



PLENARY MEETING

Note by the Secretary-General

I have the honour to transmit to the Council the report of the Group of Specialists to review the management of the Union (GoS).

Yoshio UTSUMI
Secretary-General

Report of the Group of Specialists to review the management of the Union (GoS)

1. Introduction and summary of work.

1.1 The Council Group of Specialists to review the management of the Union (GoS)¹ is pleased to present to Council '04 its report on its activities in response to Council Resolution 1210.

1.2 At its session in May, 2003, the Council instructed the GoS.²

a) to liaise with the COG in reviewing implementation by the ITU management of Recommendations 2-6, 8-9, and 13-15 of the GoS in accordance with the terms of reference as set forth in Annex 5 to Resolution 1210, taking into consideration the discussions with regard to Recommendations 14 and 15 as reflected in the summary records of the sixth and seventh Plenary Meetings;

b) to continue to work on its mid- and long-term recommendations (GoS Recommendations 10-12, 16-19 and 20-21), in accordance with the terms of reference as set forth in Annex 5 to Resolution 1210,

c) to report to the Council at its 2004 session.

1.3 **Near-term recommendations.** In October, 2003, the Council, on the recommendation of the GoS, instructed the Secretary-General³ to recruit an external consultant to examine the recommendations of the GoS and, *inter alia*, to develop a comprehensive plan to implement those recommendations of the GoS that Council had approved in its first session in 2003 (i.e. Recommendations 1-9 and 13-15). The external consultant was to report to the Council at its 2004 session. The Council established a Steering Committee (composed of the Council Oversight Group (COG) and the ITU Coordination Committee, assisted by the GoS) to coordinate and supervise the activities of the consultant.

1.4 Since October 2003, the GoS has closely followed the consultancy project and has provided input and advice to the consultant (Dalberg Development) throughout the duration of the contract. During the period, the GoS held three formal meetings in Geneva (its sixth, seventh and eighth meetings), as well as a teleconference call. All of these meetings were attended by the consultants, who provided regular progress reports detailing their findings and objectives at each stage of the project, and some were attended by individual ITU managers for questions on specific topics. Between meetings, individual GoS members liaised in a specialist capacity with the consultants, both through in-person meetings and via e-mail. The GoS also attended Steering Committee meetings⁴ that reviewed implementation by ITU management of the near-term recommendations, where the GoS provided its own input and contributed to discussions with the consultant together with COG members and ITU elected officials. Between meetings, the GoS worked electronically.

¹ The Group of Specialists was established by Decision 7 of the Plenipotentiary Conference (Marrakesh, 2002).
Background information on the GoS can be found at: <http://www.itu.int/council/specialists>.

² See Council Resolution 1210 (Council 2003).

³ See Council Resolution 1212 (Council 2003 Additional Session).

⁴ Members of ITU management and the consultants were also at these meetings.

1.5 The GoS reviewed an interim version of the consultants' report to the Council at its meeting held from 28 to 30 April. In its interim report, the consultant concurred with the GoS on the major problems facing ITU. Based on its findings and its expertise, the consultant in some cases recommends solutions that present modifications to those originally proposed by the GoS, including a number that were adopted by the Council.

1.6 For two reasons, the GoS decided not to comment as a group on the consultant's recommendations in its interim report. First, in preparing its report, the GoS did not have available to it the annexes to the consultant's report. The GoS believes it cannot fully evaluate the consultant's recommendations without seeing the detailed information contained in these annexes, and which in some cases are the basis for the consultant's conclusions. Second, the GoS felt that the Council as a whole, rather than the GoS, should review and decide whether to adopt the modifications proposed by the consultant.

1.7 **Mid-term recommendations.** The GoS also continued its work on its mid-term recommendations Nos. 10-12 and 16-19. It reviewed these recommendations in light of the comments of the Council at its May 2003 session, in light of comments of the external consultant to the extent that they relate to the mid- and long-term recommendations, and in light of other available information. Upon completing its review, the GoS decided that the recommendations were still accurate. In annex to this report, GoS presents these recommendations again for the Council to consider, and proposes that they be adopted.

1.8 **Long-term recommendations.** Under the GoS terms of reference, long-term GoS recommendations are those that are to be reported to Plenipotentiary Conference in 2006.⁵ Two such recommendations currently exist, namely GoS Recommendations 20 and 21, neither of which has been adopted. GoS Recommendation 20 proposes to determine a process for integrating ITU strategic, financial, and operational plans. GoS Recommendation 21 proposes that Council instruct the Secretary-General to review and revise current management oversight practices.

1.9 The GoS notes that the 2002 Plenipotentiary Conference created a number of Working Groups to look at the issues raised in these recommendations. This includes groups established on: Review of ITU structure (PP-02 Res. 106), Functioning of the Coordination Committee and role of Elected Officials (PP-02 Res. 108), Contributions by Sector Members and Associates towards defraying ITU expenses (PP-02 Res. 110), Review and consolidation of provisions regarding Observers, (PP-02 Res 109), Group on the Financial Regulations (including work on linkage of strategic, financial and operational planning) (Council Res. 1210 / Financial Regulations) and Priorities in ITU activities (PP-02 Res. 107). The GoS recommends that work carried out by the GoS and the external consultant on these two issues should be referred to the appropriate Council Working Groups. These Working Groups are scheduled to report to the Council in 2005 in order for countries to prepare their position papers for consideration by the Plenipotentiary Conference in 2006.

Richard Beaird,
Chairman of the GoS

Annex: GoS mid-term recommendations, proposed for adoption

⁵ See Council Resolution 1210, Annex 5, (GoS Terms of Reference) paragraph 2.

Annex 1

GOS MID-TERM RECOMMENDATIONS

Following further review under the terms of reference set out in Council Resolution 1212, the GoS recommends that the Council adopt the following recommendations (the original numbering of the recommendations is repeated here):

Recommendation 10: To merge and consolidate functions in the documentation and publication sectors and to outsource appropriate activities.

Recommendation 11: Regarding interpretation services provided by ITU.

Recommendation 12: Regarding translation services provided by ITU.

Recommendation 16: Regarding internal ITU committees.

Recommendation 17: Regarding decentralization of authority.

Recommendation 18: Regarding the ITU system of budgets.

Recommendation 19: To apply financial management techniques to the operation of the merged documents/publications department.

The text of each of these recommendations is presented hereafter, together with notations about additional information that Council may wish to consider in reaching a decision.

Recommendation 10: To merge and consolidate functions in the documentation / publication sectors and to outsource appropriate activities

The GoS recommends that the Secretary-General:

1. *Take the following steps that do not entail reorganizing the publications/ documents sectors:*
 - a) *Increase electronic distribution of documents;*
 - b) *Limit the distribution of documents;*
 - c) *Request cooperation of the membership in reducing the number of documents;*
 - d) *Review the document printing policy (e.g. discontinue colour printing);*
 - e) *Review the process for distributing and duplicating working documents;*
 - f) *Study and clarify quality control, responsibility and accountability.⁶*
2. *Merge and consolidate various functions:*
 - a) *Consolidate the two "QuickPubs" in the Conferences and Common Services Departments into one unit (probably in the Conferences Department);*
 - b) *Merge all publication and documentation services into one unit (probably in the Conferences Department). Look for ways to rationalize document production and publication composition to achieve greater flexibility for in-house production and reduce costs per page; Merge the Photocomposition Unit and QuickPub;*

⁶ See JIU recommendation 12 (review of documentation and publications).

- c) *Centralize the graphic artist function within the General Secretariat. Consolidate positions that have evolved in the Sectors that duplicate the work done in the Conferences Department (such as graphic artists);*
 - d) *Limit publications to those with substantial sales levels. Use electronic means (collect orders for different language editions based on a Web abstract of the publication only) to see if it is economically viable to publish;*
 - e) *Eliminate unnecessary publications. Establish a committee to eliminate obsolete or unnecessary publications, or eliminate publications for which there is little or no demand in the various languages based on the subscription circulation letters;*
 - f) *Publications that may appear to be unnecessary include the following: (1) the Fascicle, which takes considerable staff resources to publish (the Radio Assembly could modify Resolution 1 to eliminate the Fascicle); (2) generalized publicity brochures; (3) ITU-D Sector recommendations and publications (ITU-D publications are not generally downloaded). A publications committee is planned in BDT in order to identify necessary publications—this idea could be extended Union-wide;*
 - g) *Decentralize the document composition function and link it more closely to the Sector editors/authors in line with JIU recommendations (both ITU-R and ITU-T Sectors believe this would save two or three positions for each of their Sectors). This could accelerate the publication process, and save up to 30 per cent of current costs, according to estimates;*
 - h) *Progressively decentralize the appropriation for the variable costs of in-house publication composition;*
 - i) *Consider centralizing document control, using focal points in the Sectors rather than full time positions in the Sectors;*
 - j) *Improve transparency in the costing of common services. For example, under the internal charging system, Sectors are charged CHF 140 for a single page. Even where the process of document composition is simplified, the internally invoiced cost is still CHF 140 per page;*
 - k) *Conduct a workflow analysis of the publication process in order to determine how to avoid duplicative work, perhaps having the relevant services physically located near the typing pool.*
3. *Outsource the publication process:*
- a) *Undertake a study on downsizing the publications service. It appears that there could be significant savings if the publications service were downsized, and most of its staff redeployed or given incentives to leave, with a view to outsourcing most of the work. The overheads of maintaining a fully operational publications unit are considerable. By outsourcing, the costs of publication would be apparent, rather than hidden in fixed charges.*
 - b) *Increase outsourcing. Study the adequate internal capacity for document production and activities in the light of ICT and outsourcing opportunities.*

Notes:

1. Comments of Councillors at Council 2003 on Recommendation 10. At the Council meeting of May 2003, Councillors expressed differing views on Recommendation 10.⁷ Several

⁷ Extract from the Summary Record of the Fourth Plenary Meeting (Document C03/51).

recognized that these departments had large costs and that this was a good area to look for ways to reduce costs. However, others had specific concerns:

- Iran (Islamic Republic of) understood § 1b to mean that distribution of documents would be limited unless otherwise requested by Member States.
- Italy, referring to § 2a, said that it understood that "QuickPub" functioned mainly for ITU-T, and that any consolidation should take place in that Sector rather than in the Conferences Department. (1.61)
- Spain questioned the idea of merging all publication and documentation services into one unit as proposed in § 2b. While the two existing services might at first sight appear similar, they were in fact quite different, publication services dealing mainly with the more routine publication of recommendations and documentation services providing conference documentation. Should the two be merged, publication of recommendations might suffer when documentation services were stretched during large conferences. (1.57)
- Cuba did not favour any move that would mean that administrations might have to pay for documents that they were currently receiving free of charge. Cuba was not, however, opposed to their distribution by electronic means.

Conclusions.

The GoS has found that improvements could be made to eliminate redundancies and inefficiencies in the printing/publications process. One estimate was that some CHF 3.5 million could be saved through such improvements, and other estimates were even higher depending on the degree of restructuring involved.

Recommendation 11: Regarding interpretation services provided by ITU:

The GoS recommends that the Secretary-General:

1. *Reduce the amount of interpretation by holding as many sessions as possible in a limited set of languages;*
2. *Investigate the possibility of using remote interpretation services;*
3. *Discontinue interpretation where it is in little demand.*

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 11.** At the Council meeting of May 2003, Councillors expressed differing views on Recommendation 11.⁸

- Spain and other countries said that it would be inappropriate to reopen the debate on the question of use of languages, given the extensive discussions on the matter at PP-02 and previous sessions of the Council, and that for this reason they were unable to support Recommendation 11.
- Uganda said the proposal in § 2 of Recommendation 11 was surely worth investigation given that ITU was supposed to be a leader in the field of ICT and that the proposal in § 3 of Recommendation 11 was already being practised at some ITU-T meetings.
- Argentina said the proposals in § 2 of Recommendation 11 appeared useful.

⁸ Extract from the Summary Record of the Fourth Plenary Meeting (Document C03/51).

- Australia said that while the six languages should be used on an equal footing, many of the useful proposals made in Recommendation 11 could be accommodated under the provisions of Resolution 115 (Marrakesh, 2002). (1.79)

2. **Other references.** See the Secretary-General's report to the Council 2004 "Implementation of Resolution 115 (Marrakesh, 2002) Use of the Six Official and Working Languages of the Union on an Equal Footing" (Document C04/27).

Conclusions

The GoS has found that:

1. ITU should not incur extra costs by employing interpreters except where it is required to do so.
2. Remote interpretation—whereby interpreters work from a location other than the site of the event using live audio transmission—can be very cost effective. An analysis should be carried out of the cost advantages (per diem and travel versus the cost of leased lines) and work should be done with the interpreters' association to see if they can be convinced of the merits of this approach.
3. The cost of interpretation is very high. Abolishing interpretation that is in little demand would result in significant cost savings. The cooperation of Member States is essential in this respect.

The Council will need to consider whether to adopt this recommendation in whole or in part. Section 2, for example, appears unobjectionable. Sections 1 and 3 could be rewritten if desired, to make it clear that the proposals are not intended to contravene the decisions of the Plenipotentiary Conference in 2002, but simply to limit interpretation to situations where it is required under the CS/CV and where it is in fact needed.

Recommendation 12: Regarding translation services provided by ITU:

The GoS recommends that the Secretary-General:

1. *Reduce the volume of translation by being more selective about essential documents to be translated and investigate the feasibility of using more remote translation services;*
2. *For the application of Plenipotentiary Resolution 115 (Marrakesh, 2002) (Use of the six official and working languages of the Union on an equal footing), limit the volume of translation in the six official languages, as far as feasible, to the actual requirements of the participants, by introducing a concept of translation-on-demand similar to printing-on-demand decided by Marrakesh for paper publications in low demand;*
3. *Undertake a study to determine the amount of fixed internal capacity needed to provide translation services in six languages, in the light of ICT and outsourcing opportunities;*
4. *Require documents that need translation be submitted six weeks in advance to reduce staff overtime costs.*

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 12.** At the Council meeting of May 2003, Councillors expressed differing views on Recommendations 12.⁹

- Spain and other countries said that it would be inappropriate to reopen the debate on the question of use of languages, given the extensive discussions on the matter at PP-02 and previous

⁹ Extract from the Summary Record of the Fourth Plenary Meeting (Document C03/51).

sessions of the Council, and that for this reason they were unable to support Recommendation 12.

- Uganda said the proposal in § 3 and § 4 of Recommendation 12 were clearly desirable courses of action.
- Argentina: The proposals in § 1 and § 3 of Recommendation 12 appeared useful.
- Australia said that while the six languages should be used on an equal footing, many of the useful proposals made in Recommendation 12 could be accommodated under the provisions of Resolution 115 (Marrakesh, 2002). (1.79)

2. **Other references.** See the Secretary-General's report to Council 2004 "Implementation of Resolution 115 (Marrakesh, 2002) Use of the Six Official and Working Languages of the Union on an Equal Footing" (Document C04/27).

Conclusions:

The GoS has found that the experience of remote translation, as implemented at PP-02, should be assessed in terms of adequacy, real cost savings achieved, quality of service and usefulness as a future model for cost-cutting measures. Member States and the Sectors should be cognizant of the fact that last-minute requests for translating are very expensive. UN guidelines require that documents be submitted six weeks in advance. It is reasonable to require Member States to respect existing timetables and submit their documents well in advance of a meeting in order to avoid using overtime.

The Council will need to decide whether to adopt this proposed recommendation in whole or in part. Sections 1, 3, and 4 of the proposed recommendation treat all languages equally and therefore should not give rise to objection. Section 2 simply proposes that translation be limited to situations where it is actually needed in order to reduce costs. It is not intended to contravene decisions of the Plenipotentiary Conference of 2002, and this could be so stated if desired.

Recommendation 16: Regarding internal ITU committees

The GoS recommends that the Secretary-General examine the number, composition and mandate of internal ITU committees (e.g. Building, Procurement, Efficiency, Information Systems Committees, etc.) with a view to eliminating as many of them as possible. For those committees that are retained, the Sector Bureaux should be represented, and their size should not exceed seven members. The GoS recommends that CoCo should deal with many of the issues currently dealt with by these committees.

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 16.** No references.

Conclusions:

The GoS has found that ITU has a high number of internal specialized committees that deal with complementary or overlapping issues. In most cases, these committees are not given a deadline to present their conclusions, which are often never implemented. In many cases management could easily handle the tasks assigned to these committees. Although committees can be valuable to management, their use should be limited as they place the analysis of the solutions outside the management and can result in unnecessary delays in solving urgent problems.

There have been no specific comments on this proposal by Councillors..

Recommendation 17: Regarding decentralization of authority

The GoS recommends that:

1. *Line managers be given greater authority, along with appropriate accountability and control mechanisms;*
2. *Sector/finance controllers' responsibility and their accountability be clarified in relation to the responsibilities of the Chief of the Finance Department for budget control.*

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 17.** No references.

Conclusions:

Matters that could be easily resolved by the heads of the departments currently require the intervention of the Secretary-General or the Directors of the Bureaux. This reduces staff motivation and gives the Secretary-General no time for proper analysis. Responsibility needs to be decentralized and not merely delegated. Transparency should exist at all levels, including further down the scale. Recent service orders issued by the Secretary-General are a first step in this direction.

Line managers should have access to their area's budgets, which is not currently the case. A general framework of the delegation of authority is referred to by the JIU inspectors in their report (see C01/38). However, there currently exists no clear definition of delegation of authority to the sector/finance controllers or to departmental heads at D1/D2 level.

Recommendation 18: Regarding the ITU system of budgets

The GoS recommends:

1. *that the Secretary-General reorganize the ITU budget as follows:*
 - a) *A biennial regular budget, primarily financed by Member States' assessed contributions as well as Sector Members' and Associates' contributions, that will cover the core expenses of the Union.*
 - b) *A biennial supplementary budget, funded by variable income, such as project support, TELECOM surplus, sales of publications and cost recovery.*
 - c) *After further study, Sector Members' and Associates' contributions may be included in the supplementary budget.*
2. *a study be conducted on the feasibility of replacing ITU's current centralized financial management system with a system of budgets managed by the Sectors, with the advice of the Sector advisory groups.*

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 18.** No references.

Conclusions:

Income from sources other than assessed contributions of Member States is difficult to predict. Furthermore, the Reserve Account of the Union is no longer sufficient to cover wide fluctuations in the overall income of the Union.¹⁰

¹⁰ PP-02 recommended that, consistent with UN best practice, the level of the Reserve Account be set at 3 per cent of the budget, or approximately CHF 10 million.

The GoS has concluded that mixing income from Member States, Sector Members and Associates with income derived from other sources in the Financial Plan and the Budgets of the Union does not provide the Union with a reasonable financial base for implementing the strategic plan or resolutions and decisions adopted by the Plenipotentiary Conference.

With respect to Part (2) of Recommendation 18, the existing system does not provide adequate flexibility to the Sectors, and in reality financial regulation is absent in the Sectors. Nor does the current system give the Sectors incentives to save money. Those that do (such as the ITU-T-Sector) may end up subsidizing the other Sectors which are in deficit—albeit not necessarily for reasons under their control. The Financial Regulations (FRs) should be amended to encourage the Sectors to make savings. Within the federal structure, more financial authority needs to be given to the Sectors. The Directors of the Bureaux should be given much greater control over the Sector operational plans. The delegation of authority for the Sector budgets should be exercised following advice from the Sector advisory groups.

Recommendation 19: To apply financial management techniques to the operation of the merged documents/publications department

The GoS recommends that cost-accounting/ financial management procedures be implemented to ensure efficient operation of the newly merged documents/ publications department.

Notes:

1. **Comments of Councillors at Council 2003 on Recommendation 19.** No references.

Conclusions:

The GoS has found that the publications and composition services should become a clearly separate entity within the General Secretariat, responsible for the management of the complete production pipeline of documents, books, CD-ROMs and other material, and with profit and loss responsibilities. This entity should have full control of composition, production, logistics, and distribution.

The SAP module for project cost control should be adopted and a system to account for all composition and publication costs established. This would result in transparency and accountability. With this information it would be easy to tell how efficiently the department is managed. The manager would be accountable, and fixed costs would be controlled. Variances in the budget could be easily analysed and the causes for these variances (cost, volume, efficiency, etc.) understood.

The costs of composition and publishing should be allocated to the Sectors and the General Secretariat based on actual spending rather than on estimates. This would give each of them ultimate responsibility for costs and it would become clear how much each is spending. All related revenues should also be allocated to the Sectors and the General Secretariat in order to enable establishment of the net cost of composition and publication.
