

**COMMITTEE 6**

**Document DL/33 (Rev. 1)**  
**30 October 2014**  
**English only**

**Chairman of the Ad hoc Group on the draft Financial Plan for the Union  
for 2016 – 2019**

Proposed amendments to Decision 5

DECISION 5 (REV. ~~GUADALAJARA, 2010~~BUSAN, 2014)

~~Income and expenditure~~ **Revenue and Expenses for the Union**  
for the period ~~2012-2015~~2016-2019

The Plenipotentiary Conference of the International Telecommunication Union  
(~~Guadalajara, 2010~~Busan, 2014),

*considering*

the strategic plans and goals established for the Union and its Sectors for the period-  
~~2012-2015~~2016-2019, and the priorities identified therein,

*considering further*

a) Resolution 91 (Rev. Guadalajara, 2010) of this conference, on general principles for cost recovery;

b) that, in the consideration of the draft financial plan of the Union for ~~2012-2015~~2016-2019, the challenge to increase revenues in support of increasing programme demands is substantial,

*noting*

that this conference has adopted Resolution 151 (Rev. Guadalajara, 2010) on the implementation of results-based management in ITU, an important component of which relates to planning, programming, budgeting, monitoring and evaluation, and which should lead, *inter alia*, to further strengthening of the financial management system of the Union,

*noting further*

that Resolution 48 (Rev. Guadalajara, 2010) of this conference stresses the importance of the human resources of the Union for the fulfilment of its goals and objectives,

*decides*

1 that the Council is authorized to draw up the two biennial budgets of the Union in such a way that the total expenditure of the General Secretariat and the three Sectors of the Union is balanced by the anticipated ~~income~~revenue, on the basis of Annex 1 to this decision, taking into account the following:

1.1 that the amount of the contributory unit of Member States for the years ~~2012-2015~~2016-2019 shall be CHF 318 000;

1.2 that expenditure on interpretation, translation and text processing in respect of the official languages of the Union shall not exceed CHF 85 million for the years ~~2012-2015~~2016-2019;

1.3 that, when adopting the biennial budgets of the Union, the Council may decide to give the Secretary-General the possibility, in order to meet unanticipated demand, to increase the budget for products or services which are subject to cost recovery, within the limit of the ~~income~~revenue from cost recovery for that activity;

1.4 that the Council shall each year review the expenditure-revenue and income-expenses in the budget as well as the different activities and the related expenditure;

2 that, if no plenipotentiary conference is held in ~~2014~~ 2018, the Council shall establish the biennial budgets of the Union for ~~2016-2017~~ 2020-2021 and ~~2018-~~ 2019 2022-2023 and thereafter, having first obtained approval for the budgeted annual values of the contributory unit from a majority of the Member States of the Union;

3 that the Council may authorize expenditure in excess of the limits for conferences, meetings and seminars if such excess can be compensated by sums within the expenditure limits accrued from previous years or charged to the following year;

4 that the Council shall, during each budgetary period, assess the changes that have taken place and the changes likely to take place in the current and coming budgetary periods under the following items:

4.1 salary scales, pension contributions and allowances, including post adjustments, established by the United Nations common system and applicable to the staff employed by the Union;

4.2 the exchange rate between the Swiss franc and the United States dollar in so far as this affects the staff costs for those staff members on United Nations scales;

4.3 the purchasing power of the Swiss franc in respect of non-staff items of expenditure;

5 that the Council shall have the task of effecting every possible economy, in particular taking into account the options for reducing expenditure contained in Annex 2 to this decision, and considering the application of the concept of unfunded mandatory activities (UMACs)<sup>1</sup>, and, to this end, that it shall establish the lowest possible authorized level of expenditure commensurate with the needs of the Union, within the limits established by *decides* 1 above, if necessary taking into account the provisions of *decides* 7 below; a set of options for reducing expenditure is given in Annex 2 to this decision;

6 that the following minimum guidelines should be applied in relation to any expenditure reductions:

- a) the internal audit function of the Union should be maintained at a strong and effective level;
- b) there should be no expenditure reductions which would affect cost-recovery income;
- c) fixed costs such as those related to the reimbursement of loans or after-service health insurance should not be subject to expenditure reductions;

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<sup>1</sup> The concept of UMACs may be applied, where necessary, as a means of highlighting a number of activities within the overall programme of work mandated by the governing bodies of the Union, as well as those support activities which are deemed essential to implement the mandated activities, which could not be accommodated within the financial limits set by the Plenipotentiary Conference. The Secretary-General would be authorized to incur expenditure on these activities provided that savings are achieved or additional income is generated.

- d) there should be no expenditure reductions in regular maintenance costs for ITU buildings which would affect the security or the health of staff;
- e) the information services function in the Union should be maintained at an effective level;

7 that the Council, in determining the amount of withdrawals from or allocations to the Reserve Account, should aim under normal circumstances at keeping the Reserve Account at a level above six per cent of total annual expenditure,

*instructs the Secretary-General, with the assistance of the Coordination Committee*

1 to prepare the draft biennial budgets for the years ~~2012-2013~~2016-2017, as well as ~~2014-2015~~2018-2019, on the basis of the associated guidelines in *decides* above, the annexes to this decision and all relevant documents submitted to the Plenipotentiary Conference;

2 to ensure that, in each biennial budget, ~~income-revenue~~ and ~~expenditure~~expenses are balanced;

3 to draw up and implement a programme of appropriate revenue increases, cost efficiencies and reductions across all ITU operations so as to ensure a balanced budget;

4 to implement the aforementioned programme as soon as possible,

*instructs the Secretary-General*

1 to provide to the Council, no less than seven weeks before its ~~2011-2015~~ and ~~2013-2017~~ ordinary sessions, complete and accurate data as needed for the development, consideration and establishment of the biennial budget;

2 to undertake studies on the current status of and forecasts regarding financial stability and related reserve accounts of the Union under the changing circumstances after the introduction of the International Public Sector Accounting Standards (IPSAS), with a view to developing strategies for long-term financial stability, and to report annually to the Council;

~~3 to make every effort to achieve balanced biennial budgets, and to bring to the attention of the membership through the CWG-FHR, any of its decisions that may have a financial impact likely to affect the achievement of such a balance,~~

*instructs the Secretary-General and the Directors of the Bureaux*

1 to provide to the Council, on an annual basis, a report outlining expenditure relating to each item in Annex 2 to this decision, and to propose appropriate measures to be undertaken to reduce expenditure in each area,

**[ 2 To undertake every effort to achieve reductions on expenses with the target of saving a minimum of 3 % of the overall approved budget and to include the savings actually achieved in the above report to Council ]**

*instructs the Council*

1 to review and approve the biennial budgets for ~~2012-2013~~2016-2017 and ~~2014-2015~~2018-2019, giving due consideration to the associated guidelines in *decides* above,

the annexes to this decision and all documents submitted to the Plenipotentiary Conference;

2 to ensure that, in each biennial budget, ~~income-revenue~~ and ~~expenditure-expenses~~ are balanced;

3 to consider further appropriations in the event that additional sources of revenue are identified or savings achieved;

4 to examine the cost-efficiency and cost-reduction programme drawn up by the Secretary-General;

5 to take account of the impact of any cost-reduction programme on the staff of the Union, including the implementation of a voluntary separation and early retirement scheme, where this can be funded from budgetary savings or through a withdrawal from the Reserve Account;

6 in addition to *instructs the Council* 5 above, in view of an unanticipated reduction of revenue due to the drop in classes of contribution from Member States and Sector Members, to authorize a one-time withdrawal from the Reserve Account, within the limits established in *decides* 7 above, in order to minimize the impact on staffing levels in the ITU biennial budgets for ~~2012-2013~~2016-2017 and ~~2014-2015~~2018-2019; any unused funds are to be returned to the Reserve Account at the end of each budgetary period;

~~7 that the Council, in considering measures that could be adopted to strengthen the control of the finances of the Union, should take into account the financial impact of such issues as ASHI funding, and the medium to long-term maintenance and/or replacement of buildings at the premises of the Union;~~

~~8 to invite the External Auditor, the Independent Management Advisory Committee and the Council Working Group on Financial and Human Resources to develop recommendations to ensure greater financial control of the finances of the Union, taking into account, inter alia, the issues identified in instructs 7 above;~~

~~79~~ to consider the report of the Secretary-General relating to the matter referred to in *instructs the Secretary-General* 2 above, and report to the next plenipotentiary conference, as appropriate.

ANNEX 1 TO DECISION 5 (Rev. Busan, 2014)

**Financial Plan of the Union for 2016-2019: Revenue and Expenses**

ANNEX 2 TO DECISION 5 (Rev. ~~Guadalajara, 2010~~ Busan, 2014)**Measures for reducing expenditure**

- 1) Identification and elimination of ~~possible duplications (and overlap of~~ functions, activities, workshops, seminars), and centralization of finance and administrative tasks, in order to avoid inefficiencies and to gain from a specialized work force.
- 2) Coordination and harmonization of all seminars and workshops organized by the General Secretariat or the three Sectors by a centralized intersectoral task force or department in order to avoid duplication of ~~the subjects covered and topics,~~ to optimize management, logistics, coordination and secretariat attendance support and to ~~take~~ benefit from the synergy between the sectors and the holistic approach to the subjects covered.
- 3) Full involvement of regional offices in the planning and organization of seminars/workshops/meetings/conferences outside of Geneva, in order to gain from the utilization of local expertise, local contact network and to save on travel costs.
- 4) Maximum coordination with regional organizations with a view to organizing collocated events/meetings/conferences, sharing the available resources of the regional organizations expenses and minimizing the costs of participation- ~~(workshops, seminars, preparatory meetings for world conferences).~~
- 5) ~~Avoidance of hiring replacements for staff that retires, in order to progressively reduce the number of staff of ITU and to reach optimal levels of productivity, efficiency and effectiveness.~~
- 6) ~~Possible~~ Savings from attrition, the redeployment of staff and the review and possible reduction of grades of vacant posts, in particular in non-sensitive parts of the General Secretariat and the three Bureaux to reach optimal levels of productivity, efficiency and effectiveness.
- 7) ~~New or additional activities are to be implemented through~~ Prioritize staff redeployment for the implementation of new or additional activities. New hirings should be the last option while taking into account gender balance and geographical distribution
- 8) The use of consultants should only occur when the relevant skills or experience cannot be found among existing staff and after confirmation of this requirement in writing by senior management
- 9) Upgrade the capacity building policy to qualify the staff for multi-sector proficiency, including staff in regional offices, to improve staff mobility and their flexibility for redeployment to new or additional activities.
- 10) ~~The General Secretariat and the three Sectors of the Union should reduce~~ reduction in the cost of documentation of conferences and meetings by conducting completely paperless events/meetings/conferences and fostering the adoption of ICTs as viable and more sustainable substitutes for paper.

- 11) Reducing, to the absolute minimum necessary to the absolute minimum necessary, the printing and distribution of ITU promotional/non-revenue generating publications placed on different areas in front of the meeting rooms.
- a) ~~requesting at the time of registration whether paper copies are required;~~
  - b) ~~setting of a maximum number of copies by the Plenipotentiary Conference or by the Council for all Union conferences, assemblies and meetings;~~
  - c) ~~setting of a maximum of two sets per delegation;~~
  - d) ~~reducing the number of paper copies sent to administrations from the current five to a maximum of two.~~
- 12) Implementation of initiatives towards making the ITU a completely paperless organization, such as providing sector reports only online, adopting digital signatures, digital media, digital advertising and promotion, among others.
- 13) Consideration of savings in languages (translation, interpretation) for study group meetings and publications, without prejudice to the goals of Resolution 154 (Rev.- Guadalajara, 2010 Busan, 2014).
- 14) Evaluation and use of alternative translation procedures that could reduce the costs of translations while maintaining or improving their current quality and the accuracy of telecommunication/ICTs terminology.
- 15) Implementation of WSIS activities through the redeployment of staff responsible for such activities within the existing resources and, as appropriate, through cost recovery and voluntary contributions.
- 16) Review the number of study group meetings and their duration with the view to reducing of their costs and that of other relevant groups of study groups and other relevant groups.  
~~Limitation of the number of study group meetings and their duration.~~
- 17) Evaluation of regional Study Groups on whether their competencies and terms of reference are duplicated or overlap with existing Working Groups and Committees of the six regional organizations.
- 18) Limitation of the number of days of meetings for the advisory groups to three days per year maximum with interpretation.
- 19) Reduction of the number and duration of physical meetings of ~~working groups of~~ the Council Working Groups, where possible.
- 20) Reduction of number of Council Working Groups to the absolute minimum necessary by integrating them into few numbers, terminating their activities if no further development occurred on their scope of activities.



- 21) Incorporation of the first preparatory meeting for the [2015]-[2016] world radiocommunication conference within the conference period.
- 22) Regular Identification of assessment of the level of achievement of the different programmes strategic goals, objectives and outputs with a view to utilizing resources for other new activities increasing efficiency by the reallocation of budget, when necessary.
- 23) For new programmes-activities or those having additional financial resource implications, a "value-added impact statement" ~~should~~ assessment shall be made in order to justify how the proposed programmes-activities differ from current and/or similar programmes-activities in order and to avoid overlap and duplication.
- 24) Sound consideration of the size, location and resources allocated to regional initiatives, programmes-outputs and assistance to members, to the regional presence both in the regions and at headquarters, as well as those resulting from the outcome of WTDC and the Hyderabad-Dubai Action Plan, and financed directly as activities from the Sector budget.
- 25) [ Reduction of the cost of travel on duty, by prioritizing the allocation of staff from the regional and area offices, by limiting time on mission as well as through joint representation in meetings, and benefiting from reductions in air fares by developing and implementing criteria in order to reduce travel costs [by ..%] The criteria should consider and aim at minimizing business travel, increasing the minimum number of hours in order to fly business class, class, increasing toward 30-day notice, reducing the extra minimizing DSA as possible, prioritizing the allocation of staff from the regional and area offices, by limiting time on mission as well as through joint representation in meetings, rationalizing the number of staff sent to mission from various Departments/Divisions of the General Secretariat and the three Bureaux. ]
- [ establishing new travel policies such as: 30-day notice; travel in business class only according to category (P5 and above) and age (60 years) of staff and the hours of travel (above 10 hours of flying time, excluding ground time); among others. ]
- 26) [ Reduction and/or elimination of travel to meetings the proceedings of which are webcasted and captioned including remote presentation of documents and contributions to these meetings. ]
- 27) Improve and prioritize internal electronic working methods in order to reduce travel to/from regional offices to Geneva.
- 28) Taking into account No. 145 of the Convention, a full range of electronic working methods needs to be explored to possibly reduce the costs, number and duration of the Radio Regulations Board meetings in the future, e.g. reduction of the number of meetings in one calendar year from four to three.
- 29) Introduce incentive programmes, such as efficiency taxes, innovation funds and other methods in order to address innovative cross-cutting means of improving the Union's productivity.

- 30) ~~Move, to the extent practicable, from~~ Discontinue to the greater extent possible  
not permanently present communications by fax and traditional postal mail  
between the Union and Member States ~~to~~ and replace with modern electronic  
communication methods.
  - 31) Appeal to the Member States to reduce the number of issues to be considered by  
the WRCs the minimum necessary
  - 32) Any additional measures adopted by the Council.
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