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| **Council Working Group on Financial and Human Resources****Ninth meeting – Geneva, 29-30 January 2019** |  |
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|  | **Addendum 3 toDocument CWG-FHR 9/10** |
| **30 January 2019** |
| **English only** |

**Contribution by the Secretariat**
TERMS OF REFERENCE FOR HIRING AN EXTERNAL MANAGEMENT CONSULTANCY TO PERFORM A STRATEGIC AND FINANCIAL REVIEW OF ITU TELECOM WORLD EVENTS

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| --- |
| **Summary**Resolution 11 (Rev. Dubai, 2018) resolves that the Union shall hire an external management consultancy to perform a strategic and financial assessment of ITU Telecom events, and that the terms of reference, based on contributions made by ITU membership, for hiring the independent external management consultancy shall be submitted to the CWG-FHR for approval.This document outlines the steps taken and presents the proposed terms of reference in its Annex 1.**Action required**The CWG-FHR is invited to **review** and **approve** the terms of reference.References[*Resolution 11*](https://www.itu.int/web/pp-18/en/page/192-Documents%C2%A0) *(Rev. Dubai, 2018), Circular Letter* [*CL-18/54*](https://www.itu.int/md/S18-SG-CIR-0054/en) |

# **Background**

* 1. Within the scope of revisions to Resolution 11, approved by Member States at the 2018 Plenipotentiary Conference in Dubai, the Union shall “hire an independent external management consultancy to perform a comprehensive strategic and financial assessment and review of ITU Telecom events, considering contributions from the ITU membership, and submit a report with recommendations and various strategies at the 2020 session of the Council for action”.
	2. Furthermore, “the terms of reference, based on the contributions made by the ITU membership, for hiring the independent external management consultancy shall be submitted to the Council Working Group on Financial and Human Resources for approval, and the expenses for hiring the consultancy shall be covered by the Exhibition Working Capital Fund (EWCF)”.
	3. The Secretary-General is instructed to ensure implementation of the above, in accordance with ITU procurement policy, and to hire the independent external management consultancy by **1 April 2019**.

# **Arrangements to Hire the Management Consultancy**

* 1. Taking the above requirements into account, Circular Letter CL-18/54 was issued to all ITU Administrations on 5 December 2018, drawing attention to the requirements of Resolution 11 (Rev. Dubai, 2018), and inviting submission of contributions to the terms of reference by 11 January 2019.
	2. Contributions have been duly received from: Kingdom of Saudi Arabia, Germany, and South Africa and have been taken into account when drawing up the proposed terms of reference presented here in Annex 1. For reference, Member State contributions are included in their entirety in Annex 2.
	3. Following consultation with ITU procurement division it has been concluded that, in order to comply with internal procedures, it will not be possible to hire the management consultancy by 1 April 2019. However, in the expectation that the Request for Proposals (with the approved terms of reference) is ready for publication on the UN Global Marketplace in February 2019, the consultancy should be on board and able to commence its review as of June 2019. This would still allow sufficient time for the consultancy to complete a comprehensive review and assessment and submit its report for consideration at the 2020 session of Council.

# **Recommendations**

Taking into account the above, it is recommended that the CWG-FHR:

* 1. Approves the terms of reference for hiring the management consultancy in order that the Request for Proposals can be finalized and published as soon as possible.
	2. Notes the revised procurement timeline.

**Annex 1** - Proposed Terms of Reference

**Annex 2** - Contributions received from Member States

# **Annex 1**

**BACKGROUND**

The purposes of the Union, as reflected in Article 1 of the ITU Constitution, include to promote the extension of the benefits of the new telecommunication technologies to all the world's inhabitants and to harmonize the actions of Member States and Sector Members in the attainment of those ends. The telecommunication environment is undergoing considerable changes under the combined influence of advances in technology, the globalization of markets and growing user demand for integrated cross border services adapted to their needs. Thus, the need for a global framework to exchange information on telecommunication strategies and policies has been evident for many years.

Within the context of the above, ITU has been organizing ITU Telecom events since 1971, to keep its Member States and Sector Members informed of, and offer a universal opportunity for the display of, state-of-the-art technology concerning all aspects of telecommunications/ICT and related fields of activity, and provide a forum for the exchange of views between Member States and industry.

The purpose of ITU Telecom events is set out in Resolution 11, which comprises part of the Final Acts of ITU approved by ITU Member States during the four-yearly Plenipotentiary Conference – the top policy-making body of ITU that decides the roadmap of the organization.

ITU Telecom events are an extra-budgetary activity of ITU and as such must be self-financing and have no negative impact on the ITU budget. Each event is hosted by an ITU Member State following a bidding process and on the basis of a host country agreement which sets out respective obligations and financial commitments. ITU Telecom events are organized and managed by the ITU Telecom Secretariat.

The timeline and evolution of ITU Telecom events from 1971 up to 2011 can be found [here](http://search.itu.int/history/HistoryDigitalCollectionDocLibrary/12.23.71.en.100.pdf).

In 2011, ITU Telecom moved to become a global annual event in rotating geographic locations. ITU Telecom World 2012 was hosted in Dubai, UAE, ITU Telecom World 2013 in Bangkok, Thailand, and ITU Telecom World 2014 in Doha, Qatar. During that period emphasis was placed on strengthening the Forum component of the event and creating a networking programme.

As of 2015, recognising the vital role of SMEs in accelerating innovation and driving growth through the ICT ecosystem, ITU Telecom World was further repositioned as a global platform connecting governments, corporates and tech SMEs, offering international services to support and foster SME growth. Such services have included the availability of small cost effective exhibiting solutions, B2B2G business networking sessions, business matchmaking, a tailored SME programme, and a special Awards programme to recognize SME initiatives with socio-economic impact.

ITU Telecom World 2015 was hosted in Budapest, Hungary; ITU Telecom World 2016 in Bangkok, Thailand; ITU Telecom World 2017 in Busan, South Korea; ITU Telecom World 2018 in Durban, South Africa; and ITU Telecom World 2019 returns to Budapest, Hungary, in September 2019. A process is currently underway to engage host countries for the event in 2020, 2021 and 2022.

As of today the event combines an exhibition for digital solutions, a forum for sharing knowledge, an awards programme recognizing excellence and innovation in ICT solutions with social impact, and a networking hub for nations, organizations and individuals.

Whilst continuing to develop initiatives to grow and foster SME participation within the context of the event, ITU is also considering opportunities to hold other ITU activities/meetings/events under the ITU Telecom umbrella.

**Proposed Terms of Reference**

1. **PURPOSE AND OBJECTIVES**
	1. ITU is seeking an experienced management consultancy to carry out an independent and unbiased review and assessment of the status of ITU Telecom events and the current business model; to assess the financial sustainability and potential for growth; to produce a realistic business forecast outlining the challenges and opportunities, and suggest alternatives for the way forward. The review should take into account a wide range of factors including, but not limited to, the information provided by ITU during the performance of the assessment, the opinions and contributions of key stakeholders (host countries, Member States, exhibitors, sponsors, speakers, attendees, etc.), the status of the global events industry, the ICT industry, the results of recent ITU Telecom events, the operational and working processes of ITU Telecom, revenue streams and expenses, available resources, organizational rules and regulations, etc.
	2. The final outcome shall be a comprehensive Report, in English, that will allow the Union to determine the viability of ITU Telecom events and ensure that they support the strategic goals of the Union, meet the needs of the ITU membership, and remain financially self-sustaining without impacting on the general budget of ITU.
	3. The Report shall include the consultancy’s recommendations based on its consideration of alternative strategies for the future sustainability and financial management of ITU Telecom events. Taking into account economic realities, the consultancy shall underline its assessment, review and all recommendations with unbiased statistics. It shall include a full analysis, citing data sources and methodology used, and conclude with the consultancy’s recommendations to ITU at a minimum on the following topics:
		1. Sustainability of ITU Telecom events and how they may be best organized, promoted, funded, staffed, managed and monetized;
		2. The goals and/or objectives that the ITU Telecom events do/should fulfil;
		3. What lessons that can be learnt from past ITU Telecom events;
		4. What should be the minimum criteria for Member States to host profitable and successful ITU Telecom events;
		5. What should be the key focus areas for ITU Telecom events including a proposal on alternative strategies and new activities to be held during the event.
	4. The resulting Report shall be presented by the Contractor to the 2020 session of ITU Council for review and action by Council Members. A second phase of the Project may then be commissioned for the successful Bidder to develop a redesigned ITU Telecom programme for submission to ITU by April 2021 in accordance with the recommendations included in the Report and the decisions of the 2020 session of ITU Council.
2. **EXPERIENCE AND QUALIFICATIONS**
	1. Bidders shall comply with the following experience. The number of projects managed in the listed fields shall be clearly specified in the Technical Proposal:
		1. At least 10 years of experience in management consultancy, including proven capacity for conducting research, and with a global footprint, branches or network of partners to capacitate itself, as well as demonstrable capacity in writing summary reports based on its research and analysis, and advising on the outputs and implementation of its recommendations (Mandatory Requirement).
	2. The personnel proposed by Bidders for the provision of the services shall comply with the following experience and qualifications:
		1. A Project Leader at the senior level with at least 10 years of professional experience in managing as Project Leader similar projects in the events and/or ICT industry and in terms of size and complexity, and able to communicate verbally and in writing in the English language (Mandatory Requirement).
		2. A support Project Leader with a least 5 years of professional consultancy experience, and able to communicate verbally and in writing in the English language (Mandatory Requirement).
		3. A Project Team comprising at a minimum expertize in each of the following areas: ICTs, research, interviewing, surveys, financial modelling, analytics, statistics and report writing and presentation (Mandatory Requirement). Each team member shall have at least 5 years of professional experience delivering the tasks they would perform within this project (Mandatory Requirement).
		4. The members of the Project Team responsible for carrying out interviews and surveys shall have the ability to cover all six languages of ITU (English, French, Spanish, Chinese, Arabic and Russian) both verbally and in writing (Mandatory Requirement).
		5. Experience of the events industry within the Project Team would be an asset (Desirable Requirement).
3. **SCOPE FOR THE ASSESSMENT AND REVIEW (PHASE ONE OF THE PROJECT)**
	1. During its research and analysis, as well as other factors the Contractor shall specifically take into consideration and provide its findings, conclusions and recommendations on:
		1. The current state of the global events market as well as future projections for sustainability and growth, particularly events that focus on the ICT sector. This should include a list of the regional and global exhibitions and conferences on telecommunications/ICTs hosted by ITU and other organizations.
		2. A comprehensive study, including gap and SWOT analysis of the ITU Telecom events in order to achieve its objective of keeping ITU membership informed of state-of-the-art technology, strategies and policies concerning all aspects of telecommunications/ICT and related fields of activity
		3. Events to provide a forum for the exchange of views between Member States and industry.
		4. The opinions, including reasons for participating or not participating, when applicable, of those involved in past and present ITU Telecoms as per the categories listed below – as well as other desirable audiences to be identified by the Contractor who are not currently engaged. Representatives, selected by the Contractor, should be interviewed/surveyed by the consultancy to obtain sufficient reliable data which it has identified as necessary to form its analysis and recommendations. ITU shall provide the relevant contact information and/or introductions as requested.

The following ITU staff shall provide factual information upon request and may be interviewed if necessary at ITU premises in Geneva:

* ITU Elected Officials and Senior Management;
* ITU Staff representing the Telecom Secretariat;
* ITU Staff representing the Departments of Financial and Human Resources.

The following stakeholders should be interviewed a/o surveyed by remote means of communication, ensuring the selection of countries/organizations/individuals is based on a balanced geographical distribution:

* ITU Member States;
* ITU Sector Members;
* Host Countries;
* Sponsors;
* Exhibitors including major corporates and tech-SMEs;
* Speakers / Moderators;
* Delegates attending the Forum and/or Exhibition;
* ITU Telecom World Award winners.

Results of interviews/surveys shall be presented in the Report in aggregate; specific organizations and individuals shall not be identified unless relevant and full permission has been obtained from the concerned party.

* + 1. The historic development of ITU Telecom events since its conception in 1971 up to present day, and in particular taking into account a number of indicators as of 1999 including, but not limited to, participant numbers and demographics, revenue, financial results, staffing arrangements, etc.
		2. The frequency, duration and rotation of ITU Telecom events.
		3. The strengths and weaknesses of the current business model, taking into account existing/new/enhanced revenue opportunities.
		4. The results of ITU Telecom events over the last eight years.
		5. The organizational capacity, set-up, financial and administrative systems in place to deliver the events at ITU and at the host country
		6. The role and obligations of the Host Country; and benefits of hosting an ITU Telecom event,
		7. Benefits and barriers particularly for developing countries[[1]](#footnote-2)1, to participate in ITU Telecom events
		8. The event branding and promotional outreach, including the relevancy of the event name, the positioning of a newly re-structured ITU Telecom, use and monitoring of social media channels etc.
		9. Strategies for possible inclusion in a future business model that enable, if possible, ITU Telecom to contribute effectively to the mission of ITU with the costs of holding these events being recovered by the events
		10. Positioning of ITU Telecom in the global events marketplace.
		11. The tools, software/applications to organize and monitor the progress of the events for participants and for ITU as the organizer. Also considering the KPIs for success that ITU should track and monitor, as well as feedback mechanisms.
		12. The components of the event i.e. should it continue to include a forum, exhibition, other elements/programmes.
		13. Potential synergy or overlap with other global events organized by ITU for its membership, and any benefits for the event to be held back to back with or in parallel with other ITU events.
	1. Immediately upon appointment a kick-off meeting would take place with the consultancy at ITU premises in Geneva to agree and finalize with ITU the consultancy’s detailed working plan for the Project; and in line with the deadlines noted in the Deliverables section below.
	2. Throughout the lifetime of the Project, ITU shall provide statistical information, access to key stakeholders and any other data held by ITU that may be deemed critical by the consultancy for effective analysis and assessment, including facilitation of face to face interviews with ITU officials, regular email consultations, etc. All information and documents provided by ITU shall be deemed strictly confidential.
	3. A remote meeting shall be organized between ITU and the Contractor on a fortnightly basis to provide an update on progress.
	4. All data gathered by the consultancy on behalf of ITU shall belong to the ITU, such as documents, files, reports, organizational charts, service level agreement reports, process documentation, stakeholder feedback, event statistics, strategic plans, skills matrices, strategic plans and service models, among others.
	5. Ownership of all consultancy output, materials and/or products, including but not limited to reports, summary reports, research work (qualitative and quantitative) and all intellectual property shall reside with ITU.
1. **PROJECT DELIVERABLES AND TIMEFRAME**

The Contractor shall provide to ITU the following Deliverables:

* 1. The final comprehensive Report, as per section 4 above, submitted in digital format to ITU by no later than **1 April 2020**.
	2. An oral presentation for ITU Senior Management of the above-mentioned Report at ITU headquarters in Geneva within two weeks of submitting said Report.
	3. An oral summary of the Final Report at the relevant [ITU Council](https://www.itu.int/en/council/Pages/overview.aspx) session to be held at ITU headquarters in Geneva in June 2020, and response to any questions that may be raised at that session by ITU Council Members.
	4. Subsequent to the above presentation to ITU Council, a second phase of the contract may be commissioned to develop all aspects of a redesigned ITU Telecom programme for submission to the June 2021 session of ITU Council. The second phase report would present:
		1. A new strategy in line with the Final Report, where ITU Telecom is re-designed in all of its aspects to improve the impact and the importance of the event.
		2. An implementation plan which includes the measures to check and track the extent of achieving the goals set by the strategy, feedback mechanisms, marketing plan for positioning the event and to develop its presence and participation.
1. **REFERENCES**
* [ITU Constitution and Convention](https://www.itu.int/en/history/Pages/ConstitutionAndConvention.aspx)
* [ITU PP-18 Resolution 11](https://www.itu.int/web/pp-18/en/page/192-Documents%C2%A0)
* [ITU website](http://www.itu.int/)
* [ITU Telecom website](https://telecomworld.itu.int/)

# **Annex 2**

# **Contributions received from Member States**

# **Kingdom of Saudi Arabia**Received by ITU on: 9 January 2019

**Motivation**

The purposes of the Union, as reflected in Article 1 of the ITU Constitution, include to promote the extension of the benefits of the new telecommunication technologies to all the world's inhabitants and to harmonize the actions of Member States and Sector Members in the attainment of those ends and the telecommunication environment is undergoing considerable changes under the combined influence of advances in technology, the globalization of markets and growing user demand for integrated cross border services adapted to their needs. Thus, the need for a global framework to exchange information on telecommunication strategies and policies has been evident for many years.

Moreover, telecommunication/information and communication technology (ICT) events are of considerable importance in keeping the membership of the Union and the wider telecommunication/ICT community informed of the latest advances in all fields of telecommunications/ICT and the possibilities of applying these achievements for the benefit of all Member States and Sector Members, particularly the developing countries. Thus, ITU Telecom events fulfil the mandate to keep Member States and Sector Members informed of, and offer a universal opportunity for the display of, state-of-the-art technology concerning all aspects of telecommunications/ICT and related fields of activity, and provide a forum for the exchange of views between Member States and industry.

It is necessary for the Union, as an international organization playing a leading role in the field of telecommunications/ICT, to continue organizing an annual event to facilitate the exchange of information by high-level participants on telecommunication policies and the need to seek participation from a wider spectrum of industries/businesses, the need to actively encourage Heads of State, Heads of Government, ministerial, CEO and VIP participation, and the need for broader dissemination of forum discussion and outcomes

However, ITU Telecom events are facing challenges, such as the increasing costs of exhibits and the trend towards reducing their size, the specialization of their scope and the need to provide value to industry. Also, ITU Telecom events need to provide value and opportunities for participants to earn a reasonable return on their investments while ensuring the financial viability of ITU Telecom events.

**Question**

Due to the challenges mentioned above the following a study including but are not limited to questions below needs to be answered:

* What are the main reasons behind the decline in the participation in the current ITU Telecom events?
* What are the main goals that the ITU shall put ahead in organizing ITU Telecom?
* How would a new ITU Telecom event be re-named? And what is the new name?
* How should the new re-structured ITU Telecom be positioned?
* What should be the focus of the event?
* How can ITU best utilize the event to generate more revenue?
* How often the ITU shall conduct this event?
* What is the right duration of such event?
* Shall the event be held back to back with other ITU events? Why?
* What KPIs for success shall the ITU track and monitor?
* What tools and software / app is useful in organizing and monitoring the progress of such events for the participants, organizers and ITU?
* How the event be branded? Shall each version / edition be branded separately or a sub branding shall be used?
* How and what means shall be used to publicize the event?
* How to handle social media for the event and monitor it?
* Shall there be a forum? Or Exhibition? Or other mechanisms?
* What feedback mechanisms shall be put in place?

**Tasks**

Due to the challenges mentioned above the ITU is conducting a study including but are not limited to:

* Answering the above questions.
* A new strategy where the whole ITU Telecom is re-designed in all of its aspects (naming, branding, frequency… etc.) to improve the impact and the importance of the event taking into account sector trends (e.g. 4th industrial revolution, digital economy…etc.).
* An implementation plan which includes the measures to check and track the extent of achieving the goals set by the strategy, feedback mechanisms, marketing plan to improve the event position and increase its presence and participation of stakeholders.
* A reference budget and implementation requirements and guidelines for hosting countries.

**Relationships**

[ITU Constitution and Convention](https://www.itu.int/en/history/Pages/ConstitutionAndConvention.aspx)

[ITU PP-18 Resolution 11](https://www.itu.int/web/pp-18/en/page/192-Documents%C2%A0)

# **Germany**Received by ITU on: 9 January 2019

RESOLUTION 11 (REV. DUBAI, 2018) “ITU Telecom events” resolves

*(3) that the Union shall hire an independent external management consultancy to perform a comprehensive strategic and financial assessment and review of ITU Telecom events, considering contributions from the ITU membership, and submit a report with recommendations and various strategies at the 2020 session of the Council for action;*

*(4) that the terms of reference, based on the contributions made by the ITU membership, for hiring the independent external management consultancy shall be submitted to the Council Working Group on Financial and Human Resources for approval, and the expenses for hiring the consultancy shall be covered by the Exhibition Working Capital Fund (EWCF);*

While the discussion at PP-18 on the revision of Resolution 11 indicated a brought political interest to continue the events, **a comprehensive strategic and financial assessment and review of ITU Telecom events needs to take into account the economic realities** and – among others - underline it with un-biased statistics:

According to the Secretariat, ITU Telecom events continue to be financially viable, produce a positive net result, and are beginning to show growth in terms of audience, content, and size of the exhibition.

However, the events produced a profit of a few hundred thousand CHF – if at all - due to the required lump-sum of a few million CHF. This lump-sum is required in addition to the other contributions in kind and in cash of the host (e.g. free exhibition and forum space, gala reception, travel and accommodation expenses for 50-70 ITU staff).

Setting aside the enormous demands requested by ITU, in particular the lump-sum, all recent events would result in a loss in the order of several million CHF.

It is further noted that in order to reduce ITU Telecom Secretariat’s staff expenses to be covered by the “event budget” a number of ITU Telecom staff are already temporarily assigned to other posts in the Union. It is questionable how a new positioning and continuous professional preparation of events can be ensured with a decreasing number of staff working for ITU Telecom. This assignment praxis is a de-facto subsidy of ITU Telecom events by the Union’s regular budget.

The historic development of ITU Telecom events needs to be looked at: Since 1971 ITU (World) Telecom was organized and became one of the mayor events for the global telecommunication industry where monopolistic state players and industry met in particular prior to liberalization of the telecommunication sector. Prime event was World Telecom 1999 in Geneva with 175.000 visitors and 1.100 exhibitors, keynote speakers among others Bill Gates (CEO Microsoft) and Kofi Anan (UN Secretary-General). Since then ITU Telecom declined to a small event with less than 10.000 visitors. This represents only a level of 5% of visitors compared to the prime time. Further, as indicated above the event needs a subsidy by the host of several million CHF.

According to Council document C-16/41 – the host country contribution to the event revenue raise from 23% in 2012 to more than 40% until 2015. Under normal commercial conditions ITU Telecom events cease to exist.

The consultant shall illustrate the development of ITU Telecom events since 1999. An example for recent events is shown below. A number of additional indicators can be introduced, e.g. staff at ITU Telecom (of course only the full-time involvement in ITU Telecom event preparation, leaving aside assignments to other tasks).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | visitors | from countries | exibitors | host country (cash) contribution CHF | revenueCHF | net profitCHF |
| Bangkok 2016 | 8.800 | 128 | 250 | 4,1M | 8,8M | 927k |
| Busan 2017[[2]](#footnote-3) | 9.100 | 103 | 400 | Not found in Council doc. 41 | 7,4M | 22k |
| Durban 2018 | 3.700 | 94 | 300 | 1,5M[[3]](#footnote-4) | - | - |

This unfortunate development happened steadily despite trying new concepts, concentrating on a forum type event in particular. Following consultation with Member States in 2014, ITU Telecom began a reform process in 2015, in particular to acknowledge the vital role of SMEs in accelerating innovation and driving growth through the ICT ecosystem.

Over the last four years the event therefore moved towards becoming an *international platform providing services for ICT SMEs*. Such services have included the availability of small, cost effective exhibiting solutions, B2B2G business networking sessions, business matchmaking, a tailored SME Programme, and a special Awards programme to recognize SME initiatives with socio-economic impact.

Consequently, according to ITU Secretariat, ITU Telecom is now positioned as “the global event for governments, corporates and tech SMEs”, and is no longer focusing on big manufacturers and global telecommunication operators as its prime audience and contributor. The latter are not any more interested in ITU Telecom events anyhow.

In other words, ITU Telecom is looking for a niche market in the ICT event business. The Secretariat intends to continue to develop initiatives to grow and foster SME participation within the context of the event and identify opportunities to hold other ITU activities/meetings/events under the ITU Telecom umbrella.

In recognition of the above mentioned “reform process” a **new business model to manage the event needs to be developed and verified versus sustainability and financial viability** in particular.

In this context the frequency and rotation as required by Resolution 11 may be at stake. However, the present reputation and financial viability do not favour motivations to become a permanent venue for ITU Telecom events.

The recent cancelling of CEBIT 2019 shows that a development as indicated above in a **commercial environment** would have terminated ITU Telecom events some time ago. Despite CEBIT 2018 with a new “event concept” even including concerts showed 120.000 visitors and 2.800 exhibitors, the 2019 event was cancelled.



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Thus a steady decline in visitors to a level of 15% compared to the CEBIT prime time was considered as not anymore financial viable.

# **South Africa**Received by ITU on: 16 January 2019

MANAGEMENT CONSULTANCY

GUIDELINES, RECRUITMENT

PROCESS AND TERMS OF

REFERENCE



South Africa’s contribution to the terms of reference for hiring a management consultancy for the Review of Telecom World – in line with the Amended Resolution 11 of the Plenipotentiary Conference, Dubai 2018

**DRAFT CRITERIA AND TERMS OF REFERENCE FOR THE HIRING OF A MANAGEMENT CONSULTANCY TO ADVISE ON THE ITU TELECOM FUTURE EVENTS’ STRATEGIC AND FINANCIAL FEASIBILITY**

**AUTHOR: South Africa**

**VERSION: 0.1**

**DATE: 14th January 2019**

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1. **BACKGROUND**

As part of Committee 6 (Resolution 11) discussions at the 2018 Plenipotentiary Conference discussions concerning the financial and strategic sustainability for hosting of ITU Telecom Events ensued. Some Member States raised concerns about the strategic objectives, or lack thereof, for hosting of the Telecom Events and questioned their strategic fit to the aims and objectives of the ITU.

Member States holding opposite views articulated in favour of continued hosting of the ITU Telecom Events because they do draw value from these events. They argued that, rather, more attention be given to refocusing the Telecom World events strategically and financially, so as for everyone to realise their full value and therefore more countries would continue to come forward with offers/proposals to host the Telecoms Events in the years ahead.

As a matter of procedure, the Committee concluded that it would be prudent to procure services of a reputable international management consultancy that would conduct a study and advise the Council about the strategic relevance, financial feasibility and or sustainability as well as strategic-fit for hosting ITU Telecom Events by Member States. Some names of familiar consulting firms with historical proximity to the ITU were mentioned by members as possible service providers.

A broad understanding of the proposal to appoint a consultancy, as anticipated during the Plenipotentiary Conference, is that a process will be initiated whereby the ITU shall procure expert knowledge, guidance and resources to deliver a body of knowledge result or outcome to solve the problem or challenges pertaining to the hosting/organising of the ITU Telecom Events. Such consultancy shall be delivered on a contractual basis to the ITU by a successful proposer.

1. **PROPOSED CRITERIA FOR APPOINTING A MANAGEMENT CONSULTANCY TO ADVISE COUNCIL**

In implementing the revised Resolution 11, South Africa recommends that the Secretariat should conduct an open tender process (an issuance of a Request for Proposal/s (RFP)) by publishing the RFP document in the ITU website.

It is our view that an open tender process is the most likely mechanism to assist the Council in finding the optimal advisory service provider. The tender process will also expose the Council to far more new ideas from all the respondents, whether their bids were successful or not. We anticipated during Congress that the service provider may be required to demonstrate research capability and global footprint.

Being cognizant of the time limitations, we propose an open RFP as the beginning of the process to find an ideal Management Consultancy to the Secretariat and the Council in:

* Reaching out to any qualifying supplier out there of the required services and informing them that the ITU is seeking to procure management advisory services and is inviting like them to respond;
* The RFP would do away with the common ambiguity errors by respondents whilst it helps to specify the details of what services we seek to procure without distorting this message;
* From the collated Member States’ inputs, the Secretariat must prepare requirements analysis and the Terms of Reference properly and these be written into the RFP document;
* The RFP shall explain to respondents/suppliers that the selection process is competitive and open to qualifying Consultancy firms, as defined;
* The document must clearly alert the respondents that the ITU is issuing this RFP within very stringent time-limits;
* The RFP will assist the Secretariat in avoiding delays as the Consultancies shall be responding to one set of facts and information. The RFP must equally remind respondents to be factual to the identified requirements in their response;
* The RFP must express that all data gathered by the consultant on behalf of the ITU belongs to the ITU, such as documents, files, reports, organisational charts, SLA reports, process documentation, Service Desk reports, Member State reports, sample knowledge articles, skills matrix, organisation charts, strategic plans, service models, among others.
* The RFP should specify that the ultimate ownership of all consultancy output, materials and or products, including but not limited to reports, summary reports, research work (qualitative and quantitative) and all intellectual property shall reside with the ITU;
* Lastly, we recommend the RFP process as it will assist in projecting the ITU as a transparent organisation which follows structured evaluation and selection procedures.

South Africa submits that by following this process, the Secretariat will have demonstrated the organisation’s impartiality, a crucial factor in public sector procurements. Further, the Secretariat shall gain insight to a wealth of ideas and non-traditional approaches. The RFP must stipulate that the selected bidder will be expected to engage with the Secretariat on their proposal after evaluation has been completed. Through these discussions with the Secretariat, further changes may still be done by the successful bidder resulting in their best and revised final offer (BARFO).

1. **THE TERMS OF REFERENCE FOR THE MANAGEMENT CONSULTANCY**
	1. **Background to the Terms of Reference**

The RFP process, as addressed herein above, shall lead to the appointment of a management consultancy to the ITU. Over and above the other criteria, the management consultancy must meet the following minimum requirements:

* Prospective service providers are advised to have demonstrable understanding for the information technology and communication issues;
* Proven capacity for conducting research and with a global footprint, branches or network of partners to capacitate themselves;
* Demonstrable capacity in not just conducting research and writing summary reports but in advising on the outputs and implementation of their recommendations;
* Prospective service providers are expected to research, analyse the information and ultimately advise the Secretariat on:
	+ how best Telecom World Events may be organised, funded, managed and or monetized;
	+ what ITU goals and or objectives do/should the ITU Telecom events fulfil;
	+ establish what lessons can be learnt from the previous Telecom World events;
	+ advise the Secretariat on what should be the minimum criteria for Member States to host profitable and generally successful ITU Telecoms events;
	+ what ought to be key focus areas for countries hosting the ITU Telecoms events;
	1. **The Terms of Reference**

More specifically, the ToR for the consultancy shall consist of providing support to the ITU Secretariat to determine relevance of, and financial feasibility for the ITU Telecom Events, including to:

* Carrying out of a research study for the purpose of determining the sustainability of the Telecoms events;
* Creating of management systems, procedures and practices and identify capacity gaps and areas which may be considered in the improvement of Host Country Agreements;
* Putting in place the necessary procedures, practices and training of staffers to fill capacity gaps and strengthen the ITU Secretariat in organising the events;
* Working together with the ITU Secretariat and host country teams, prepare the monthly, quarterly and annual financial reports pre-, during and post-event for the ITU Secretariat and arrange timely financial information for internal audits of ITU Telecom accounts;
* Advise on prudent maintenance of Host Country Agreements as part of ITU Telecom events, the management of ITU payments under such agreement/s;
* Suggest improvements and review or redesign the ITU financial management system database to track funding, sponsorships and all expenditure items for the ITU Telecom events, create templates and train the ITU Secretariat staff in its use;
* Advise on capacity building and support structure/s for the ITU Secretariat, the Host Country Coordination Committee;
* Review and make recommendations on the possible improvement areas that may be necessary to making the ITU Telecom profitable/sustainable, in both the Telecom event and its Forum programmes;
* Lastly, advise and make recommendations on the provisions for media outreach, event promotion, protocol, transport and accommodation booking, visas facilitation, safety and security, local event staff, tax exemption and custom duties.
	1. **Statement / Scope of Work for the Management Consultancy**

The Scope of Work (SoW) shall be based on the original proposal document on which the consultancy’s bid shall have been evaluated. It will be very much like the proposal document except that it must be more specific on the exact logistics, names, delivery deadlines, reporting lines and other ITU expectations around the consultancy. The SoW will be drafted as a separate summary document and agreed by both the Secretariat and the successful bidder.

The management consultant will provide advice to the ITU Secretariat and, by extension the Council, in ensuring that the implementation/organisation of future Telecom World events is adequately profitable for the ITU. Establish the strategic-fit and relevance of the ITU Telecom events going forward and advise the ITU Secretariat. The events must make financial sense for the ITU and the host countries of Member States.

The Consultant will, ultimately, advise and guide the ITU on the implementation of the reforms it may have come recommended whilst working closely with and building the capacity of the Secretariat where relevant. As such, the Management Consultant will be required to assist with the processes of financial management as well as consolidate the capacity of the Secretariat and other relevant ITU staff members by mentoring and working alongside them in implementing the next Telecom event in line with their recommendations.

South Africa’s proposed points for inclusion of the following key points in SoW:

* The actual number, qualifications and brief profiles of the engaging consultant/s;
* Days and hours of work onsite and offsite;
* Description of what tools and methodologies will be used to achieve what aspect of the project;
* It will stipulate clearly what deliverables does the ITU seek to achieve through the engagement;
* It must specify sign-off details from the ITU Secretariat and the consultancy;
* Specify what are the delivery dates by day and month
* The SoW must indicate costs and constraints
	1. **The Assignment Period**

The ITU is under time pressure to send invitation for Expression of Interest for Member States to host the ITU Telecom Events. As such, the quick conclusion of the management consultancy’s work is greatly desirable by the Council. South Africa therefore proposes that the contract period for this appointment be limited to six months.

* 1. **Expected Outputs from the successful Management Consultancy**

Management Consultancy shall be expected to produce the following outputs during the period of their consultancy:

* An Inception Report provided one month after commencement of project;
* A Monthly Progress Report submitted to the Secretariat and the Council by the 15th day of the following month throughout the assignment;
* The development of a financial management manual for the ITU Telecoms Events;
* The development of financial sustainability reports for host countries;
* A Project Completion Report that shall summarize results of the assignment against the original terms of reference;
* The successful service provider will be called upon to present their findings at the 2020 session to Council.
	1. **The Terms of Payment**

Payment to the management consultancy will be made monthly on the last day of each month.

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1. 1 These include the least developed countries, small-island developing states, landlocked developing countries and countries with economies in transition. [↑](#footnote-ref-2)
2. in parallel to another exhibition [↑](#footnote-ref-3)
3. estimated – figures expected in C-19 (Document 41) [↑](#footnote-ref-4)