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| **Council 2022 Final meeting, Bucharest, 24 September 2022** |  |
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| **Agenda item: ADM 28** | **Document C22/103-E** |
| **5 September 2022** |
| **Original: English** |
| Contribution by India (Republic of) | |
| Healthy and Balanced budget for the Union | |

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| Summary  The document C22/63 has presented the draft financial plan of the Union for 2024-2027. It gave a preliminary analysis of the variances versus the 2020-2023 financial plan and the 2020-2021 and 2022-2023 budgets. It projected a balanced budget and amounts to CHF 639.85 million. Also, the Council Resolution 1405 provided for the biennial budget of the ITU for 2022-23.  The purpose of the draft financial plan for 2024-2027 is to provide a tool for the 2022 Plenipotentiary Conference to establish the basis for the budget of the Union and determine related financial limits, until the next plenipotentiary conference, after considering all relevant aspects of the work of the Union in the period concerned (Article 8, No. 51 of the Constitution).  The thrust is to frame a healthy budget which can seamlessly fund the various activities of the Union using the generated revenues and contributions from members. The lifeline of the Union is in managing the limited budget to bring in more efficiency and productivity to the activities of the Union. In this direction, a decision was already taken to link the strategic, financial and operational planning in ITU. In this regard, there is also a need to engage deeply with the techno-financial experts in this domain of Telecom/ICT especially from the Member States.  Based on the analysis of the ITU Budget for 2022-23 and draft financial plan for 2024-27, India has provided its appreciation to ITU and also some observations and suggestions to aid towards a healthy budget.  Action required  The Council is requested to consider the observations and suggestions provided by India to enable a healthy and balanced budget for efficiently carrying out the activities of the Union.  \_\_\_\_\_\_\_\_\_\_\_\_  References  [*Council Resolution 1405 - (Biennial budget of the International Telecommunication Union for 2022-2023)*](https://www.itu.int/md/S21-CL-C-0097/en)*,* [*Decision 5 (Rev. Busan, 2014)*](http://www.itu.int/pub/S-CONF-ACTF-2014), [*Decision 5 (Rev. Dubai, 2018)*](https://www.itu.int/en/council/Documents/basic-texts/DEC-005-E.pdf)*, Provision 51, Article 8 of the Constitution* |

**Healthy and Balanced Budget for the Union**

**Introduction**

Indian administration appreciates the sustained efforts from ITU to have a balanced budget to manage the activities of ITU and implementation of various efficiency measures. The COVID-19 pandemic has posed various challenges and forced all organizations to adapt to & align their activities with the pandemic in mind.

The document C22/63 has presented the draft financial plan of the Union for 2024-2027. It gave a preliminary analysis of the variances versus the 2020-2023 financial plan and the 2020-2021 and 2022-2023 budgets. It projected a balanced (revenue = expenses) budget and amounts to CHF 639.85 million.

The purpose of the draft financial plan for 2024-2027 is to provide a tool for the 2022 plenipotentiary conference to establish the basis for the budget of the Union and determine related financial limits, until the next plenipotentiary conference, after considering all relevant aspects of the work of the Union in the period concerned (Article 8, No. 51 of the Constitution).

The primary objective of the draft financial plan is to allow Member States to know at the end of the plenipotentiary conference the framework of their financial commitments to the Union for the 2024-2027 period, based on the approved amount of the contributory unit.

ANNEX 2 TO DECISION 5 (REV. DUBAI, 2018) has suggested various measures for improving ITU's efficiency and reducing its expenses. It was intimated that Implementation of efficiency measures as well as consequences of the COVID-19 pandemic will generate unspent appropriations estimated to some CHF 3.7 million for 2022. And also resulted in savings of CHF 57.6 million for 2014-2019.

In the context of the elaboration of the Financial Plan 2024-2027, the Coordination Committee decided to organize a secretariat World Café, with representatives of the three bureaux and the General Secretariat, to collect ideas on revenue generation, reducing expenditure and balancing the draft Financial Plan. The Document C22/INF/13 summarizes the process and the outcomes of this event which has provide valuable suggestions.

The Financial Operating Report for the 2020 financial year as in the Document C22/42 showed a deficit. India considers that the deficit in the finances has to be viewed seriously and pertinent steps needs to be taken for keep the Union in a financially healthy status.

Proposal and Potential Way forward

The thrust is to frame a healthy budget which can seamlessly fund the various activities of the Union using the generated revenues and contributions from members. The lifeline of the Union is in managing the limited budget to bring in more efficiency and productivity to the activities of the Union. In this direction, a decision was already taken to link the strategic, financial and operational planning in ITU. In this regard, there is also a need to engage deeply with the techno-financial experts in this domain of Telecom/ICT especially from the Member States.

Based on the analysis of the ITU Budget for 2022-23 and draft financial plan for 2024-27, the following is observed and suggested by India:

1. As already noted, the draft financial plan to be linked to the thematic priorities and goals identified within it and also to synchronize the activities among the three Sectors to avoid duplication of work.
2. In consultation with Member States, a review of the contributory unit may be undertaken. It has remained unchanged since 2006 at CHF 318,000 per unit, which corresponds to a zero-nominal growth.
3. Efforts to increase the revenues from Cost recovery. As per the extant resolutions, there should be no reductions in expenses which would affect cost recovery revenue.
4. Increased role of regional offices by delegation of appropriate financial a well as administrative powers. This will help in further decentralization and democratization of Union’s functions.
5. In-house capacity building of ITU staff as well as delegates of Member States to reduce the dependence of experts/consultants. The delegates who are experts in a field as required by ITU may be assigned the task performed by consultants.
6. More revenue models especially in digital mode may have to be explored. The best practices adopted by other UN agencies and multilateral organizations may also be studied.
7. Explore the variety, quality and quantum of In-kind contributions from Member States. A list of required In-kind contributions from the Union may be provided to Member States to align their In-kind contributions accordingly.
8. Specific focus to manage the linkages between strategic, financial and operational planning in ITU and suggest way forward. In this regard, ITU may engage deeply with the techno-financial experts (financial expertise with technical background) in this domain of Telecom/ICT especially from the Member States.
9. On the lines of World Café conducted with representatives of the three bureaux and the General Secretariat, a similar event may be planned with members to provide actionable points on revenue generation, reducing expenditure and balancing the draft Financial Plan

India will be happy to assist and share its expertise in this field. The Council is requested to consider the observations and suggestions provided by India to enable a healthy and balanced budget for efficiently carrying out the activities of the Union.

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