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**Contribution by the Secretariat**

Preparation of the draft biennial Budget of the Union for 2020-2021

1 This document presents the status of the draft biennial Budget for the years 2020-2021, which has been prepared on the basis of Decision 5 (Rev. Dubai, 2018) and associated guidelines. Expenses and revenue are balanced without withdrawal from the Reserve Account.

**Background**

2 In accordance with number 100 of Article 5 of the Convention, a biennial draft Budget covering the expenses of the Union has been prepared and will be submitted to Council after consultation with the Coordination Committee, ensuring that all possible economies are made and taking into account the financial limits laid down by the Plenipotentiary Conference.

3 By Decision 5 (Rev. Dubai, 2018) on revenue and expenses for the Union for the period 2020-2023, the Plenipotentiary Conference established the framework and the directives under which the Budget of the Union for 2020-2021 has been elaborated.

**Revenue and Expenses estimates - Overview**

4 **Table 1** below presents an overview of the draft Budget for 2020-2021. The draft Budget is based on the programme of activities of the Union, which includes two major events, the World Telecommunication Standardization Assembly (WTSA) in 2020 and the World Telecommunication Development Conference (WTDC) in 2021.

**Table 1**



5 The value of the contributory unit of Member States has been maintained at CHF 318,000 as per Decision 5 (Rev. Dubai, 2018), i.e. zero nominal growth since the year 2006.

6 Revenue and expenses are balanced at **CHF 331.34 million**. In comparison with the 2018-2019 Budget, the draft budget for 2020-2021 is higher by CHF 6.72 million. As compared to the financial plan, the 2020-2021 draft budget is lower by 0.22 million. In order to achieve a balanced Budget, strong efficiency measures have been applied.

7 **Table 2** provides the revenue forecast for 2020-2021.

**Table 2**



8 The draft Budget under the Results-based budgeting format will be presented to Council at its 2019 session. Linkage with the Goals and Objectives of the Strategic Plan for the Union for 2020-2023 necessitates various cost allocations which are on-going.

9 A 5% vacancy rate has also been applied as this was the case for previous budgets, which results from an assessed combination of recruitment delays, part-time staff and leave without pay. The implementation of the vacancy rate will be a significant challenge in the management of vacant positions and the recruitment process.

10 As compared to the financial plan, some specific expenses, currently decentralized, have been centralized for efficient planning and management, as indicated in **Table 3** below:

**Table 3**



11 The approved financial plan already reflected the centralization of the following items as indicated in **Table 4** below:

**Table 4**



12 For sake of transparency and efficiency, an ITU common expenses cost center has been created for 2020-2021 onwards that consolidates most of ITU common and central expenses. It includes the following appropriations, as indicated in **Table 5** on the next page:

**Table 5**



13 **Table 6** shows the number of budgeted posts for the 2020-2021 timeframe amounting to 763, corresponding to an increase of 15 posts as compared to 2018-2019.

**Table 6**

Posts Comparison between 2012-2013, 2014-2015, 2016-2017, 2018-2019 and 2020-2021 budgets



14 The 2020-2021 budget is based on the conditions of employment that prevailed on 1 October 2018 (including the new post adjustment in Geneva). It will be re-costed to reflect the conditions of employment as of 1 January 2019 as well as the analysis of the 2018 actual expenses level for non-staff expenses. The possible implementation of the efficiency measures as listed in Annex 2 to Decision 5 will also be further explored. Finally, the budget might also be modified to reflect the outcomes of the discussions that are still on-going as to how to distribute the budget among the three Sectors and the General Secretariat, within the limits set by Decision 5.

15 **Annex 1** provides the breakdown of the 2020-2021 budget by Sector and section.

16 **Annex 2** provides the estimated volume of documentation (translation, typing and reprography) for 2020-2021.

**ANNEX 1**

**Draft budget 2020-2021 – Breakdown of expenses by Sector and section**

**Table A**



**Table B**



**Table C**



**Table D**



**ANNEX 2**

