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| Contribution by the Secretariat |
| Review of itu regional presence |

# Introduction

In [Council Decision 616](https://www.itu.int/md/S19-CL-C-0133/en), adopted at the ninth Plenary Meeting of Council 2019, the Council instructed the Secretary General to recruit and hire an independent external management consultancy to perform a comprehensive programmatic, strategic and financial assessment and review of ITU’s Regional Presence program in accordance with the terms of reference set forth in the Annex, taking into consideration contributions from the ITU membership, and submit a report with recommendations to the 2021 session of the Council for action. In its decision, the Council provided detailed Terms of Reference for guidance of the consultancy.

Following a competitive bidding process, PwC was selected to perform this independent study, contractual arrangements were made, and PwC began its work in November 2019, and the final report was delivered to the Secretariat in July 2020.

PwC presented its report to the Second Virtual Consultation of Councilors, at which councilors noted the report and decided to refer it to the CWG-FHR or an ad-hoc group of CWG-FHR for further review and recommendation.

In August 2020, the Secretariat convened a Task Group comprising staff from all relevant departments within the General Secretariat and from all Bureaux (the RPR Task Group) to review and provide a detailed report on the PwC Report, including recommendations for future implementation.

This note contains the initial report on the deliberations of the RPR Task Group.

# PwC’s Recommended Action Plan

An overview of PwC’s findings, with comments by the secretariat, is set out in Annex 1 to this note. This document focusses on the specific recommendations for ITU actions made by PwC, which have been summarized by PwC in its recommended Action Plan (see Table 36 of the PwC report).

PwC recommends an action plan with four implementation streams, broken down into fifteen recommendations and 50 supporting actions. PwC has detailed the plan in the report, including proposed timelines (an overall three-year period) and responsibilities for implementation.

In the review it was noted:

* Some of the recommendations which agreeable to the management are either already being implemented by the Secretariat or fall within the purview of ITU’s management. These do not require any decision of council and therefore would not benefit from detailed consideration by CWG-FHR.
* Implementing some recommendations may require a decision of the ITU Plenipotentiary Conference. Detailed consideration of these recommendations by CWG-FHR would be beneficial to help inform and support Council in its decision regarding whether deferral of the matter to the Plenipotentiary Conference would be appropriate.

In order to ensure that the CWG-FHR is able to focus its consideration on the matters that would require and be appropriate for consideration and decision by Council, the Secretariat has assessed each of PwC’s recommendations and proposes that only matters that fall within the purview of Council should be addressed by CWG-FHR (i.e. excluding matters that have already been implemented or fall within the decision-making capacity of management). Each of the recommendations is set out in Annex 2, identifying whether or not, in the view of the Secretariat, the matter requires the detailed consideration by CWG-FHR, or can be addressed by ITU management.

To that end, the Secretariat proposes that CWG-FHR consider the recommendations set out in the remainder of this section. For this purpose the secretariat has adopted the categories and numbering of actions used in PwC’s Action Plan.

1. **Strategic Positioning**

The strategic positioning category of recommendations aims at clarifying the role, mandate and expected contribution of the regional presence in policy documents, consolidating the programmatic framework in line with the RBM initiative, prioritising engagement with UN Country Teams and consolidating field-level strategic planning. This stream focusses on coherence, relevance and impact. Most of the recommendations under in this category are broadly agreed with by the Secretariat and their implementation would be within the mandate and purview of ITU management, save for the recommendations in section 1.1.2 and 1.2.1, as noted below.

**PwC Recommendation 1.1.2: “Confirm the Contribution from Other ITU Sectors”**

However, recommendations made under section 1.1.2, relate to cross-sectoral coordination related to the regional presence. In this section PwC makes recommendations to enhance the regional presence through greater involvement of the Radiocommunications Bureau (BR) and the Telecommunication Standardisation Bureau (TSB), and by increasing the Regional Offices’ (RO) support to ITU-R and ITU-T. These recommendations are referred for consideration of CWG-FHR as the Secretariat has not reached full alignment on them, and they would benefit Council’s review and guidance/decision.

In summary, PWC Recommends the following actions by ITU:

1. List the expectations for the regional presence across the organisation;
2. Define the type and appropriate level of contribution from each sector; and,
3. Define and monitor an action plan involving the regional presence.

The Secretariat agrees that ITU’s regional presence should play a catalytic role that creates a strong connection between the ITU and its membership, supporting the various activities of ITU's international cooperation and coordination, however PwC’s recommendations suggest the increase of representation in ROs by BR and TSB staff through transfer of staff from Geneva to the ROs. In relation to these recommendations, concerns raised at the Secretariat level include:

* The COVID-19 period has demonstrated that the redeployment of staff from ITU headquarters to the regions is not the only option for increasing the RO's access to technical expertise.
* TSB and BR are not staffed with generalists who would be sufficiently and broadly expert enough to independently address the wide variety of issues that could arise in the regions. ITU’s technical staff in TSB and BR have specialized expertise in the different subjects within the mandates of their bureau. Therefore, TSB and BR believe that it is neither cost effective nor viable to redeploy headquarters staff to the regions for the purpose of serving in a coordinating or liaison capacity that could be handled by the Regional Offices’ regular staff.
* TSB and BR believe that their contributions to enhanced regional presence could be better achieved by increasing their staffing of technical specialist in key areas in telecommunications and radiocommunications (e.g. spectrum monitoring, transition from Analog to Digital TV, mobile communications), respectively, and having them dedicated to providing the ROs with capacity-building and technical support. To ensure that these experts are available to support activities in any of the ROs, they should be located in Geneva. Such staff could be called upon to provide technical advice and guidance for projects anywhere in the world within their areas of expertise. Such staff would also attend and support the relevant ITU Study Groups within their area of expertise and facilitate knowledge transfer to the regions in the areas under study in the ITU-R and ITU-T. This would significantly contribute to the capacity-building activities carried out by their Bureaux at the regional and global levels.
* ITU could also explore a model of establishing joint teams (RO + HQ Bureau staff) on specific topics to bring awareness and expertise closer to the regions. It is suggested that this could be achieved in a similar way to BDT’s establishment of thematic networks, composed of HQ-based and regional staff. As these network assignments are expected to be stable over time, regional staff will build stronger technical expertise through this mechanism, as technical training will be provided to the networks,
* It is noted that ITU has strengthened its connectivity with the field offices and physical distance is no longer a hindrance in terms of internal coordination, and information and expertise sharing.

Based on the foregoing concerns and views, it is suggested that CWG-FHR should consider these recommendations in detail and report to Council.

**PwC Recommendation 1.2.1: “Develop a consistent strategic framework across the Organization”**

This group of recommendations seeks to address PwC’s findings that the regional presence should work based on a consistent, time-bound strategy articulating core priorities that are validated by ITU Members at the regional level, based on the collection of data and intelligence, a thorough assessment of country-level needs in the region and an analysis of ITU's comparative advantage.

PwC notes that this requires a better structure for the WTDC Action Plan and the Strategic Plan. PwC notes that there should be only one results framework applicable at a given time, based on one set of limited priorities that the WTDC can contribute to defining. PwC has recommended a review of the format and/or the outputs of the WTDC regarding the Plenipotentiary Conference. The WTDC should be an opportunity for 1) a review of the implementation of the Strategic Plan, 2) the preparation of the next Strategic Plan and 3) the mobilisation of potential partners in discussions that cannot take place in the context of the Plenipotentiary Conference. It should not, however, set additional priorities or extend those defined through the Strategic Plan adopted in the Plenipotentiary.

PwC has recommended that the next WTDC be used as an opportunity for a paradigm shift in the current approach to strategic planning. A key objective should be to simplify the results framework and to reduce the number of priorities to the core results that ITU can deliver within its current level of resources.

The Secretariat agrees that a review of the Strategic and Planning Framework would result in better alignment with the RBM approach already being implemented by BDT, and would make for more effective, focussed and achievable targets for the ROs. The Secretariat notes the discussions underway by membership in the Working Groups established by TDAG (TDAG-WG-Prep, TDAG-WG-RDTP and TDAG-WG-SOP) which could help in achieving these reforms.

The Secretariat notes, however, that these matters would require significant revision of Council working methods related to the ITU Strategic and Operational Plans and suggests that this matter could be a focus for the CWG-FHR.

1. **Internal Coordination**

The internal coordination mechanisms stream focusses on the implementation of outstanding recommendations from the Internal Auditor, External Auditor and IMAC, the performance of institutional systems, enabling processes and the ability to reach out to the membership and potential partners. This stream focusses on controls and efficiency.

The recommendations made in respect of Internal Coordination are all either, already being addressed by ITU, or are agreed by the ITU management and are within its decision-making purview. As such, ITU management intends to develop an implementation plan for these recommendations which will be presented to and should be overseen by Council in accordance with the approach to implementation presented in relation to category 4, below.

1. **Roll-Out of Future Operating Model**

The roll-out of the future regional operating model refers to the incremental, two-step approach to structural change presented above to improve delivery and value for money. It also includes an effort to promote diversity in the workforce and to maintain technical excellence at the regional level. This stream focusses on efficiency and effectiveness. The Secretariat agrees with most of the recommendations set out in section 3, in particular most of subsection 3.1, and subsection s3.3 and 3.4, contain recommendations which are either already being implemented based on BDT’s implementation of RBM methodologies, enhancements of resource mobilization efforts, or responses to previous IMAC, Internal and External Audit, and Council recommendations. These parts of the recommendations can be or are indeed already being addressed by ITU management.

The Secretariat proposes, however, that subsection 3.1.3, and all of section 3.2 should be carefully reviewed by Council, through CWG-FHR.

**PwC Recommendation 3.1.3: Reallocate current RO/AO Capacity; and**

**PwC Recommendation 3.2: Set-up the Enhanced Delivery Model**

Recommendation 3.1.3 proposes the consolidation (including some closures) of ITU’s existing regional and area offices, and movement and reclassification of several ITU staff. Further, the Enhanced Delivery model proposed by PwC in section 3.2 of its recommendations (see Section 6 of the PwC report) comprises a wide-ranging restructuring of ITU’s regional presence including the recategorization of offices and change of the management levels. Based on the wide-ranging impact, the Secretariat is of the view that overall, this plan would require a decision of the plenipotentiary, and that the specific details would benefit from detailed review and consideration by CWG-FHR.

The PwC model proposed would overhaul the regional presence from its current format of each region being served by a RO, headed by a D1 level colleague, with satellite Area Offices (AO) (in most regions) serving the diverse geographic, and cultural sub-regions, each headed by a P5 level colleague (5 ROs and 9 AOs). PwC proposes a structure composed only of Area Offices, each headed by a P5 level colleague, all reporting directly to a Regional Desk situated in ITU Headquarters Geneva under the Deputy to the Director.

PwC has therefore proposed the following actions:

* Restructuring of the regional presence from the current 5 Regional Offices and 9 Area Offices, to an AO Only model comprising a total of 10 Area Offices, plus a HQ based Regional Desk, as follows:



* Facilitate the transition of D-Staff at regional level: This would involve the conversion, over time, of D-level Regional Director positions to P5 Area Office Coordinators which PwC considers would simplify the management structure, and re- calibrate the function of each Head of the Area Office to a delivery role. PwC proposed that the transition could be organised over the course of two years, enabling the identification and facilitation of transitional arrangements for impacted staff and their families.
* Consolidate global coordination through Regional Desk:
	+ PwC proposes the creation of a global, HQ-based Regional Desk, which will assist the Head of the Area Offices in getting access to and support from HQ resources; and assist the Deputy Director of BDT in the coordination of the regional presence.
	+ The proposed Regional Desk would ensure the integrated and well-managed execution of regional activities as well as their strategic alignment with the objectives of the Union. The team is proposed to include 3 P5, 2 P3 and one G staff.
	+ This would be achieved by the relocation of 3 P5 positions from AOs to HQ to address the duplication of P5 positions in AOs, ensuring that only one P5 remains in each AO (the Area Office Coordinator), consolidation of one P3 from the field to HQ to build critical mass in the centralised unit, and recruitment of one new P3 and one G5 staff in Geneva.

The Secretariat considers that this proposal is very wide ranging and has identified various concerns with its implementation, some of which are set out below.

In relation to the closure/consolidation of ITU Offices and reduction of the overall number of offices:

* The proposed closure or consolidation of existing offices may adversely impact ITU’s regional presence in some sub-regions, and may not have carefully considered the cultural and socioeconomic reasons for the existence of those offices. While the report seeks to strengthen the regional presence, this recommendation could have the effect of weakening ITU’s presence in particular regions or sub-regions.
* The proposal impacts existing member agreements with ITU, and based on its overall impact on ITU’s footprint globally may require decisions by ITU membership at Plenipotentiary level prior to implementation.

In relation to the proposed removal of the RO level and resulting downgrade of RDs to P5 level:

* The approach would compromise many of the high-level representative functions currently carried out by the RDs, including meetings with Ministers, other UN Agencies, Embassies etc, potentially creating representation bottleneck at HQ.
* In comparison with other UN Agencies, the downgrade of RDs to P5 Area Office Coordinators would diminish greatly the strategic position and visibility of the ITU within the UN system, in view of the facts that many UNRCs are at D1 level, while DCO regional directors are at D2 level. Participation in many UN coordination functions, including the performance appraisals of UNRCs requires D1 level representatives.
* Some Regional Telecommunications Organisation (RTO) heads are at D2 level, and a P5 representative may be limited in ability to negotiate and strategically position ITU's work in the discussion with RTOs.
* Due to time differences, regional RTO and UN coordination meetings often take place outside CET working hours and it is not practical for the Regional Desk (or Deputy to the Director) to cover all these meetings from ITU HQ.
* The recently published CEB report (CEB/2020/HLCM/13) on the future of UN workforce emphasized the need for increasing field presence and accountability, as "This strong field capacity is one of the UN system's greatest strengths and added value in the international system and they are functions that cannot easily be performed remotely."
* It would be impractical to manage an increasing number of staff and UN coordination work centrally outside the respective time zones. The recommendation appears to contradict other recommendations of the PwC report related to strengthening the regional presence.
* The recommendation would undermine many of the efforts regarding strengthening internal controls and accountability in the regional presence, removing onsite oversight and management.

In relation to the creation of a Regional Desk, concerns were noted that the creation of a Regional desk might, due to a single entry point between AOs and HW, create bottleneck in coordination, particularly considering the different time zones the ROs operate in. It is noted that although PwC notes the removal of a layer in their report, it would in fact simply remove a layer since the Regional Desk would create a centralised team to replace the RDs. Finally, questions were raised about the size of the office.

Due to the reasons given in response to this recommendation, and considering the need to enhance regional presence, ITU Secretariat is not aligned with the proposed change to an Area Only model, with consequent changes to leadership levels. The Secretariat considers that this matter should be carefully considered by Council. The Secretariat considers that some of the other changes recommended (such as the improved coordination through implementation of dedicated coordination staff at HQ) may improve efficiency, monitoring, evaluation and reporting, and would be appropriate for management consideration.

Finally, on the issue of consolidation of offices, the Secretariat considers that this should be carefully considered by membership, having regard to the efficiency and other metrics set out in PwC’s analysis.

1. **Change Management**

The change management stream covers efforts to secure political alignment among the membership on the way forward and introduce the appropriate governance and project management mechanisms. This stream focusses on the management of the transition and aims at sustaining the change.

**PwC Recommendation 4.2.1: Steer and Manage the Transition**

In this section PWC has proposed a framework for oversight and management of the change process, and the Secretariat considers that a key modification of the process should be the involvement of ITU Council.

The Secretariat believes that oversight of the process at membership level should be through a the Elected Officials, with upward reporting to Council.

The Secretariat agrees with the internal process proposed by PwC. A dedicated Task Force will be appointed to guide the process. The Task Force should meet on a quarterly basis and engage otherwise as required. The Task Force would devise an action plan on the basis of the roadmap described in the PwC report and membership decisions thereon, and will drive and monitor its implementation. The Task Force would report to the Elected Officials, who would provide overall leadership for the transition, on a regular basis, and ultimately to Council.

The Task Force will appoint a dedicated Project Manager who will be responsible for:

* Monitoring the implementation of the action plan;
* Defining annual work plans and targets;
* Communicating with internal and external stakeholders; and,
* managing the financial resources dedicated to the transition.

# ANNEX 1

This Annex summarises the key findings of the PwC Report, and includes Secretariat comments.

It should be noted that these are PwC’s independent findings. Based on its initial review the Secretariat considers that the approach and findings were arrived at using sound methods and analysis. It is however recommended that the document should be carefully reviewed internally and by membership as there are many areas where the findings may be impacted by the significant changes that have been implemented within the BDT and ITU since PwC began its work, or where greater relevance might be given to ITU member concerns.

*PwC’s Key Findings on the Current State of ITU’s regional presence*

The following are key points from PwC’s findings regarding the current state of ITU’s regional presence:

* **Mandate:** PwC notes that the COVID-19 pandemic is further confirming the importance of technology and social media to keep people safe, productive and connected while being physically apart, and the need to support developing countries to access reliable, affordable and modern infrastructures. On this basis, PwC notes that overall, there is demand for the type of services that ITU provides at global and regional level.
* **Coherence:** In terms of coherence, PwC considers that ITU's existing planning instruments are not sufficiently integrated to ensure regional delivery is strategically aligned and focussed. PwC notes, among other points, that:
	+ the timeframes of the WTDC Action Plan (2018–2021) and ITU Strategic Plan (2020–23) are not in line with each other;
	+ the ITU Strategic Plan does not make reference to the role of the regional presence; and,
	+ the global targets in the ITU Strategic Plan are not explicitly broken down nor do they relate to performance indicators in the Operational Plan and Regional Initiatives.
* **Relevance:** PwC found that Members and external stakeholders value the neutrality, technical credibility and proximity of the regional presence, which they consider a trusted partner. However, PwC’s analysis found that the breadth of activities taking place at field level does not result in a sufficient functional and thematic focus.
* **Control:** PwC notes that fraud has occurred as a result of internal control deficiencies. PwC lauded the efforts underway to strengthen the risk framework, improve key processes and define clearer accountabilities, but noted the need for further strengthening in this area, specifically to ensure that all remediation measures and recommendations identified by internal and external audit and the IMAC are fully implemented. PwC noted that recently an improved 'tone at the top' has been observed in these areas.
* **Efficiency**: PwC found that the model of Regional Offices and Area Offices is valuable in that it allows ITU to balance a global footprint with a level of proximity to relevant economic and cultural areas. However, as implemented, PwC’s opinion is that it results in a top-heavy, hierarchical, siloed and costly structure.
* **Effectiveness****:** PwC found that until now performance indicators have essentially been based on the completion of activities, rather than the achievement of outcomes. PwC remarked on the lack of a dashboard allowing real-time monitoring of activities and projects across budgets, thematic clusters or regions. In relation to this area PwC acknowledged that in an effort to develop a more consistent set of targeted results, in early 2019 BDT management introduced coordination mechanisms based on thematic clusters and, from September 2019, an RBM model. In addition, it rolled out project management training for staff based on a revised project manual. PwC acknowledged that the direction taken is sound, although given the recentness of these changes, there were not in a position to assess whether they result in improved performance orientation and the delivery of results at field level.
* **Impact:** In relation to whether ITU is making a difference ITU through its regional presence, in its consultation with ITU Member States PwC noted that the Members consulted recognise that a key strength of the ITU is the convening role it plays at the regional level and they acknowledge the ITU's ability to 'work from the bottom up' on key telecom/ICT priorities. PwC noted that ITU’s Regional Presence is perceived as important to all different income groups of countries, albeit for different purposes. However, PwC’s analysis found that with less than 10% of ITU's overall corporate resources to represent the 'whole of ITU' at field level, a total capacity of 56 field staff and an average annual expenditure for OP actions below USD 15,000, the ability of field offices to contribute meaningfully to bridging the digital divide is constrained. PwC noted that until now, the impact of OP Actions has not been monitored, post-project impact assessments have remained dependent on the availability of funding and a dedicated evaluation function does not exist, but acknowledged that the recent recruitment of an Evaluation Specialist and the integration of project and OP portfolios with the development of common monitoring tools are critical steps taken by BDT to ensure that field offices can drive impact.
* **Sustainability**: While demand from Members is strong and donors are raising their investments in digital transformation, PwC considered that the funding model for field offices and its evolution raised fundamental questions regarding the sustainability of current 'ways of working'. Financial data aggregated at the level of the Sector (covering expenditures incurred by BDT as a whole) indicate that between the 2000–2001 and the 2018–2019 biennium, the level of project expenditure decreased by 88% and the volume of OP expenditure by 47%. At field level, between 2015 and 2019, project expenditures decreased by 28% and activities and programmes by 7%. ITU has demonstrated an ability to establish partnerships with organisations in other sectors, notably at global level. However, PwC remarked that external funding has been highly volatile, relying on a limited pool of donors, with limited ability so far to engage in joint programming with other UN Agencies. In this context, PwC acknowledged that the development of a resource mobilisation strategy, initiated early in 2020, is a strategic initiative and could prove pivotal to future-proofing the financing of field offices.

**Secretariat Comments**

The findings in the PwC report present a reasonable, robust and well supported overview of the state of ITU’s regional presence at the time that PwC’s information gathering work was undertaken. It should be noted, however, that this was in late 2019, so, as is acknowledged at various points in PwC’s report, significant corrective measures for many of the matters outlined in the report had already been initiated though PwC was not able to assess the effectiveness of many of those changes. It is possible that many of the recommendations made by PwC would have been different had the impact of those changes been realized. The changes made within ITU since the report have continued and many have already borne results. Accordingly, it is necessary to consider the findings in this context to ensure that they remain valid.

*PwC’s Proposed Guiding Principles for ITU’s Regional Presence*

Based on its findings, PwC formulated six guiding principles to frame and steer its proposals for a coherent future regional presence.

* **Clarity of purpose**:i.e. the alignment of the regional mandate and responsibilities with the vision and mission defined in the ITU and BDT strategic agenda, providing a limited set of specific, measurable, attainable, relevant and timely objectives for the regional presence.
* **Drive for impact**: efficient and effective use of resources to ensure the delivery of tangible results and address the challenges targeted by the organisation in developing countries.
* **Accountability**: balance empowerment with control, ensuring a level of autonomy for the Heads of ITU offices at regional and area levels to assess and react to opportunities, based on a comprehensive and regular assessment of their added value in the local environment.
* **'One ITU'**: ability of the regional presence to reflect the ITU as a whole and take a leading role in the preparation and coordination of activities in an area.
* **'Part and parcel' of the UN family**: proactive alignment and coordination with like-minded UN Agencies to promote collaboration and deliver meaningful change in selected countries.
* **Managed transition**: proactive approach to minimise the impact of the envisaged solution on staff and to ensure business continuity.

**Secretariat Comments**

PWC’s recommended guiding principles for a coherent future regional presence broadly encapsulate member expectations for ITU’s work in the regions while promoting a framework which ensures effective and accountable use of resources.

* Regions are not homogenous, and within regions, member states also have significant differences in social, cultural, economic and developmental needs. Therefore application of the principles may, in different regions, require different approaches in order to ensure that the approach indeed reflects an effective drive for impact. While recognising the need to be consistent and to seek economies of scale and scope, ITU’s approach to regional presence should be tailored to the cultural and developmental needs of its member states where possible.
* “One ITU” is critical for overall success, particularly in regional offices, which represent the whole of ITU despite being managed within the BDT and most frequently engaged in BDT outputs. Regional leadership must therefore be adaptable to the different needs of the Bureaux, and to do so must recognise and understand the different mandates and expectations of the Bureaux and GS.
* One ITU should be expanded to reflect the role of bringing the ITU closer to the membership and their populations in the guiding principles.

*Proposed Strategic Positioning of ITU’s Regional Presence*

Based on these guiding principles, PwC considered that ITU should organise its regional presence towards:

* **Bringing the technical expertise of ITU as a whole closer to its membership**, thus helping to enhance the relevance and effectiveness of the activities of the three Sectors through joint planning and collaboration.
* **Supporting the preparation and participation of representatives from different regions** in the regional and global ICT forums to ensure 1) a diversity of views and 2) the *effective* contribution of all Members to advance the ITU agenda.
* **Facilitating and organising transfers of technical knowledge** across countries and regions, beyond geopolitical and cultural barriers.
* **Actively fostering cross-country and cross-regional collaboration and dialogue,** engaging with key stakeholders such as Regional Telecom Organisations and the regional offices or hubs of other UN Agencies on the basis of common assessments, joint strategic planning and coordinated support for the countries in the region.
* **Designing and delivering technical assistance** for developing countries in close collaboration with other UN Agencies and other relevant partners. This assistance should be in line with the mission of the Union, which is to “promote, facilitate and foster affordable and universal access to telecommunication/information and communication technology networks, services and applications and their use for social, economic and environmentally sustainable growth and development”.
* **Leveraging additional resources and mobilising the membership** in line with the strategic goals and global targets listed in the Strategic Plan.

**Secretariat Comments**

ITU agrees with the PWC’s proposed strategic positioning of ITU’s Regional Presence. Our Regional Offices (ROs) have and continue to play a catalytic role that facilitates the achievement of these strategic objectives and ensures a strong connection between ITU HQ (Geneva) and ITU membership (including member states, sector members, academia) on various activities of ITU's international cooperation and coordination. Additionally, they support initiatives with ITU partners, such as Regional Telecom Organizations (RTOs), other UN agencies, bilateral donor agencies, and other relevant partners and is essential for the fulfilment of the purposes of the Union as stated in Article 1 of ITU Constitution.

There has been a permanent focus from all ITU Sectors on bringing the ITU expertise closer to its membership and facilitating and organizing transfers of technical knowledge. The following are a few examples of current activities in this regard:

* TSB meets with each RO monthly to discuss plans and priorities. TSB Shares ITU-T SG Reports including the list of participants per region/country.
* BR coordinates with ROs in the organization of Regional Radiocommunication Seminars (RRS) and other capacity-building seminars and workshops at the subregional level.
* BR staff participate in all of RTO meetings to support their preparations for ITU-R conferences, assemblies and meetings. This has been an effective model over many years.
* SPM work with ROs to coordinate regional views on preparations for Council sessions and Plenipotentiary Conferences.
* BDT has embarked as part of its RBM change program on a holistic and integrated planning and programming approach, through which the regional and HQ-based thematic priority units plan concurrently for results.

With respect to bringing ITU’s expertise closer to its Membership, the current practice is already achieving this as there is close collaboration between the Regional Offices and the three Bureaus that is enhanced and reinforced through an Inter-Sectoral coordination mechanism. This is also reflected by a composite document to Council on the Operational Plans of the three Sectors and the General Secretariat. Further, multi-national, and pan-regional dialogues are in place as workshops, and other events are open for the participation of all, more so in the era of this COVID-19 pandemic where webinars are virtual with no cost hindrance to participation. ITU, like other UN Agencies, is part of the UN Coordination mechanisms and works closely with UN Country teams to ensure coherence across the UN system.

ITU continues to embark on resource mobilization efforts to augment available resources for the benefit of the Membership and implements projects that help to promote and achieve the 5 ITU Goals and global targets in the strategic plan. Recently, the Telecommunication Development Bureau developed a Resource Mobilization Strategy and training on the implementation of that strategy will commence in the 4th quarter of 2020.

*PwC’s Proposed criteria guiding the opening or phasing out of field offices*

PwC recommended clear criteria for ITU decisions around the localisation of field offices. PwC recommends that field offices should be defined considering their ability to deliver on the above positioning. PwC recommended that future decisions regarding the opening or phasing out of a particular field office should be carefully considered taking into account resource limitations and a limited set of explicit criteria. PwC proposed the five criteria outlined below as a basis for the Council's consideration:

* **Feasibility**: sufficient resources have to be secured to establish the office and support a minimum critical mass of technical skills (e.g. at least 4 P staff) for an extended period of time (e.g. 10 years). The location should be assessed by UNDSS as having a low security level.
* **Exclusivity**:the suggested location does not duplicate any existing presence at sub-regional level in an area that represents a community of culture, history and language, if not already defined as a region by the UN Statistics Division.
* **Relevance**: the new location improves ITU's ability to generate impact where its support is most needed, Besides this, the office should continuously provide value for money to ITU Members, i.e. financial delivery should be considered in light of the broader contribution of the office to the realisation of the strategic goals of the organisation.
* **Proximity**: the location should facilitate access to regional or sub-regional hubs of other UN Agencies and/or a Regional Telecom Organisation.
* **Accessibility**: the suggested location provides access to an airline hub with extensive international connections (facilitating external access) and direct connections with the other countries in the sub-region.

The relevance of an existing office in a particular location should be reassessed when the above criteria are no longer met.

**Secretariat Comments**

* While the criteria set out are a valid means for cost-benefit assessment of whether ITU should open a new office in a particular country, it should be noted that there is an overall purpose of bring ITU closer to a particular region, and it is therefore necessary for ITU membership to carefull consider all factors. In any event, the Secretariat notes that these decisions are made by membership and it is suggested that the role of the secretariat should be to prepare information on the above criteria, and any other relevant information (e.g. culture, language, accessibility to the region etc) for consideration by membership at the appropriate time.
* The secretariat notes that the closure of an existing office may be more complicated and may have international and regional implications which go beyond the considerations set out.

*Integrated planning and performance management*

PwC made recommendations for how ITU’s regional presence should be defined and monitored in order to achieve impact and be effective, how ITU allocates resources and organises for delivery at regional level in order to ensure it delivers in the most efficient and controlled manner.

PwC recommended two sets of objectives at the regional level:

* Firstly, a set of functional objectives, common to all offices, to measure the extent to which offices are delivering on the intended positioning of ITU's regional presence.
* Secondly, programmatic results, which need to be designed and validated with the membership through ITU's regular planning and budgeting process, should be defined over the period of the Strategic Plan for each office. They should reflect the specific needs, opportunities and challenges faced by the region, using the RBM approach currently being rolled out.

PwC acknowledged that in the short term the introduction of the RBM approach should lead to an overhaul of the Operational Plan (i.e. by 2021). Over a longer timeframe, i.e. by the time of the adoption of the next Strategic Plan, an integrated programmatic framework should be considered so that all activities at the regional level are then organised within a common results framework. PwC recommended a better structure with regard to the WTDC Action Plan and the Strategic Plan.

PwC recommended, in order to monitor progress against targeted results and overall office efficiency, a ‘compact’ between each field office and the Office of the Deputy Director of BDT, based on a limited set of KPIs that can be monitored effectively without generating unnecessary overhead for the office.

**Secretariat Comments**

* Commonality of functional objectives needs to reflect and respect the differences between regions. Should the same metrics be applied to all offices when they represent ITU’s work in widely different areas with widely different countries. Metrics should be adapted to cultural, social and economic differences between the regions the offices serve.
* Programmatic results represent only part of the regional work, and therefore KPIs and RBM based assessment needs also to consider representation role, and work related to BR and TSB. Each regional office needs to understand and respond to the needs of the member states in the region.
* Ongoing actions within BDT include:
	+ RBM changes currently finalising KPIs for all thematic priorities. Partial implementation of impact driven KPIs in OP2021, to be expanded to full implementation in 2022.
	+ Strengthening of the project management and execution functions has been implemented with implementation of the new Project Management Manual, widespread training of colleagues with project management responsibilities [XX BDT staff trained and certified in project management to date], and improved reporting, monitoring and evaluation.
	+ Implementation of the reporting, planning, monitoring and evaluation function/team ongoing with full implementation to be completed through 2021.
	+ Member efforts through TDAG working groups (particularly RDTP and SOP) are working to improve the WTDC outputs as recommended. WTDC 21 outputs should represent a more well integrated strategic and operational planning framework, properly coordinated with BDT work methods and RBM.

*PwC’s Recommended Enabling processes*

PwC noted and acknowledged that a wide range of process-related reforms were initiated by BDT in 2019, and recommended that these should be pursued and complemented:

* ITU Representatives on the ground need to be empowered to make more decisions based on their unique appreciation of local context.
* Improving risk management and internal controls at regional level can only be achieved as part of an ITU-wide initiative.
* The performance of field offices depends on the effective, timely and efficient realisation of key administrative processes that are mostly managed by HQ.
* Talent management is a critical enabler of the organisation's ability to adapt as regional priorities evolve. A diverse, agile workforce is a key asset in this context. As 25% of the workforce in the field is expected to retire in the next 10 years, PwC recommended paying particular attention to the transfer of expertise through a regular review of staff profiles and internal training plans led by cluster leads. PwC highlighted the importance of workforce diversity in terms of gender balance (particularly at the P level) and the distribution of nationalities across the organisation. PwC recommended that internal mobility should be enhanced through the scaling up of short-term assignments and the adoption of a policy enabling the rotation of positions between HQ and the field.
* PwC noted that the level of communication and outreach to the membership will condition perceptions of its added value and the ability of the membership to engage and support solutions promoted locally. While this goes beyond the scope of this study, the lack of a consistent governance mechanism for communication across the organisation clearly hampers the capacity of field offices to increase their visibility. Heads of field offices should be empowered to lead communication initiatives and knowledge exchanges in their area. These efforts should be supported by the development of common systems and tools. Communication products should focus on technical excellence and aim at facilitating the exchange of best practices, knowledge assets and accelerators among the ITU membership.
* PwC acknowledged work toward the development of a new resource mobilisation strategy which should capture the strengths, opportunities and threats identified in the field. It should result in the identification of targets in terms of resources to be mobilised in the field, regional action plans to support resource mobilisation and coordination mechanisms ensuring a common approach towards potential donors. The use of the CRM system should be extended to field staff and resource mobilisation training should be organised for field staff. This should lead to the development of programme documents that can be declined per thematic area in order to approach key donors. Regional Development Forums should be repositioned to promote partners’ engagement, coalition building across different types of stakeholders and cross-regional learning.

**Secretariat Comments**

Process reviews have been initiated to ensure improved efficiency and consistency in operational activities. The review is ongoing with consideration of prioritization of the procurement and financial management to enable smoother functioning of the regional offices in the future. Information sessions were held with staff from regional and area offices on the updated procurement procedures as well as the revised cash management procedures.BDT is undertaking a bureau-wide effort (IT4BDT) to align the current IT solutions to the underpinning processes. This involves the redesign of the IT solutions related to critical administrative processes, which include operational planning, travel management and expert recruitment. Business blueprints are expected for delivery in December 2020 with full deployment in 2021. It is envisaged that these systems and tools deployed will be scaled, coupled with the establishment of a robust knowledge management framework. Some of the expected outcomes of this improvement include translation of the reports and analysis in six official languages of the UN and the availability of summary reports to ITU membership.

The risk management governance and structure are being reviewed as part of the implementation of the Risk Management Action Plan and ITU-wide Risk Management workshops are underway, while an ITU-wide Risk Register and Dashboard are on track to be fully operational by the end of the year. Additionally, BDT has assigned a Risk Management focal point, developed a Risk Register and Dashboard, and has a live Risk Register where managers at HQ and regional level routinely update and assess risks as part of their quarterly management review process.

ITU welcomes the recommendations to strengthen resource mobilization in the field, streamlining outreach to donors, and deploying training for staff.

*Communication and outreach to the membership*

The comparative advantage of regional offices is their expertise of the regional context, the official language/s spoken and the local contacts. Hence, communication outreach and accountability should rest with the regional offices unless the communication outreach is of global relevance. Headquarters is to provide access to the various existing [digital and physical fora for editorial coordination](https://intranet.itu.int/gs/spmd/Communications/Pages/default.aspx) and the best practice guidelines, SOPs, checklists and templates for various communication channels and products which are available on the corporate [Communication Hub](https://intranet.itu.int/gs/spmd/Communications/Pages/default.aspx). An editorial calendar is available [here](https://intranet.itu.int/gs/spmd/Communications/Lists/Editorial%20Calendar/calendar.aspx). Headquarters has started to build regional [communication capacity](https://intranet.itu.int/gs/spmd/Communications/Pages/learning.aspx) in line with this corporate governance. The new OneITU website prototype focuses on expertise, impact and engagement with various members and stakeholders, some of them had been interviewed on their perception of ITU in Q1/2020, and includes a section on ITU’s regional presence.

*PwC’s Proposals for ITU’s future regional presence delivery model*

PwC recommends that it is essential for ITU to build critical mass at the regional level to enhance the relevance, efficiency and effectiveness of its regional presence in order to have a realistic chance of delivering on the proposed positioning. PwC’s report proposes a future regional delivery model based on the existing level of resources available at BDT and regional level, that would be scalable to grow if additional funding is secured through additional resource mobilisation from the membership and projects.

PwC assessed a shortlist of four (4) options for the future delivery model at regional level, from the most centralised to more devolved options. The models assessed represent 'greenfield' approaches, which are more disruptive compared with the incremental approach suggested above.

The table below outlines each of the four options. Further details are set out in Section 6 of the Report.

Table. Summary of the four delivery model options shortlisted for detailed analysis

| Option name | Characteristics | Key rationale and assumptions |
| --- | --- | --- |
| Regional Offices and Area Offices | This option maintains three levels (HQ, ROs and AOs) but seeks to achieve critical mass through a significant reorganisation of the current footprint. | * ITU's relevance can best be achieved by an organisational structure including both ROs and AOs.
* Impact and relevance are best achieved by improving the footprint, balancing the need for proximity to Members with the need for efficiency and effectiveness.
 |
| Area Offices only | This option maintains only two levels (HQ and AOs). It converts ROs into AOs and involves the creation of a Regional Desk at HQ to improve the cross-geographical coordination of priorities. | * Decision making, collaboration and control can be improved by reducing the managerial layers.
* AOs are best placed to enable ITU to maintain its relevance in a local context.
* Cross-geographical coordination of activities is best achieved through a central office.
 |
| Regional Hubs only | This option maintains only two levels (HQ and ROs). It consolidates the AOs into six ROs and involves the optimisation of RO locations. | * Decision making, collaboration and control can be improved by reducing the managerial layers.
* ROs are best placed to balance the need for proximity to Members and context with the need to gain critical mass in offices.
 |
| Global Thematic Hubs | This option replaces the regional structure by a thematic one. It involves the creation of three Thematic Hubs in charge of delivering specific expertise at a global level, and a centralised Regional Desk in charge of coordinating and responding to Members' needs and requests. | * The provision of specific technical expertise requires a much higher degree of specialisation and pooling of expertise to gain critical mass.
* Coordination and representation roles can be done from any location.
 |

PwC has recommended that ITU considers the deployment of the 'Area Office only' model. In PwC’s opinion this option would result in a leaner organisational structure with a stronger focus on delivery, improved central oversight of field activities and fewer hierarchical layers, whilst the proximity and a footprint of 10 offices (reduced from the current 14) would improve the agility and flexibility to meet Members' needs.

PwC modelled the potential structure resulting from the application of the guiding principles, their organisational implications and the key features of an 'Area Office only' model. PwC’s findings are that such a structure could be sustained at the existing resourcing levels after an initial one-off investment, which PwC details in the report, provided that the required organisational changes identified are applied.

**Secretariat Comments**

The Secretariat considers that this proposal is very wide ranging and has identified various concerns with its implementation, some of which are set out below.

In relation to the closure/consolidation of ITU Offices and reduction of the overall number of offices:

* The proposed closure or consolidation of existing offices may adversely impact ITU’s regional presence in some sub-regions, and may not have carefully considered the cultural and socioeconomic reasons for the existence of those offices. While the report seeks to strengthen the regional presence, this recommendation could have the effect of weakening ITU’s presence in particular regions or sub-regions.
* The proposal impacts existing member agreements with ITU, and based on its overall impact on ITU’s footprint globally may require decisions by ITU membership at Plenipotentiary level prior to implementation.

In relation to the proposed removal of the RO level and resulting downgrade of RDs to P5 level:

* The approach would compromise many of the high-level representative functions currently carried out by the RDs, including meetings with Ministers, other UN Agencies, Embassies etc, potentially creating representation bottleneck at HQ.
* In comparison with other UN Agencies, the downgrade of RDs to P5 Area Office Coordinators would diminish greatly the strategic position and visibility of the ITU within the UN system, in view of the facts that many UNRCs are at D1 level, while DCO regional directors are at D2 level. Participation in many UN coordination functions, including the performance appraisals of UNRCs requires D1 level representatives.
* Some Regional Telecommunications Organisation (RTO) heads are at D2 level, and a P5 representative may be limited in ability to negotiate and strategically position ITU's work in the discussion with RTOs.
* Due to time differences, regional RTO and UN coordination meetings often take place outside CET working hours and it is not practical for the Regional Desk (or Deputy to the Director) to cover all these meetings from ITU HQ.
* The recently published CEB report (CEB/2020/HLCM/13) on the future of UN workforce emphasized the need for increasing field presence and accountability, as "This strong field capacity is one of the UN system's greatest strengths and added value in the international system and they are functions that cannot easily be performed remotely."
* It would be impractical to manage an increasing number of staff and UN coordination work centrally outside the respective time zones. The recommendation appears to contradict other recommendations of the PwC report related to strengthening the regional presence.
* The recommendation would undermine many of the efforts regarding strengthening internal controls and accountability in the regional presence, removing onsite oversight and management.

In relation to the creation of a Regional Desk, concerns were noted that the creation of a Regional desk might, due to a single-entry point between AOs and HW, create bottleneck in coordination, particularly considering the different time zones the ROs operate in. It is noted that although PwC notes the removal of a layer in their report, it would in fact simply remove a layer since the Regional Desk would create a centralised team to replace the RDs. Finally, questions were raised about the size of the office.

Due to the reasons given in response to this recommendation, and considering the aim of enhancing ITU’s regional presence, the Secretariat does not recommend changing the current RO leadership level and structure. The issue of consolidation of offices should be carefully considered by membership, having regard to the efficiency and other metrics set out in PwC’s analysis.

# ANNEX 2

PwC’s recommendations

Each of the recommendations is set out in Annex 2 ([see Excel file](https://www.itu.int/md/S21-CWGFHR12-C-0009/en)), identifying whether or not, in the view of the Secretariat, the matter requires the detailed consideration by CWG-FHR, or can be addressed by ITU management.

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