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| ANNEX 2 to Resolution 71: Situational Analysis |

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ANNEX 2 to RESOLUTION 71 (Rev. dubai, 2018)

Situational Analysis

# 1. Background: Governing Bodies and Sectors

Pursuant to the Constitution and Convention of the ITU, the Union comprises: a) the Plenipotentiary Conference, which is the supreme organ of the Union; b) the ITU Council, which acts on behalf of the Plenipotentiary Conference during the four years between the Plenipotentiary Conferences; c) World conferences on international telecommunications; d) the Radiocommunication Sector (ITU-R), including world and regional radiocommunication conferences, Radiocommunication Assemblies and the Radio Regulations Board; e) the Telecommunication Standardization Sector (ITU-T), including World Telecommunication Standardization Assemblies; f) the Telecommunication Development Sector (ITU-D), including world and regional telecommunication development conferences; and g) the General Secretariat. The three Bureaux serve as the secretariat to each respective Sector (the Radiocommunication Bureau – BR for the ITU-R; the Telecommunication Standardization Bureau – TSB for ITU-T; and the Telecommunication Development Bureau – BDT for ITU-D).

# 2. Situational analysis

## 2.a. Strategic Situational Analysis

ITU as a part of the United Nations system

ITU is the United Nations specialized agency for telecommunication/ICTs. ITU allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strives to improve access to telecommunication/ICTs to underserved communities worldwide. ITU is committed to connecting all the world’s people – wherever they live and whatever their means. ITU’s work aims to protect and support everyone’s fundamental right to communicate.

Lessons learnt from the ITU 2016-2019 Strategic Plan

The Strategic Plan for the Union for 2016-2019, adopted by the ITU Member States at the Plenipotentiary Conference in 2014, became the basis for the adoption of the Connect 2020 Agenda for Global Telecommunication/ICT Development, setting out the shared vision, goals, and targets that Member States committed to achieve by 2020, in collaboration with all stakeholders across the ICT ecosystem. The 2016-2019 ITU Strategic Plan outlined the work of the Union towards implementing the 4 Strategic Goals: Growth, Inclusiveness, Sustainability, and Innovation and Partnership.

In the 2016-2019 Strategic Plan, each Strategic Goal aimed to reinforce the other: in growing ICT access, ITU Membership aimed to foster growth in the use of ICTs and create a positive impact on short- and long-term socio-economic development. By including everyone, the benefits of ICTs were to be extended to all – towards bridging the digital divide between the developed and developing worlds, but also reaching marginalized and vulnerable populations within all countries. The ability to sustain the tremendous benefits from ICTs required recognition that growth brings also challenges and risks that need to be managed. By innovating and advancing partnerships, the evolving ICT ecosystem could ensure its adaptation to the rapidly changing technological, economic and social environment.

The overall results on the implementation of the Strategic Plan and the Connect 2020 Agenda have been impressive, even though much more needs to be done. Member States are expected to achieve many of the Connect 2020 targets set on connectivity before the year 2020 –for example Target 1.2 aiming at 60% of individuals worldwide to be using the Internet, i.e. bringing an additional 1.5 billion people online from 2014 to 2020, is on track to be achieved, particularly due to the strong growth in developing countries and least developed countries (LDCs). Targets 2.2.A and 2.2.B aiming for a number of connected individuals of 50% in developing countries, and 20% in LDCs are therefore also set to be achieved before 2020. Household connectivity targets are also expected to be achieved by the year 2020: Target 1.1 aiming to achieve a rate of 55% of households connected worldwide, and under Goal 2, target for 50% and 15% connected households in developing countries (2.1.A) and in LDCs (2.1.B). However, 3.9 billion are still estimated to be offline, the digital gender gap also persists, and although the costs of internet access are falling, the goals, set by the Connect 2020 Agenda, to reduce the affordability gap between developed and developing countries may not be reached.

The 2016-2019 ITU Strategic Plan also introduced significant improvements internally for the organization, by strengthening the concept of “working as One ITU”. The common vision, mission, and strategic goals for the whole organization aimed for all the Sectors to work cohesively on the implementation of the strategic plan, and for the secretariat to support - in a coordinated fashion - the implementation of the operational plans, aiming to avoid redundancies and duplication, and maximizing synergies across the Sectors, the Bureaux, and the General Secretariat.

The plan introduced a strengthened results-based management approach for the organization, and a clearer linkage between the strategic and the financial plans, with a transparent allocation of resources to strategic goals and objectives (of the Sectors and the Inter-Sectoral Objectives). The new form of reporting on the implementation of the strategic plan, presenting the agreed key performance indicators for the outcomes of the work of the Sectors, and the support services provided by the secretariat –around 150 indicators in total, enabled membership to better evaluate the results and the progress achieved.[[1]](#footnote-1)

Developments since the ITU 2014 Plenipotentiary Conference

This section introduces some of the key developments since the adoption of the previous strategic plan at the ITU Plenipotentiary Conference in Busan, Korea in October 2014, to be considered for the elaboration of the new Strategic Plan 2020-2023.

In September 2015, all Member States of the United Nations, agreed on UNGA Resolution A/RES/70/1 “Transforming our world: the 2030 Agenda for Sustainable Development”, for all countries and all stakeholders to act in collaborative partnership and implement this plan for sustainable development. The 17 Sustainable Development Goals (SDGs) and 169 targets agreed upon demonstrate the scale and ambition of this new universal Agenda.

Member States recognize in the 2030 Agenda that “the spread of information and communications technology and global interconnectedness has great potential to accelerate human progress, to bridge the digital divide, and to develop knowledge societies”. ICTs have enormous potential to fast-forward progress on all the SDGs and improve people’s lives in fundamental ways.

Notable references include, **Goal 9** (Industry, Innovation and Infrastructure) and in particular target 9.c to “significantly increase access to ICT and strive to provide universal and affordable access to Internet in the LDCs (least-developed countries) by 2020”, introduces a clear objective that without the digital infrastructure, the world would not be able to deliver scalable solutions to the SDGs. ICTs are specifically mentioned as a means of implementation under **SDG17** (Partnership for the Goals, Target 17.8), highlighting their cross-cutting transformative potential. ICTs are also highlighted as the enabling technology to promote the empowerment of women under **SDG 5** (Gender Equality, Target 5.b), while the importance of ICT skills is also recognized under **SDG 4** (Quality Education, Target 4.b).

ITU, as part of the UN system, needs to support Member States and to contribute towards the worldwide efforts to achieve the SDGs. All Member States agreed (and expressed in UNGA Resolution A/RES/70/1) that global engagement is required in support of implementation of all the Goals and Targets, “bringing together Governments, the private sector, civil society, the United Nations system and other actors and mobilizing all available resources”.

In addition, all Member States called for close alignment between the World Summit on the Information Society (WSIS) process and the 2030 Agenda for Sustainable Development, by adopting UNGA Resolution A/RES/70/125 on the overall review of the implementation of the outcomes of the WSIS. In this Resolution, a request is made to the United Nations entities facilitating the WSIS Action Lines to review their reporting and work plans to support implementation of the 2030 Agenda. In parallel, advances in the field of science, technology and engineering, including new and emerging trends, are driving substantial transformation not only for the telecommunications/ICT ecosystem, but for different industries, and need also to be taken into account for the development of the strategic plan of the Union for 2020-2023. Such advances and trends relate to Digital Transformation and include, inter alia, Internet of Things (IoT), 5G, and IMT-2020, Artificial Intelligence (AI), Big Data, cloud computing, the so called ‘4th Industrial Revolution’, smart cities, Distributed Ledger Technologies, Software-Defined Networking and Network-Function-Virtualization, Intelligent Transport Systems (ITS), and Open Source.

The role of the digital economy and digital transformation is being widely recognized as a significant enabler and booster of sustainable development, as also highlighted by the G20 Digital Economy Ministerial Declaration: “Shaping Digitalisation for an Interconnected World”, agreed in Düsseldorf, Germany in April 2017. The common vision to seize the opportunities and tackle the evolving challenges of the digital economy, was also reaffirmed at the G7 ICT and Industry Ministers’ Declaration[[2]](#footnote-2) in Torino, Italy in September 2017, while the need for advancements and development of the digital economy was also highlighted by the Buenos Aires Declaration[[3]](#footnote-3) at the World Telecommunication Development Conference in Buenos Aires, Argentina in October 2017.

Digitalisation alters society and the economy: it means the comprehensive penetration, networking and change of almost all areas of life and work by ICTs. It stands for the ability to collect and analyze information. As never before, processing steps are now increasingly taking place in parallel– in real time. This permits enormous leaps in productivity, but also increases the speed of change. Products and services increasingly contain digital added value and are getting “smart” by incorporation into intelligent and networked systems.

Technologies, smart applications and other innovations in the digital economy can improve services and help address policy challenges in a wide range of areas[[4]](#footnote-4), including, inter alia, healthcare, agriculture, public governance, tax, transport, education, and the environment. ICTs contribute not just to innovation in products, but also to innovation in processes and organisational arrangements. While being a catalyst for growth, digital technologies may also be disruptive, with effects on employment and well-being. While new technologies create opportunities for businesses (especially SMEs), and for workers and citizens to engage in economic activity, these technologies are also likely to displace workers doing specific tasks and may further increase existing gaps in access and use, resulting in new digital divides and greater inequality.

Opportunities and threats for the Union

The impact of the digital transformation and the growth of the digital economy creates new markets and new key players that have emerged in the telecommunication/ICT ecosystem. This creates new opportunities for the ITU to engage with new members and partners, and discuss emerging challenges to digitalization, which may need to be managed through appropriate international cooperation, for example by sharing of best practices.

Member States from the developing world are increasingly engaging in the multilateral system, which encourages all types of partnerships to be built, in order to overcome the obstacles to digitalization, and enable the exchange of resources, technology, and knowledge in the global digital economy.

Information and communication technologies are transforming society as well. In an era where everyone can create, access, utilize, and share information and knowledge, this enables individuals, societies, and people to achieve their full potential in promoting their sustainable development and improving their quality of life. The impact of ICTs can be catalytic on the implementation of the SDGs, from the impact on medical and social care, to education, from enabling economic growth, to reducing inequalities, and empowering women and girls. ITU could be promoting this catalytic role.

On the other hand, the digital divides still exist, posing threats for the Union in achieving its objectives. More than half of the world’s population is still offline (an estimated 3.9 billion people based on 2017 data), while in Africa almost 3 out of 4 people are non-Internet users. The digital gender gap also persists, the proportion of men using the Internet is higher than the proportion of women using the Internet in two-thirds of all countries. In the least-developed countries, only one in seven women is using the Internet, compared with one in five men. Mobile broadband costs more than 5% of GNI per capita in most LDCs and is therefore unaffordable for the vast majority of the population.

With regard to the industry, new business models have emerged for digital service providers, and increased competition is being observed, reducing margins of telecommunication revenues. This brings into question the types of regulations required, contrasting the regulatory environment for online services with the environment for traditional telecommunication services.

Finally, the rapid growth of ICTs and the increasingly digital world, create particular challenges and increasing concerns that the Union may support, within the mandate given by the membership: the environmental impact of increasing networks and devices connected; issues such as cyber-security, online privacy, and consumer protection; the impact on jobs; on growing inequalities; but also the ethical dimensions of the use of new digital technologies.

The elements of SWOT analysis to be considered while developing the strategy, presenting the strengths and weaknesses of the ITU as well as the opportunities and threats facing the organization, are introduced in the table below.

Table . SWOT Analysis

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| **Strengths**1. The **UN specialized agency for ICTs** with 150 years of history/tradition
2. **Leading role to organize the use** of ICT resources globally, through **regulations and standards** of universal applicability
3. Unique **membership composition** – governments, private sector and academia participate in the activities of the organization
4. Dual role of a **normative organization combined** with experience in implementing **developmental initiatives**
5. **Prominent position to foster the enabling role of ICTs** to accelerate implementation of the **SDGs**
6. A **global**, **neutral**, **inclusive platform – strong brand** with **good reputation**
7. **Partnerships** with **key stakeholders** and **established collaborations**
8. Federal structure – **provides more focus on specific fields**
9. **Legitimacy and capacity to organize** major international conferences and events
10. Knowledge and skills of ITU membership and staff in **technical** (e.g. radiocommunications, standardization)**, policy and regulatory matters, statistics, and development** (‘crowdsourcing’ of skills)
 | **Weaknesses**1. Length of the **governing bodies decision making process**
2. Federal **structure requires** **coordination** and **clarification** of the roles of each sector to avoid duplication/conflicts
3. **Elements of organizational culture** are **conservative** and **risk averse**
4. Difficulty to decide on diversifying **sources of income**
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| **Opportunities**1. Creation of **new markets** and entrance of **new key players creates new membership opportunities**
2. Member States from **developing world increasingly engage in the multilateral system**
3. Increased **relevance of ICT in society, data** seen as the **new oil**
4. **Catalytic impact of ICTs on the implementation of SDGs** (impact on medical and social care, education, social identity, etc.)
5. **Digital transformation** of the industry and public services
6. New emerging technologies, systems and players benefit from an enabling policy and regulatory environment that fosters innovation
7. New **environmentally-friendly technologies/markets** leading to new opportunities for partnerships
8. Support from some **media and advocacy organizations**
 | **Threats**1. **Increasing divisions** (e.g. digital, gender, geographical)
2. Difficulty of the **global economy** to regain a trajectory of strong, balanced and sustained growth
3. **Social impact of ICTs** (online privacy, consumer protection, security, impact on jobs, growing inequalities, ethics)
4. The sustainability of the growth of the ICTs
5. The **impact on environment** of increasing networks, data, devices connected
6. **Pressure** from different stakeholders to **implement unproven approaches**
7. **[ Duplication of work with / Competition from** other organizations/associations ]
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## 2.b. General Review of the Targets of the 2016-2019 Strategic Plan

The Strategic Plan 2016-2019 sets out four Goals: Growth, Inclusiveness, Sustainability, and Innovation and Partnership, with underneath each goal several strategic targets (comprising the Connect 2020 Agenda targets).

Target 1.1 aims to achieve a rate of 55% of households connected worldwide, under Goal 2 there are corresponding targets for rates of 50% and 15% connected households in developing countries (2.1.A) and in LDCs (2.1.B) respectively. All of these targets for household are expected to be achieved by the year 2020.

Targets 1.2, 2.2.A, and 2.2.B set aims for the number of connected individuals worldwide (60%), in developing countries (50%), and in LDCs (20%) respectively. All of these target are also currently set to be achieved in time for the 2020 deadline.

Target 1.3 aims to make telecommunication/ICT 40% more affordable by 2020 versus the 2014 baseline, at the current rate, it is expected that the reduction in costs by 2020, will be about 32% on average, with a similar value for the drop in the affordability gap between developed and developing countries (Target 2.3.A). Target 2.3.B aims to get the cost of internet access is below 5% of GNI per capita, which is currently the case in 120 out of 160 countries for which data is available, it is expected that this number will increase by 2020, but that it will not be so for all countries.

Target 2.4 aims to ensure that 90% of the world's rural population will be covered by broadband services by 2020, weather this target will be met or not, depends to a large extend of how quickly 2G coverage will be replaced by 3G coverage. Currently, 2G covers well over 90% of the rural population, so with sufficient upgrades, this target could be met.

Gender equality in terms of internet access is included as Target 2.5.A. In recent years, the rapid growth in developing countries, was paired with increasing gender inequality, however, the latest ITU data shows that the gender gap is now decreasing from 12.2% in 2016 to 11.6% in 2017.

Having strategy on ensuring accessibility for persons with disabilities is included as Target 2.5.B, currently, 48 out of 64 reporting countries have a strategy that covers this.

Under Target 3.1, cybersecurity readiness should be improved by 2020. Since 2016, the ITU is measuring this using the Global Cybersecurity Index, which will be used to asses this improvement in 2020.

Target 4.1 aims to ensure a telecommunications/ICT environment that is conducive to innovation, recent years have witnessed a rapid increase in the number of countries with a national innovation strategy to ensure this.

1. Reports available also online at: <https://www.itu.int/annual-report-2016> [↑](#footnote-ref-1)
2. [G7 ICT and Industry Ministers’ Declaration](https://teamdigitale.governo.it/upload/docs/2017/10/Declaration_and_Annexes_final_26_09_2017.pdf): Making The Next Production Revolution Inclusive, Open And Secure [↑](#footnote-ref-2)
3. ITU WTDC 2017 – [Buenos Aires Declaration](https://www.itu.int/en/ITU-D/Conferences/WTDC/WTDC17/Documents/declaration/ba_declaration_e.pdf) [↑](#footnote-ref-3)
4. [Source](https://www.oecd.org/g20/key-issues-for-digital-transformation-in-the-g20.pdf): Key Issues for Digital Transformation in the G20, G20 German Presidency/OECD [↑](#footnote-ref-4)