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OF THE COUNCIL (MBG)**

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**DRAFT PROGRESS REPORT ON
IMPLEMENTATION OF RESOLUTION 1243**

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Report by the Secretary-General

PROGRESS REPORT ON IMPLEMENTATION OF RESOLUTION 1243

Summary

The purpose of this document is to provide the Council with a status report on the implementation of Council Resolution 1243.

Action required

The Council is requested to **note** the progress made in implementing Resolution 1243.

References

Council Resolution 1243, Documents C05/37, C05/51, C06/15, C06/22, C07/48

1. Overview

1.1. In Resolution 1243, Council 2005 mandated implementation of a number of projects by the Secretariat, which are identified in Doc. C05/51. The projects cover Travel Management, HR (Mobility), Procurement and KPIs. Documents C06/15 (with addenda), C06/22 and C07/48 have reported on prior progress towards implementation of Res. 1243. An additional progress reports was submitted to the June 2008 MBG meeting

1.2. Implementation has continued on the Travel Management and HR (Mobility) projects. As was previously reported to the NCOG, and by NCOG to Council, the Secretariat decided to proceed with the migration of payroll from IBM HR Access to SAP, with funding from the ICTC Capital Fund. Production use of the SAP/HR system depends upon the payroll migration, and production use of the Travel Management system depends upon the SAP/HR system being in operation.

1.3. Work on the Procurement Project was suspended after delivery of the system business blueprint (November 2006 to February 2007) until agreement was reached with the contractor on the scope of the system to be implemented under the fixed price contract. Subsequent to agreement on the implementation perimeter of the blueprint, work resumed in February 2007 and was scheduled for completion in late summer 2007. This deadline was met.

1.4. The results of the evaluation and analysis phase of the KPI Project were shared with the NCOG. Subsequent to PP-06, it was recognized that the new ITU Management Team should have the opportunity to review this analysis, also taking into account Resolution 151 (Antalaya, 2006) concerning Results Based Management (RBM). The new ITU Management Team tasked a group representing the Sectors and General Secretariat departments to develop a simplified set of 9 measurable and understandable indicators. The results are given in Annex 1.

1.5. A fifth project, as defined in Resolution 1243, is being undertaken for management of BDT projects. As planned, analysis of the scope of this project began in the fourth quarter of 2007. Expenditures for this project will be limited to the balance of funds remaining under Res. 1243 – presently projected to be approximately 200,000 CHF.

1.6. ITU management continues to make implementation of Resolution 1243 one of its high priority action items.

2. Procurement Project

2.1 Completion of work under the agreed business blueprint and transition to production was achieved on 28 August 2007. Since then the Supplier Relationship Management (SRM) serves as a single SAP-based application system for the procurement of goods and services. Out of a total of approximately 1700 purchase orders for 2007, 483 purchase orders were already processed by the SRM system.

2.2 The main challenge of the new system is that SRM has about 140 users throughout ITU while the design foresaw a maximum of about 60 users. Significant efforts and resources have been vested to assure smooth transition from the existing systems and manual treatment of purchases to SRM. Another challenge was the increased procurement activity related to the closure of the biennium. As a result of the volume of purchases, the back-log of invoices assigned to the 2006/2007 biennium and the necessity of fine-tuning parameter for the inter-working between SRM and other SAP applications, the invoicing follow-up for approximately 30 purchase orders had to be processed manually in early 2008.

2.3 It should also be noted that a number of procurement sub-processes were considered as out of scope within the framework of this project in order to meet the budget requirements: Request for commitment to expenditure, request for proposal, call for bid, contract management and asset management (inventory). The features credit card payments as well as payments via UNDP used for BDT purchases in the field were not implemented.

2.4 In view of the increasing demand from UN and from the membership for procurement related information and statistics, SRM's reporting needs to be enhanced to provide the relevant information in an efficient manner.

3. Travel Management (TM) Project

3.1 The Travel Management project has completed the design stage and has been implemented as a pilot project during April – May 2008. The new system incorporates a streamlined control process and delegates authority for travel to the proper Budget holder.

3.2 A Pilot project was put in place in the Radiocommunication Bureau and the system is operational as of May 2008. The pilot project is expected to last for three months with an evaluation scheduled for September 2008 and possible implementation, ITU-wide by fourth quarter 2008.

4. HR Project (formerly known as Mobility or Personnel recruitment, appointment, transfer and promotion project) and Payroll Project (not included in Res. 1243).

4.1. The Quality Assurance (QA) testing with the migrated data started in September 2007. Two months parallel run (comparison of results from old HR Access application with new SAP/HR) were executed by the HR Administration staff and the payroll staff. This exercise was successfully performed

Other customizations, a new partial data migration and further testing were necessary in November and December 2007 to guarantee the accuracy of the payroll engine and other HR functions. The HR system has been fully deployed in production in January 2008. Training courses were organized for the principal users.

During the months of January to March 2008 missing functionalities at the Go-Live were introduced. At present the system is in being stabilized. Final testing in the environment of production was also completed with success.

In May 2008, several analytical reports and the pay slips were available through the new (prototype) Corporate Intranet Portal.

The productive phase of the HR and Payroll Projects will allow deploying the final missing link between finance and HR positions dimension. The implementation of the Position Budgeting Control (PBC) and Personnel Cost Planning (PCP) project now shall be accelerated to improve the reconciliation of personnel-related activities with budget planning and execution.

5. Improvement of the linkage of strategic, operational and financial planning (KPI project)

5.1 At the MCG meeting of 13th December 2007, a decision was taken to transfer the KPI project to the Corporate Strategy Division (CSD) of the Strategic Planning and Membership Department (SPM). In this context, the project (Performance Measurement / Reporting [PMR]) is an integral part of ITU's overall Corporate Strategic Planning and Performance Management processes. Pursuant to Resolution 72 (Rev. Antalya, 2006) and the implementation of Council Resolution 1243, the Secretary-General and the Directors of the Bureaux have appointed representatives of the relevant Departments and Divisions to participate in the PMR Group, chaired by CSD/SPM.

5.2 This group has agreed on an ITU-wide Performance Measurement/Reporting Framework (see Annex 1.1) comprising of six (6) elements including Key Performance Indicators. The ITU-wide PMR framework is aimed at providing a global overview of the performance of the Union (shared by the three Sectors and the General Secretariat) and the linkage between the Strategic, Operational and Financial Planning at the ITU. A work plan has been established for the completion of this project (see Annex 1.2)

6. Fifth Project under Res. 1243

6.1. In addition to the four projects described above, the NCOG Report to Council (Doc. C05/37), also propose "Improvement of Core Business Processes (Project management, conferences industrializations, etc...)" which is alluded to in Res. 1243 as "improvement of certain other business processes as mentioned in Document C05/37." As a result of the situation analysis done in BDT, the fifth project will focus on the integration into the SAP system of the data and functionality now resident in the BCS system of the BDT.

6.2 The focus of this work will be to ensure that ITU uses a consistent project management approach in all areas of work. The expected results include better funds control and better donor reporting in order to support the activities of the ITU in general and the BDT in particular.

6.3 The project phase for a fifth project to be undertaken in 2008 will be limited to a scope that can be financed from the remaining funds available under Res. 1243 (approximately CHF 200'000).

7. Comparison of table in C06/15 Add.2 with current project schedule and budget

Project	Authorized budget (in CHF)	Expenditures as of 23 May 2008	Expenditures forecast to the end of 2008	Estimated external cost in CHF	Estimated variance
Travel Management	144'500	134,125	1,925	136,050	8,450
Procurement	510'000	443,920	66,080	510,000	0
HR (Mobility)	466'700	458,867	7,833	466,700	0
HR Payroll (not included in Res. 1243)¹	320'000	310,200	9,800	320'000	0
KPI (first phase - IBM study)	160'000 (evaluation and analysis phase only)	114,904	45,096	160,000	0
Res. 1243 total	1'601,200	1'462,016	130,734	1'592,750	8,450
Res. 1243 ceiling	1'800'000				

¹ Included here in respect of reporting to Council requested in C06/15 Add. 2 §11.

ANNEX 1

A.1 ITU-wide Performance Measurement/Reporting Framework (PMR)

(PMR-Group – 30 May 2008)

The aim of this framework is to present the elements vital for putting in place an ITU-wide framework for Performance Measurement/Reporting (PMR) in accordance with the decision of MCG. The PMR-Group discussed six elements (enumerated below) that should be part of this ITU-wide framework.

1. Common definitions and acronyms

The framework includes a Glossary containing definitions to be used in all Operational Plans (OPs) and in Reports to the Advisory Groups and Council related to Performance Measurement by the Sectors and the General Secretariat [GS] (e.g. a common definition of a Key Performance Indicator (KPI)). There is also a list of acronyms used.

2. Reporting Templates and recommendations /guidelines: The framework contains a set of templates for Performance reporting. Besides the set of 27 ITU-wide KPIs to be used² (9 Strategic [SKPIs], 9 Operational [OKPIs] and 9 Financial [FKPIs]), the Sectors and the GS may each have their own set of Operational KPIs in their OPs, for which this framework includes a set of recommendations (or guidelines) related to the wording and phrasing. The proposed templates would apply also to these specific OKPIs.

3. Relationship between Operational and Strategic Indicators

A common understanding on the relationships between SKPIs, FKPIs and OKPIs is a key element in linking the Strategic, Financial and Operational Plans, as defined in Council Resolution 1243 and in PP06 Resolution 72. This Framework defines all these KPIs bearing in mind their relationship to the Strategic Goals (see tables below) and the relationships between the 3 types of KPIs.

4. The ITU-wide Key Performance Indicators

According to the decision by MCG in its meeting of the 17th of March 2008, the PMR-Group is compiling a set of ITU-wide 27 KPIs, as follows:

4.1 The 9 Strategic Key Performance Indicators (SKPIs): See below.

4.2 The 9 Operational Key Performance Indicators (OKPIs): See below.

4.3 The 9 Financial Key Performance Indicators (FKPIs): See below.

² As decided by MCG in its meeting of the 17th of March 2008

5. Measuring Performance at ITU: The core of this Framework contains a methodology to measure the 27 KPIs, bearing in mind that they should be (where possible) specific, measurable and time-bounded. They could also have qualitative and/or quantitative components. For each one of the 27 ITU-wide KPIs, a single number should be computed using a weighted average of a defined set of available data.

6. Performance Management at ITU A further step will be to establish an ITU-wide Performance Management methodology, which could be a useful tool to translate ITU's Strategy into terms that are meaningful for staff in their everyday activities and for membership in particular, and useful for the management.

Strategic Key Performance Indicators

Strategic Key Performance Indicators (SKPIs)	Link to Goal	Themes linked to Strategic Goals	Expected result(s)	Measurements(s) [Other future measurements, mainly qualitative or relative to the impact of the corresponding item]
[1] Trend in participation and quality of events result	1	International Cooperation	Increased number of activities + Increased and improved participation in ITU meetings as well as ITU's involvement in external related events	<u>Ratio</u> : Number of activities {Y/Y-1} ³ ; <u>Ratio</u> : Impact of activities {Y/Y-1}
			[Increased scope and quality of the events]	<u>Ratio</u> : Average index of users' satisfaction {Y/Y-1}
[2] Trend in timely implementation of provisions foreseen in applicable regulations and trend in the number of filings		Spectrum Management ⁴	Increased number of filings + Decreased processing and implementation time + Development and implementation of radio regulations as well as other regulatory instruments	<u>Ratio</u> : Number of filings (including processing of space and terrestrial notices) {Y/Y-1} <u>Ratio</u> : Average time of processing a filing {Y/Y-1} <u>Ratio</u> : Number of provisions of the treaty or regulatory provisions implemented {Y/Y-1}
[3] Trend in number of approved recommendations		Networks ⁵	Increased number of approved recommendations related to networks + Decreased duration of the average approval procedure	<u>Ratio</u> : Number of relevant Recommendations published {Y /Y-1} <u>Ratio</u> : Average duration of approval procedure {Y /Y-1} <u>Ratio</u> : Number of web site hits /downloads {Y /Y-1} (downloads figure used only to compare periods covered by the free download policy)
	[Increased quality and impact of these Recommendations]		<u>Ratio</u> : Average index of user satisfaction {Y/Y-1}	

³ The expression {Y/Y-1} indicates a ratio between the current's year (Y) value of the item (current value + foreseen), and the total value for previous year (Y-1)

⁴ Relevant only to the R sector.

⁵ Mainly concerning T sector's Recommendations related to Networks..

[4] Trend in the volume/number of projects and initiatives relating to bridging the digital divide	2	Digital divide	Increased volume/number of projects and initiatives	<u>Ratio</u> : Number of projects and initiatives relating to bridging the digital divide {Y/Y-1}
			[Improved impact of these projects/initiatives]	<u>Ratio</u> : Impact of projects/initiatives {Y/Y-1}
[5] Trend in number of regulatory initiatives and actions fostering the enabling environment	7	Enabling Environment	Increased number of regulatory initiatives and actions	<u>Ratio</u> : Number of regulatory initiatives and actions fostering the enabling environment {Y/Y-1}
			[Improved impact of these regulatory initiatives and actions]	<u>Ratio</u> : Impact of regulatory initiatives and actions {Y/Y-1}
[6] Trend in number and impact of activities (policy instruments, Recommendations and projects) to enhance network security and reduce cyberthreats	4	Cybersecurity	Increased number of activities	<u>Ratio</u> : Number of activities (policy instruments, Recommendations and projects) {Y/Y-1}
			[Improved impact of activities]	<u>Ratio</u> : Impact of activities {Y/Y-1}
[7] Trend in volume and impact of documents and publications (including information disseminated through the web and using other means)	6	Info. & know-how dissemination	Increased and facilitated access to ITU publications, documents, website and any other source of information	<u>Ratio</u> : Number of documents sold or consulted, web site hits, etc. {Y/Y-1}
			[Increased quality and impact]	<u>Ratio</u> : Quality of documents, publications, etc. {Y/Y-1}; <u>Ratio</u> : Impact of documents, publications, etc. {Y/Y-1}
[8] Membership and trends	3	Membership	Increased number of members	<u>Ratio</u> : Number of members {Y/Y-1}
			Increased voluntary and other contributions	<u>Ratio</u> : Amount of total contributions by members {Y/Y-1} ⁶
[9] Trend in enhancement of quality and effectiveness of activities to support the outputs	5	Efficiency	Reduction of time for business processes	<u>Ratio</u> : Average time for delivering business processes {Y/Y-1};

⁶ May not change between two consecutive years covered by the same financial plan, except by voluntary increased contribution or some in-kind contributions made by Members through the GPOs programme

Financial Key Performance Indicators

KEY STRATEGIC FINANCIAL OBJECTIVES	FINANCIAL KEY PERFORMANCE INDICATORS (FKPIs)	LINK TO GOALS	LINK TO STRATEGIC THEMES BASED ON ITU GOALS	EXPECTED RESULTS	MEASUREMENT
LONG TERM FINANCIAL SUSTAINABILITY	[1] LEVEL OF ANNUAL FINANCIAL CONTRIBUTIONS FROM MEMBERS	3	MEMBERSHIP	INCREASED FINANCIAL PARTICIPATION FROM MEMBERS	ASSESSED CONTRIBUTIONS INDEX (BASE FINANCIAL PLAN LEVELS)
LONG TERM FINANCIAL SUSTAINABILITY	[2] LEVEL OF ANNUAL SUPPORT COST INCOME GENERATED BY EXTRABUDGETARY PROJECTS / ACTIVITIES	2	DIGITAL DIVIDE	INCREASED SUPPORT COST INCOME FROM PROJECT EXECUTION	support cost income index (BASE FINANCIAL PLAN LEVELS)
REVENUE GROWTH	[3] LEVEL OF ANNUAL SALES OF PUBLICATIONS	6	INFORMATION & KNOW-HOW DISSEMINATION	INCREASED INCOME FROM THE SALES OF PUBLICATIONS	SALES INCOME INDEX (BASE FINANCIAL PLAN LEVELS)
REVENUE GROWTH	[4] LEVEL OF ANNUAL COST RECOVERY INCOME FROM SATELITTE NETWORK FILINGS (SNF)	1	SPECTRUM MANAGEMENT	INCREASED COST RECOVERY INCOME FROM SATELITTE NETWORK FILINGS	COST RECOVERY INCOME FROM SNF INDEX (BASE FINANCIAL PLAN LEVELS)
NEW SOURCES OF FUNDING FUNDS MOBILIZATION	[5] LEVEL OF ANNUAL EXTRA-BUDGETARY FUNDS	1	INTERNATIONAL COOPERATION	INCREASED AMOUNT OF VOLUNTARY CONTRIBUTIONS	RATIO : CURRENT YEAR (ACTUAL + FORECAST) / PREVIOUS YEAR
NEW SOURCES OF FUNDING FUNDS MOBILIZATION	[6] LEVEL OF ANNUAL VOLUNTARY CONTRIBUTIONS EARMARKED TO CYBERSECURITY ACTIVITIES	4	CYBERSECURITY	INCREASED AMOUNT OF FINANCIAL CONTRIBUTIONS EARMARKED TO CYBERSECURITY ACTIVITIES	RATIO : CURRENT YEAR (ACTUAL + FORECAST) / PREVIOUS YEAR

PROFITABILITY COST EFFECTIVENESS	[7] LEVEL OF ANNUAL NET REVENUE GENERATED FROM THE SALES OF TECHNICAL RECOMMENDATIONS	1	NETWORKS	INCREASED NET REVENUE (SALES INCOME LESS COSTS OF PRODUCTION, MARKETING & SALES)	RATIO : CURRENT YEAR (ACTUAL + FORECAST) / PREVIOUS YEAR
COST EFFECTIVENESS OPTIMIZATION OF RESOURCES	[8] LEVEL OF ANNUAL EXPENDITURE (CONSTANT PROGRAMME, EXCLUDING COST RECOVERY ACTIVITIES)	5	EFFICIENCY	REDUCED EXPENDITURE AND ACHIEVED COST SAVINGS	RATIO : CURRENT YEAR (ACTUAL + FORECAST) / PREVIOUS YEAR (CONSTANT PROGRAMME, EXCLUDING COST RECOVERY ACTIVITIES)
FINANCIAL COMPLIANCE	[9] LEVEL OF ANNUAL EXPENDITURE VERSUS APPROVED BUDGETARY APPROPRIATIONS	7	ENABLING ENVIRONMENT	TARGETED EXPENDITURE IN LINE WITH APPROVED BUDGETARY APPROPRIATIONS	RATIO : ACTUAL EXPENDITURE / BUDGETARY APPROPRIATIONS

Operational Key Performance Indicators

Operational Key Performance Indicators (OKPIs)	Linked to Goal(s)	Operational theme	Expected result(s)	Measurement(s) [Other future measurements, mainly qualitative or relative to the impact of the corresponding item]
[1] Implementation level of the annual operational/work plan	5	Implementation of Operational Plans	Increased implementation /execution level of annual operational/work plan	<u>Ratio</u> : Degree of implementation level of annual operational/work plan (per Sector and GS) {Y/Y-1}
[2] Level/percentage/number of completion of activities (projects / programmes / training / workshops /seminars)	1,2	Execution of activities	Increased level/percentage/number of completion of activities	<u>Ratio</u> : Level/percentage/number of completion of activities {Y/Y-1}
[3] Satisfaction of customers (Membership, other participants/organizations, etc...)	3	User satisfaction	Increased user satisfaction	<u>Ratio</u> : Average index of user satisfaction {Y/Y-1}
[4] Number/Percentages of inputs/outputs received/processed (within mandatory deadlines if applicable)	1	Processing of inputs/outputs	Increased percentage if number of inputs/outputs received/processed + Decreased processing time	<u>Ratio</u> : Number of inputs/outputs received/processed {Y/Y-1} <u>Ratio</u> : Average processing time {Y/Y-1}
[5] Number of participants and/or different participant organizations	1	Participation in ITU events	Increased number of participants and/or different participant organizations	<u>Ratio</u> : Number of participants and/or different participant organizations {Y/Y-1}
[6] Number of contributions and degree or level of commitment by membership	1, 2, 4	Membership Contributions to the ITU activities	Increased number of contributions	<u>Ratio</u> : Number of contributions
			[Increased degree of commitment]	[<u>Ratio</u> : Average degree off commitment]
[7] Trends in information dissemination (publications bought, web site hits, etc...)	6	Information dissemination	Increased information dissemination	<u>Ratio</u> : Number of documents sold or consulted, web site hits, etc. {Y/Y-1}
[8] Number of initiatives	2	Implementation of initiatives	Increased number of initiatives	<u>Ratio</u> : Number of initiatives {Y/Y-1}
[9] Service delivery and support	3, 5	Services	Increased number and impact of services delivered	<u>Ratio</u> : Number of services delivered {Y/Y-1}
			Increased quality of support	[<u>Ratio</u> : Average quality support {Y/Y-1}]

A.2 Work plan

Proposed Calendar

Activities:

1. *June 2008*: A complete ITU-wide framework presented to the MBG.
 2. *June to September 2008*: Start the implementation of the ITU-wide framework.
 3. *November 2008*: Presentation to the Council of an operational Performance Measurement/Reporting (PMR) system. 2007 data will be benchmarked and compared to trends for 2008.
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