of the same debates from Dubai will be repeated in Geneva, as Member States try to shepherd the implementation of the resolutions in ways advantageous to their national interests.

Background: How ITU Council works

Decision making

The 48 Member States of Council reach decisions on a consensus basis following collaboration and negotiation conducted according to the Rules of Procedure of the Council. While voting is an option, and at times delegates will raise the possibility of voting during particularly difficult negotiations, it is not considered the ITU way and is avoided whenever possible.

Role of the remaining 148 Member States of ITU

Member States not elected to Council may send observers who may be given the floor to speak during formal debates after Council Members have finished speaking, and if there is sufficient time available. They can also participate in informal drafting groups.

Role of ITU Sector Members and other observers

Organisations, entities and Sector Members can have representatives present as Observers. Observers that are not on Member State delegations can participate in working groups formed to deal with more difficult issues but cannot vote and don't have the right to make written or oral contributions to the formal sessions of Council.

Note: Some Member States include Sector Members and other stakeholders on their government delegation to ITU Council. Some Member States permit these non-government members of their delegations to speak on the microphone, to represent their country's formal positions; others utilise their non-government members of their delegation as expert advisors on issues.

Participation for those who can't attend in person

Meetings of the Council are webcast and captioned and available to people who have an ITU Telecommunication Information Exchange Service (TIES) account.

A TIES account provides ITU Member States and Sector Members with access to ITU resources online, including contributions and other working documents. For more information on TIES, see:

<https://www.itu.int/en/ties-services/Pages/default.aspx>

Official ITU information on how the ITU Council works

ITU has published a 26-page guide on how the Council works:

- Rules of Procedure for the Council
<https://www.itu.int/council/pd/rop-e.pdf>

All documents for ITU Council 2019 can be accessed via the "Documents" section on the ITU Council 2019 home page:

<https://www.itu.int/en/council/2019/Pages/default.aspx>

Background: Navigating ITU Council documents

Thanks to the ITU Information/Document Access policy approved at PP-18 and now in force, the following documents are available to the public by default:

- Council Rules of Procedure
- Resolutions and Decisions
- Output documents
- Input documents

Document contributors can request their documents not be made public, and only be available to ITU Member States (and possibly also Sector Members), if they believe that the document contains:

- Personal information related to legal, disciplinary or investigative information that would compromise safety and security
- Commercial and financial information

Documents for ITU meetings, including Council, are sorted into the following types:

<p>Contributions (C)</p>	<p>Submissions to Council from:</p> <ul style="list-style-type: none"> ▪ Member States ▪ ITU Secretary-General ▪ Chairs of Council Working Groups <p>Contributions generally require some sort of action by Member States (decisions to be made, reports to be noted, etc). Contributions can be found under the “All” link on the ITU Council 2019 “Documents” section.</p> <p>Translated into all six official ITU languages: Arabic, Chinese, English, French, Russian and Spanish.</p>
<p>Information (INF)</p>	<p>For information only. Not translated and made available in the language as received by the ITU Secretariat.</p> <p>Submissions by Sector Members usually fall into this category, as do ITU Secretariat and Bureaux reports and background documents.</p>
<p>Administrative (ADM)</p>	<p>Draft agendas, time management plans and lists of participants.</p> <p>Published in English only.</p>
<p>Temporary Documents (DT)</p>	<p>Drafts – usually working documents (in-session) – still in the process of being finalised, and therefore only available to users with TIES accounts.</p> <p>If DTs contain draft resolutions/decisions or text likely to be included in a publication they are translated into the six official languages.</p> <p>Be alert!</p> <p>Temporary documents often go through many versions, so it is important to regularly check that you have downloaded the most recent revision (“rev”) number and that the latest version of a DT accurately reflects what happened in negotiations. In the heat of complex negotiations, it is easy for States to have different interpretations of what happened and what was agreed. It is important for such misunderstandings to be corrected as early as possible in the document revisioning process to ensure negotiations can proceed as smoothly as possible.</p>
<p>Limited. Distribution (DL)</p>	<p>Temporary documents that are TIES protected and only published in English. They are of interest to a subset of Council delegates rather than all participants but are accessible to anyone with a TIES account. The draft agenda of the Council steering committee (Elected Officials, the Secretariat and office bearers) is a DL.</p>

In addition to the above, there are two special subsets of the Contribution document type that can be found both within the general list of Contributions as well as under separate headings for their subset:

- RD: Resolutions and decisions of the Council
- SR: Summary records of Plenary and the Standing Committee

Major issues under consideration this Council

The following issues of interest to digital policy makers and stakeholders will be discussed at ITU Council 2019:

1. Periodic Review and revision of the International Telecommunication Regulations (ITRs) (Updated)
2. Cybersecurity
3. World Telecommunications Policy Forum (WTPF) 2021 (UPDATED)
4. Council Working Group on International Internet-Related Public Policy Issues (CWG-Internet)
5. Confirming hosts for the WTSA-20, WTDC-21 and PP-22 (UPDATED)
6. Draft Budget of the Union 2020-21
7. Small and Medium Enterprise (SME) participation in ITU
8. Participation of Sector Members, Associates and Academia
9. Fraud Case in a Regional Office (NEW ISSUE)

These issues are described in detail in the rest of this report.

1. Periodic review and revision of the International Telecommunication Regulations (ITRs)

Why this topic matters

There has long been a lack of consensus between ITU Member States on:

- The utility and desirability of having ITRs
- The issues that should be covered by ITRs (for example, international Internet traffic)

There are currently two sets of ITRs in place. Some Member States would like to reduce this to a single set, either by encouraging all Member States signing onto the 2012 ITRs or by developing a third set that everyone can agree to sign. Some Member States want a third version of the ITRs that incorporates regulations related to the Internet and to new technologies that have emerged since 2012.

ITRs can only be updated at a World Conference on International Telecommunications (WCIT). A WCIT involves significant, multi-year costs for the ITU, Member States and Sector Members. Given the deep divisions on the ITRs, another WCIT, and its years-long preparatory process, would also have implications for the ability for ITU to remain a consensus-based organisation.

Input documents

Follow-up to Resolution 146 (Rev. Dubai, 2018): Periodic review and revision of the International Telecommunication Regulations
<https://www.itu.int/md/S19-CL-C-0026/en>

Member States contributions on the Terms of reference of the Expert Group on the International Telecommunications Regulations (EG-ITRs)

<https://www.itu.int/md/S19-CL-C-0065/en>

<https://www.itu.int/md/S19-CL-C-0069/en>

<https://www.itu.int/md/S19-CL-C-0079/en>

<https://www.itu.int/md/S19-CL-C-0074/en> **NEW**

<https://www.itu.int/md/S19-CL-C-0081/en>

<https://www.itu.int/md/S19-CL-C-0086/en>

<https://www.itu.int/md/S19-CL-C-0089/en>

<https://www.itu.int/md/S19-CL-C-0100/en>

Possible direction of discussion

PP-18 failed to reach consensus on holding a WCIT; Council Members cannot change that decision. PP-18, however, did agree to re-establish another Experts Group on ITRs (EG-ITR) but ran out of time to develop Terms of Reference (ToRs) for the EG-ITR.

Council negotiations to create those ToRs will be very difficult. Words in the context of the ITRs have particularly nuanced and contested meanings. For example, some Member States believe “review” and “revision” are synonyms and believe that the EG-ITRs’ ToRs should include the ability to draft text for an updated set of ITRs. As this example demonstrates, decisions about the modalities of a working group can have a significant effect on the direction of the group's discussion about outcomes.

The negotiations on the EG-ITR ToRs are likely consume many hours of discussion, both in plenary and in an informal drafting group that could work well into the evenings and possibly even hold sessions during the weekend.

Actions requested of Council

Council will be asked to:

- *Note* the report of the Secretary-General on the follow up to PP-18 Resolution 146
- *Review, revise and adopt* the Terms of Reference (ToR) for a re-convened Expert Group -ITRs (EG-ITR)

Background

What are the ITRs?

The ITRs, along with the Radio Regulations, are classed as the Administrative Regulations of the ITU and have treaty status. The ITRs establish general principles relating to the provision and operation of international telecommunications covering international communications services.

Divergent views

For countries with liberalised telecommunications markets, the ITRs are not relevant because they deal with matters that are now subject to commercial negotiations and agreements between telecommunications companies or are achieved through domestic frameworks that encourage investment and competition. They support the ITRs remaining high level guiding principles and also oppose extending the ITRs to domestic issues or issues related to the Internet and content travelling over networks (“over the top services”, or “OTT”).

A number of countries with State-owned telecommunications companies find the ITRs useful (e.g., its provisions on charging and accounting). Some have also used the treaty as an enabler for the adoption of domestic legal frameworks. As internet-based services are increasingly taking on a larger market share, and starting to affect revenue derived from telecommunications services, many of these countries support

regular updating of the ITRs to take account of new telecommunications and ICT trends and issues, particularly issues related to the Internet.

Previous ITR discussions

WCIT-12 held in Dubai, 3-14 December 2012, was held to consider and agree to revisions to the first set of ITRs, which were adopted in Melbourne in 1988. The 1988 ITRs focused on the interconnection and interoperability of existing communication services and had been developed before widespread de-regulation of the telecommunications industry had taken place and before the Internet had been widely adopted.

The WCIT-12 negotiations failed to reach consensus amongst all delegations, particularly about whether the revised ITRs should apply to the Internet.

- 55 ITU Member States present at the WCIT-12 did not sign the Final Acts of the Conference
- 89 Member States did sign
- 49 Member States did not attend WCIT-12
- 9 Member States have [acceded to, ratified, or approved](#) the 2012 ITRs

Member States that have not signed the 2012 ITRs remain bound by the 1988 ITRs. In any relations between two Member States where one has signed the 2012 and the other has not, the 1988 ITRs apply. The 2012 ITRs only apply

where both Member States in any interaction have signed the 2012 ITRs.

In 2016, ITU Council implemented a decision of the 2014 Plenipotentiary Conference (PP-14) and established the EG-ITRs, open to all Member States and Sector Members. The EG-ITRs was unable to reach consensus on:

- Applicability of the 2012 ITRs

- The legal analyses of the 2012 ITRs
- Potential conflicts (if any) between the 1988 and 2012 ITRs
- The desirability of holding another WCIT

PP-18 considered the report of the EG-ITRs, and was also unable to reach consensus on holding another WCIT. The consensus compromise was to create another EG-ITRs.

2. Cybersecurity

Why this topic matters

Activities related to cybersecurity make up a large proportion of the ITU's work. Much of it is capacity building through the Development Sector, but it cuts across all three of its Sectors and the Secretariat. Some delegations support an expansion of the range of the ITU's activities while others believe there are areas clearly outside the ITU's mandate and expertise. Those Member States would prefer the ITU to focus on capacity building and development activity and encourage its cooperation and collaboration with other relevant intergovernmental agencies, the private sector and the technical community.

Input documents

Secretary-General's report: ITU activities on strengthening the role of ITU in building confidence and security in the use of ICTs
<https://www.itu.int/md/S19-CL-C-0018/en>

Transmission of the Report from the former Chairman of GCA High-Level Experts Group
<https://www.itu.int/md/S19-CL-C-0058/en>

Memoranda of Understanding having financial and/or strategic implications
<https://www.itu.int/md/S19-CL-C-0060/en>

Possible direction of discussion

Cybersecurity is one of the most contested subjects in ITU discussions.

Some delegations may have questions about the ITU's involvement in non-technical activities, such as legislation and cybercrime, which are seen by some Member States as being outside the ITU's core mandate, beyond its expertise or duplicating work underway in other organisations.

Actions requested of Council

Council will be asked to:

- *Note* the three input documents

Background

Much of the work the ITU undertakes on cybersecurity stems from its Global Security Agenda and the World Summit on Information Society (WSIS) 2003 Geneva Plan of Action, which tasked ITU as the lead facilitator of WSIS Action Line C5, Building confidence and security in the use of ICTs.

The scope of ITU's work in cybersecurity has been one of the most contentious issues in recent major ITU conferences, most recently at last year's Plenipotentiary Conference where there were difficult negotiations to revise Resolution 130: Strengthening the role of ITU in building confidence and security in the use of information and communication technologies.

3. World Telecommunications Policy Forum (WTPF) 2021

Why this topic matters

Although the WTPF does not produce binding outcomes, or even recommendations, its outputs, called “Opinions” often form the basis for more concrete outcomes in other ITU forums.

Cybersecurity and OTT were the topics that the most support during the ITU Secretary-General’s 2017 consultation on topics for the next WTPF and are still options on the table for WTPF-2021.

Input documents

Preparation for WTPF-21

<https://www.itu.int/md/S19-CL-C-0005/en>

<https://www.itu.int/md/S19-CL-C-0094/en> **NEW**

Proposed topics for WTPF-21

<https://www.itu.int/md/S19-CL-C-0099/en>

<https://www.itu.int/md/S19-CL-C-0093/en>

<https://www.itu.int/md/S19-CL-C-0088/en>

<https://www.itu.int/md/S19-CL-C-0085/en>

<https://www.itu.int/md/S19-CL-C-0083/en>

<https://www.itu.int/md/S19-CL-C-0078/en>

Possible direction of discussion

Discussions on most aspects of WTPFs prove divisive, including the necessity of having one. There has been no agreement yet to establish an Expert Group so this will need to be resolved together with the Terms of Reference for the group if it goes ahead. Provision for an Expert Group has been made in the draft Budget.

Actions requested of Council

Council will be asked to:

- *Consider* the report by the Secretary-General: Preparations for WTPF-21
- *Decide* on the duration, date, venue, agenda and themes of WTPF-21
- *Adopt* a procedure for preparation of the report by the Secretary-General to WTPF-21

Background

The WTPF is designed to provide a venue for the exchange of views and information on the issues arising from the emergence of new telecommunication/ICT services and technologies, and to consider any other policy issue in telecommunications/ICTs which would benefit from a global exchange of views. It was designed to adopt opinions by consensus “reflecting common viewpoints”. It is this aspect in particular which has caused divisions in the ITU Membership, with the emphasis in the discussions on Member States

seen by some delegations as undermining the multi-stakeholder approach.

A WTPF in 2021 will be the sixth since 1996, with the last held in 2013. WTPFs in 2009 and 2013 both examined Internet-related issues such as:

- Adoption and transition to IPv6
- Supporting multistakeholderism in Internet governance

In discussions on this issue at the CWG-FHR, the Chair concluded that the issues still to be considered cover remote participation, languages for interpretation and translation of documents, and the number and duration of any EG-WTPF meetings.

PP-18 Resolution 2 resolved that the agenda and themes for WTPF-21 shall continue past practice and be based on a report by the Secretary-General. At the January meeting of the Council Working

Group on Financial and Human Resources (CWG-FHR), Brazil proposed setting up an Expert Group to undertake the work of preparing the report.

The Secretary-General undertook a consultation in 2017 on possible themes and policy issues for the next WTPF. He received five responses from Member States and Regional Groups. Cybersecurity and OTT received the most support and are still options on the table for WTPF-2021.

4. Council Working Group on International Internet-Related Public Policy Issues (CWG-Internet)

Why this topic matters

Discussions during and about this Council Working Group, its composition and outputs have always been contentious and demonstrate the significant gap between governments who prefer a multi-lateral, intergovernmental approach to Internet policy issues and governments who support a multistakeholder approach. As a Council Working Group, the group can produce recommendations and proposals for Council on the issues under its mandate, thereby helping steer the ITU's decision-making process on Internet-related issues. Issues under the CWG's mandate include:

- The management of Internet resources, including domain names and addresses
- Respect for privacy and the protection of personal information and data
- Issues pertaining to the use and misuse of the Internet

Input documents

Report by the Chairman of the Council Working Group on International Internet-Related Public Policy Issues (CWG-Internet)

<https://www.itu.int/md/S19-CL-C-0051/en>

Proposed topics for open consultations of the CWG on International Internet-related public policy matters (CWG-Internet)

<https://www.itu.int/md/S19-CL-C-0097/en>

<https://www.itu.int/md/S19-CL-C-0092/en>

<https://www.itu.int/md/S19-CL-C-0084/en>

<https://www.itu.int/md/S19-CL-C-0066/en>

<https://www.itu.int/md/S19-CL-C-0062/en>

Possible direction of discussion

There were a number of proposed topics discussed at the January meeting, including OTT and gender, which had been previously the subject of the Open Consultations. Topics that are seen by some delegations as being dealt with elsewhere in the ITU or by other entities and are outside the expertise and mandate of the ITU will have vigorous push back from some delegations.

Actions requested of Council

Council will be asked to:

- *Note* the report of the Chair of CWG-Internet
- *Note* the contributions from Member States
- *Choose* a topic for the next open consultation of the CWG-Internet

Background

The [CWG-Internet](#) was set up with the aim to identify, study, and develop matters related to international Internet-related public policy issues. The Group is limited to member states, with open consultations to all stakeholders. The open consultation has an online

component followed by a physical open consultation that takes place before the CWG-Internet meeting.

Member State participants are largely divided between those that want the CWG-Internet to be a legitimate,

government led decision making body in the Internet governance ecosystem and those who support the multi-stakeholder approach and believe it should not make decisions that affect the entire internet community as it is only open to Member States.

In January, the CWG was unable to reach a consensus decision on the topic for its next open consultation. The next open consultation is conducted in the leadup to the CWG's next meeting in September or October (dates yet to be announced).

The contribution from the US proposes two topics raised at the last meeting of the CWG-Internet in February this year. The topic of capacity building on Internet governance by developing countries had been proposed by the Russian

Federation and the adoption and deployment of IPv6 by the United Kingdom. This compromise may defuse much of the potential areas of disagreement in the discussion.

Brazil's two proposed topics have both received pushback at past ITU meetings:

- Community networks: because some delegations viewed this as a national matter involving sensitive issues, for example spectrum
- AI: because of the range of activity on the issue already underway in the ITU

Saudi Arabia's contribution reworks suggestions it made to the last meeting of the CWG-Internet that were not agreed and substitutes 5G for IoT as a topic.

5. Confirming hosts for the WTSA-20, WTDC-21 and PP-22

ENTIRE SECTION UPDATED: Information about WTSA and WTDC added

Why this topic matters

Hosting a Plenipotentiary Conference, World Telecommunication Standardisation Assembly (WTSA) or World Telecommunication Development Conference (WTDC) involves a large financial and resource commitment for the host Member State. It also entitles the host to nominate the Chair of the conference, a position that plays a central role in the direction of the negotiations.

Input documents

<i>Venue of the 2022 Plenipotentiary Conference</i> https://www.itu.int/md/S19-CL-C-0055/en	<i>Preparations for WTDC-21</i> https://www.itu.int/md/S19-CL-C-0030/en
<i>Preparations for WTSA-20</i> https://www.itu.int/md/S19-CL-C-0024/en	

Possible direction of discussion

Romania, India and Ethiopia will be invited to make presentations, likely with an accompanying video, emphasising their countries and proposed host cities as attractive destinations, well positioned to host an event of this size.

Following Council's decisions on the locations and dates of each of these conferences, the ITU will conduct consultations with all Member States to secure their agreement. Usual practice at this stage of the process will be for delegations to thank Romania, India and Ethiopia and welcome their invitations.

Actions requested of Council

Council will be asked to:

- *Decide* on the place and exact dates for holding the next Plenipotentiary Conference
- *Decide* on the host country, preferred venue and dates for WTSA-20
- *Decide* on the venue and dates for WTDC-21
- *Adopt* the draft decisions in the Annexes to each proposal

Background

Romania has invited the ITU to hold the 2022 Plenipotentiary Conference in Bucharest, with the dates to be determined by Council. This would be the first Plenipotentiary Conference held in Region C (Eastern Europe and Northern Asia).

India has invited the ITU to hold the next WTSA in either New Delhi or Hyderabad, from 16 to 27 November 2020. This would be the first WTSA held in Region E (Asia and Australasia).

Ethiopia has invited the ITU to hold the next WTDC in Addis Ababa, from 8 to 19 November 2021. This would be the second WTDC held in Region D (Africa) since inaugural Conference was held in Tanzania in 1985.

6. Draft Budget of the Union 2020-21

Why this topic matters

This will allow delegations to consider priorities in the allocation of funding together with measures to increase efficiency, make savings and raise revenue.

Input documents

Draft Budget of the ITU 2020-21

<https://www.itu.int/md/S19-CL-C-0015/en>

Possible direction of discussion

Now that the ITU Budget is linked to its Strategic Plan, delegations have a greater ability to highlight or interrogate the Secretariat about its activities and strategic priorities, as well as its allocation of funding across the three Sectors of the Union and the Secretariat.

Member States have different priorities and views about where the ITU should be focusing or expanding its activity. Some want to see the ITU taking a bigger role in cybersecurity and Internet issues that others see as outside its mandate and expertise or duplicating work being done by other responsible organisations. The ITU's ability to manage its budget efficiently affects its ability to undertake the projects that Member States have tasked it with in the outcomes of its conferences and assemblies.

There are also likely to be different views on proposed efficiency measures and their potential effect on the Union's staff as well as whether the ITU has adequate controls in place to manage cost blowouts. There will likely be concerns about whether the ITU is fully prepared for cost overruns in the construction of its new building. Therefore, the following document is also likely to be relevant to the discussions:

- *Summary report on the work of the Member States Advisory Group on the Union's Headquarters premises project*
<https://www.itu.int/md/S19-CL-C-0048/en>

Actions requested of Council

Council will be asked to:

1. *Review* the draft Budget of the Union for 2020-2021
2. *Approve* the draft Resolution, Biennial Budget of the International Telecommunication Union for 2021-21, contained in Part 3 of the draft Budget

Background

The draft budget to be adopted includes:

- A recentralisation of financial and administrative services
- An increase in funding for Inter-Sectoral objectives together with an additional twelve engineering positions for the

Radiocommunications Sector (R-Sector)

In previous budgets, each of the Bureaux and General Secretariat maintained their own administrative units. The draft Budget (CHF 331 million) is also balanced between revenue and expenses, has no withdrawal from the

Reserve Account (the subject of much debate in previous Council sessions), and zero nominal growth in the contributory unit (CHF 318,000) paid by Member States for ITU membership.

There has been lobbying over a number of years by delegates cutting across the usual political divides, advocating for greater resourcing of the R-Sector.

7. Small and Medium Enterprise (SME) participation in ITU

Why this topic matters

The new resolution on SME participation in ITU adopted by consensus at ITU Plenipotentiary 2018 is designed to increase the participation of SMEs, particularly those from developing countries, in the standards-making processes of all three ITU Sectors. The introduction of a new Membership category with reduced fees is seen as a way to encourage the greater participation of SMEs but may have an impact on the ITU's Budget.

Input documents

Implementing the new PP-18 resolution on SME participation in ITU

<https://www.itu.int/md/S19-CL-C-0090/en>

<https://www.itu.int/md/S19-CL-C-0056/en>

Possible direction of discussion

There may be some questioning of the proposal's implications for the ITU's financial bottom line. Council is likely to ask the ITU Secretariat to undertake a further analysis on the budgetary implications of Cote d'Ivoire's contribution.

Actions requested of Council

A contribution by the Secretary-General recommends Council:

- *Adopt* a maximum annual revenue level of CHF 15 million on the basis of a projected lower risk to the ITU's revenue
- *Consider* Cote d'Ivoire's alternative proposal of applying differing maximum annual revenue levels to SMEs from developing and developed countries
- *Continue* the current SME pilot until the new SME Associate category of participation is implemented

Background

A number of ITU Member States have pushed to increase the participation of SMEs in the work of the ITU, linking SME growth to national economic development and achieving the Sustainable Development Goals. ITU Council 2017 started a pilot project, allowing SMEs to join in discussions at ITU Development (ITU-D) and Telecommunications Standardisation (ITU-T) Study Groups that are involved in the pilot. While SMEs can participate in the meetings, they can't take on any decision-making roles, including leadership roles and the adoption of resolutions or recommendations.

PP-18 adopted Resolution 209, which encourages SMEs to participate as

Associates in all three Sectors of the Union by introducing reduced fees for a new category of participation in ITU Study Groups called "SME Associate". The reduced fees are:

- CHF 3,975 for SMEs from developed countries
- CHF 1,987.50 for those from developing countries

An applicant will need its Member State's approval based on meeting that country's definition of an SME. The applicant must also have fewer than 250 employees. Council 2019 has been tasked with determining one more key criterion - the maximum yearly revenue that would qualify a company as an SME Associate,

eligible for the reduced fees and subject to ongoing Council review.

To help Council 2019 make a decision about how much annual revenue a company should have to qualify as an SME, the CWG-FHR looked at a number of options. It settled on two:

- CHF 15 million (based on World Bank criteria)
- CHF 50 million (based on European Union criteria)

CWG-FHR asked the ITU secretariat to do an analysis of the difference each of the thresholds would make to the ITU's Budget.

Because many of the 20 SMEs participating in the pilot project were only able to participate in one or two meetings, the CWG-FHR also recommended that Council extend the current SME pilot project until 31 January 2020.

8. Participation of Sector Members, Associates and Academia

Why this topic matters

A number of ITU Sector Members, Associates and Academia are frustrated about rules limiting their participation in some regional ITU-T study groups (RSGs) and a lack of transparency about those processes. There is provision to create RSGs but the process and responsibility for their creation lacks clarity. There is also a lack of consistency in their rules for the participation of Sector Members, Associated and Academia. Under current practice, participation by Sector Members is not permitted in some regional study groups.

Input documents

Legal clarifications concerning the role of the Telecommunication Standardisation Advisory Group (TSAG) in the creation of regional groups of ITU-T study groups and the rights of participation of Sector Members, Associates and Academia

<https://www.itu.int/md/S19-CL-C-0068/en>

Possible direction of discussion

This is likely to be a difficult discussion. There will be tensions between delegations who believe that the views of Member States should have priority in a number of the ITU's decision making processes and those who consider that all categories of ITU Membership should be able to contribute their knowledge, expertise and opinions.

Actions requested of Council

Council should:

- *Discuss* the issues following the Secretariat's clarification on the legal questions raised in the Contribution

Background

There are potential conflicts and legal contradictions between the ITU Constitution and Resolution 1 of the World Telecommunication Standardisation Assembly (WTSA):

- The ITU Constitution determines that Sector Members shall be entitled to participate fully in all activities of the sector of which they are members
- WTSA Resolution 1 limits participation to the members from the concerned region that may invite other participants to attend all or part(s) of a meeting.

Two resolutions at recent ITU conference have looked at RSGs:

- PP-18 Resolution 123 (Rev. Dubai, 2018) invites Member States to establish RSG
- WTSA Resolution 54 (Rev. Hammamet, 2016) establishes the mechanism of RSG and some procedures

The contribution to Council 2019 asks:

1. Should TSAG review and endorse the approval by the ITU-T Study Groups of the creation of RSG? What are the legal foundations for this?
2. Is there a conflict of constitutionality between Article 3 (Item 28A) of the ITU Constitution and the several legal provisions on the rights of participation of Sector Members, Associates and

Academia in the activities of the sectors, particularly in RSG?

9. Fraud Case in a Regional Office (NEW ISSUE)

Why this topic matters

Apart from questions of good governance and financial management, the fraud has had a negative effect on developing countries in the Asia Pacific due to the resulting decreased funds available for capacity building.

Input documents

Fraud case in a regional office - facts and remedial actions taken

<https://www.itu.int/md/S19-CL-C-0108/en>

Possible direction of discussion

Delegations took a significant interest in this issue during ITU Council 2018. Because the investigation was ongoing at that time, there was limited information available to Council-18, which frustrated some countries. Delegations will want to satisfy themselves that the ITU is taking action to put effective controls in place to ensure this can not happen again.

Actions requested of Council

Council should:

- Note the report.

Background

In November 2017, the ITU Ethics Office received allegations of misconduct by a professional staff member in the Asia Pacific Regional Office. ITU has a network of Regional and Area Offices, which carry out the implementation of the regional initiatives and undertake programmes, projects, and activities.

The misconduct took the form of significant fraud. Subsequent investigations estimated financial damage of 1,550,970 CHF to the ITU and to four donors. They also identified a number of procedural and policy weaknesses that contributed to the fraud having occurred undetected over a number of years.

Following receipt of the allegation, the ITU has undertaken a formal investigation, detailed in the contribution.

The misconduct was confirmed to have happened and a disciplinary process completed in January 2019.

Problems were identified and a number of remedial actions taken, including changes to procurement procedures. On 3 May the BDT Director set up an internal working group to review internal control processes.

The contribution outlines actions that have been implemented and further actions to be completed before Council 2020.