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| **Agenda item: ADM 23** | **Document C18/66-E** |
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| Report by the Secretary-General |
| Financial Implications of the Regional Initiatives Approved by WTDC-17 |

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| SummaryThe World Telecommunication Development Conference (WTDC-17), held in Buenos Aires, Argentina from 9 to 20 October 2017, adopted the Buenos Aires Declaration and the Buenos Aires Action Plan, including 30 regional initiatives (5 regional initiatives per ITU-D region).As indicated in the Report of the Budget Control Committee (COM2) of WTDC-17, it is proposed to allocate from ITU resources 1 million CHF per RI for the period 2018-2021, totaling 30 million CHF (5 RIs per region), to enable ITU-D to create and attract partnerships that will bring additional financial resources to augment those allocated by ITU for meaningful and impactful projects within the framework of the regional initiatives adopted by WTDC-17. The justification of the proposed allocation amount is contained in the main body of this document.The meeting of the Council Working Group on Financial and Human Resources (CWG-FHR), held in January 2018, considered the report of COM2 of WTDC-17 and requested the secretariat “to present options for partial implementation of regional initiatives that may be taken into account in a revised draft Financial Plan for 2020-2023”.This document provides the overview of the RIs and presents options[[1]](#footnote-1) for the allocation of resources towards the implementation of RIs. Justification for each of the options is also provided.Action requiredThe Council is invited to **consider** the options presented in this document and **approve** the allocation of additional resources for the implementation of RIs.ReferencesDocuments [WTDC-17/85](https://www.itu.int/md/D14-WTDC17-C-0085/en), [CWG-FHR 8/2](https://www.itu.int/md/S18-CLCWGFHRM8-C-0002/en), [C18/66](https://www.itu.int/md/S18-CL-C-0066/en) |

1. **Introduction**

The World Telecommunication Development Conference (WTDC-17), held in Buenos Aires, Argentina from 9 to 20 October 2017, adopted the Buenos Aires Declaration and the Buenos Aires Action Plan, including 30 RIs (five RIs per ITU-D region). Based on the experience during the previous implementation cycle of RIs (2015-2017), it was evident that medium[[2]](#footnote-2) to large-scale[[3]](#footnote-3) projects have high impact at national and regional levels.

During the period 2014-2018, ITU signed 86 projects with a value of CHF 26 million and allocated CHF 3.4 million in cash contribution to these projects. However, the majority of the projects remained small- and medium-sized due to lack of meaningful funding that could support large-scale projects.

Based on experience resulting from implementing RIs in past years,[[4]](#footnote-4) the secretariat, at the request of the Chairman of Committee 3 of WTDC-17, provided estimates of resources to be provided by ITU for the implementation of RIs and to enable ITU-D to create and attract partnerships for meaningful and impactful projects within the framework of the RIs adopted by WTDC-17.

In terms of financing and achieving expected results, each RI would require a set of projects financed by a budget of at least 3.5 to 5 million CHF. This translates to a total value of 105 to 150 million CHF for financing the implementation of the 30 RIs approved by WTDC-17 over a period of four years (as explained in Annex B of document [WTDC-17/85](https://www.itu.int/md/D14-WTDC17-C-0085/)). The requested figures are based on concrete examples in the past where ITU allocated a meaningful budget to a project that in turn resulted in a high contribution to the same project by a partner:

* Partnership with the European Commission where ITU contributed EUR 0.4 million and the EC contributed EUR 8 million.
* Partnership with the McCaw Foundation on Broadband Wireless Networks where ITU allocated CHF 2.4 million and the partner contributed CHF 4 million.
* Nearly concluded negotiations with the European Commission where ITU has allocated EUR 0.5 million and the Commission is contributing EUR 5 million.
1. **Overview of the regional initiatives**

WTDC-17 approved the RIs covering the following broad areas of focus creating synergies across regions in implementing the RIs as specified in **Annex 1**.

1. **Proposals**

The Council Working Group on Financial and Human Resources (CWG-FHR), held in January 2018, considered the report of the Budget Control Committee (document [CWG-FHR 8/2](https://www.itu.int/md/S18-CLCWGFHRM8-C-0002/)) and requested the secretariat “to present options for partial implementation of regional initiatives that may be taken into account in a revised draft Financial Plan for 2020-2023”.

It is planned that the implementation of these RIs will start in 2018. The expectation is that the contribution of ITU will be augmented by resources raised through resource mobilization efforts and commitments to be made by countries.

As per document WTDC-17/85 the allocation of KCHF 500 to each RI for 2018-2019 and KCHF 500 for 2020-2021 would require a maximum of CHF 15 million in 2018-2019 and another CHF 15 million in 2020-2021 totaling CHF 30 million for full implementation. This option represents the ideal funding situation where significant impact could be achieved if we are to attract more resources to finance large-scale projects with a higher impact.

Based on the request of CWG-FHR for the secretariat to present options for “partial” implementation, and conscious of the limited financial resources of the Union, the following options (see an explanatory note below the table) are being proposed with an accompanying explanatory note for each option. The higher the allocated amount to each of the RI, the more likely it is for external partners to commit more funds[[5]](#footnote-5) towards projects related to the RIs.

|  | **Options for partial implementation** | **2018-2019** | **2020-2021** | **TOTAL 2018-2021** |
| --- | --- | --- | --- | --- |
| 1 | Allocation of KCHF 100 to each RI for 2018-2019 and KCHF 500 for 2020-2021 | Maximum of CHF 3 million | CHF 15 million | **CHF 18 million** |
| 2 | Allocation of KCHF 100 to each RI for 2018-2019 and KCHF 200 for 2020-2021 | Maximum of CHF 3 million | CHF 6 million | **CHF 9 million** |
| 3 | Allocation of KCHF 100 to each RI for 2018-2019 and KCHF 100 for 2020-2021 | Maximum of CHF 3 million | CHF 3 million | **CHF 6 million** |

**Explanatory note on the options for partial implementation**

**Option 1:** Allocation of KCHF 100 for each Regional Initiative for the first two years and then KCHF 500 over the following two years would to some extend help attract more funding with the explanation given to partners that the projects would be broken into two phases thus amplifying the total ITU contribution to the project.

**Option 2:** Allocation of KCHF 100 for each Regional Initiative for the first two years and KCHF 200 in the next two years would most likely attract funding for medium-sized projects.

**Option 3:** Allocation of KCHF 100 in the first two years and the same amount for the next two years will most likely attract financing for small-scale projects. This has the likelihood of resulting in the same experience of the last cycle where external partners will in turn either ignore the invitation to partner or put down small amounts.

Annex 1

Broad areas of focus creating synergies across regions in implementing the regional initiatives.

**1. Broadband infrastructure:**

* **AFR2:** Promotion of emerging **broadband technologies;**
* **AMS3:** Deployment of **broadband infrastructure**, especially in rural and neglected areas, and strengthening of broadband access to services and applications;
* **ARB4: Internet of Things**, smart cities and big data;
* **ASP3:** Fostering development of **infrastructure** to enhance digital connectivity;
* **CIS3:** Development and regulation of infocommunication **infrastructure** to make cities and human settlements inclusive, safe and resilient;
* **CIS5:** Fostering innovative solutions and partnership for the implementation of Internet of Things technologies and their interaction in **telecommunication networks**, including 4G, IMT-2020 and next-generation networks, in the interests of sustainable development;
* **EUR1: Broadband infrastructure**, broadcasting and spectrum management.

**2. ICT applications:**

* **AFR1:** Building **digital economies** and fostering innovation in Africa;
* **AMS5:** Development of the **digital economy**, **smart cities** and communities and the **Internet of Things**, promoting innovation;
* **ARB3: Digital financial inclusion;**
* **ARB4: Internet of Things, smart cities** and **big data;**
* **ASP2:** Harnessing information and communication technologies to support the **digital econom**y and an inclusive digital society;
* **CIS1:** Development of **e-health** to ensure healthy lives and promote well-being for all, at all ages;
* **CIS2:** Use of telecommunications/information and communication technology to ensure inclusive, **equitable, quality and safe education**, including the enhancement of women's knowledge of information and communication technologies and **e-government**;
* **CIS5:** Fostering innovative solutions and partnership for the implementation of **Internet of Things** technologies and their interaction in telecommunication networks, including 4G, IMT-2020 and next-generation networks, in the interests of sustainable development;
* **EUR2:** A citizen-centric approach to building **services for national administrations.**

**3. Confidence and security in the use of telecommunications/ICTs:**

* **AFR3:** Building **trust** and **security** in the use of telecommunications/information and communication technology;
* **ARB2: Confidence** and **security** in the use of telecommunications/information and communication technologies;
* **ASP5:** Contributing to a **secure and resilient environment;**
* **EUR4:** Enhancing **trust** and **confidence** in the use of information and communication technologies.

**4. Spectrum management and transition to digital broadcasting:**

* **AFR5:** Management and monitoring of the **radio-frequency spectrum** and **transition to digital broadcasting;**
* **AMS2: Spectrum management** and **transition to digital broadcasting;**
* **EUR1:** Broadband infrastructure, **broadcasting** and **spectrum** **management.**

**5. Disaster and climate change:**

* **AMS1: Disaster risk reduction** and **management** communications;
* **ARB1:** Environment, **climate change** and **emergency telecommunications**;
* **CIS4:** Monitoring the **ecological status** and the presence and **rational use of natural resources.**

**6. Innovation:**

* **AFR1:** Building digital economies and fostering **innovation** in Africa;
* **AMS5:** Development of the digital economy, smart cities and communities and the Internet of Things, promoting **innovation;**
* **ARB5: Innovation** and **entrepreneurship;**
* **EUR5:** Information and communication technology-centric **innovation ecosystems.**

**7. Digital inclusion and accessibility**

* **AMS4: Accessibility** and **affordability** for an inclusive and sustainable Americas region
* **ASP1:** Addressing **special needs** of least developed countries, small island developing states, including Pacific island countries, and landlocked developing countries;
* **ASP2:** Harnessing information and communication technologies to support the digital economy and an **inclusive digital society**
* **CIS2:** Use of telecommunications/information and communication technology to ensure **inclusive**,equitable, quality and safe **education**, including the enhancement of women's knowledge of information and communication technologies and e-government
* **EUR3:** Accessibility, affordability and skills development for all to ensure **digital inclusion** and sustainable development;

**8. Capacity building:**

* **AFR4:** Strengthening human and institutional **capacity building.**

**9. Policy and regulation:**

* **ASP4:** Enabling **policy and regulatory environments.**

Note: \*This is an indicative list of broad areas of focus based on the title of each regional initiative. More detail about the regional initiatives may be found in the Buenos Aires Action Plan, Section 3.

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1. These options are based on funding for the RIs based set of projects that are being formulated for implementation. The options are given on the basis that small allocations per RI have tended not to attract financing from external development partners. During the last cycle, ITU allocated CHF 50,000 per RI which made it almost impossible to attract funds from partners. [↑](#footnote-ref-1)
2. Medium-scale projects being those valued at CHF 500,000 to CHF 1,000,000. [↑](#footnote-ref-2)
3. Large-scale projects being those valued at more than CHF 1,000,000. [↑](#footnote-ref-3)
4. The experience showed that the CHF 50,000 allocated by ITU to each RI was too small to attract funds from development partners. For that reason, reporting on the implementation of Regional Initiatives was done within the context of implementation of related Operational Plan activities. [↑](#footnote-ref-4)
5. These options on how much ITU is proposed to contribute are suggested amount that would allow BDT to start the implementation and have a potential to attract more funds from external partners. [↑](#footnote-ref-5)