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| **Council Working Group on Financial and Human Resources Ninth meeting - Geneva, 29-30 January 2019** |  |
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|  | **Document CWG-FHR 9/15** |
| **4 February 2019** |
| **English only** |

**Chairman of the Council Working Group on Financial  
and Human Resources**

**Summary report of the ninth meeting**

**1 Opening remarks and approval of the revised Agenda (Document [CWG-FHR 9/1 (Rev. 2)](https://www.itu.int/md/S19-CLCWGFHR09-C-0001/en)**

**Opening remarks by the Chairman**

1.1 The Chairman, Mr. Dietmar Plesse (Germany) welcomed the delegates and acknowledged the presence of the elected officials. He gave the floor to the Secretary-General.

**Welcome remarks by the Secretary-General**

1.2 The Secretary-General, Mr. Houlin Zhao welcomed the delegates and wished them a Happy New Year. He acknowledged the able leadership of the Chairman who has also greatly helped ITU as the Chairman of COM 6 during PP-18. Mr. Plesse knows ITU well having worked in ITU Finance Department. His vast experience has made him the focal point of delegates in many ITU meetings. The Secretary-General is confident that the Chairman will provide guidance in successfully completing the work of the ninth meeting of CWG-FHR. A special welcome was accorded to new members of the Council (Bahamas, Cote d’Ivoire, Czech Republic, El Salvador, Hungary, Iran and South Africa). The Secretary-General counts on their cooperation and fresh ideas.

1.3 The following remarks were made by the Secretary-General to the Group:

* His confidence in Elected Officials and their importance to ITU with a special emphasis on the fact that for the first time in ITU’s history since 1865, a woman was elected into the top management of the Union;
* Efforts to identify new efficiency measures will be continued in accordance with Decision 5 (Rev. Dubai, 2018);
* It has been formally agreed by the Elected Officials that the functions of the Financial Controllers of the three sectors will be centralized to increase efficiency;
* The Secretary-General hopes that the Member States will continue to appreciate ITU management and provide support to ITU so that the Union can become stronger and more relevant in the future;
* Draft Budget for 2020-2021 includes WTSA-20 and WTDC-21 as well as WTPF-21;
* Despite challenges, efforts continue on attaining gender balance although it is still a long way to go;
* Sincere appreciation to ITU staff members who suffered salary cut since last year;
* Spirit of cooperation between Member States, management and staff is highly commended; and
* Grateful to Member States for their understanding and support and looking forward to the continuation of their cooperation in the next four years.

1.4 The Chairman thanked the Secretary-General for his kind words and confidence. It is not easy to take the right decision if one knows a lot and it is difficult to please everyone, according to the Chairman. He will do his best to meet the expectation and make good preparations for Council 2019. The Chairman appreciates the family spirit in ITU wherein staff and delegates can have an appointment with the Secretary-General. He introduced Mr. Alassane Ba as the competent Secretary of CWG-FHR, who was also one of the Secretaries of COM 6 at PP-18.

1.5 The Group approved the Agenda with a slight modification by interchanging Agenda items 4 and 7.

**2 Statement by the Staff Council**

2.1 The statement made by the Chairman of the Staff Council, Mr. Maximilian Jacobson-Gonzalez, is to be found at the following link: <https://www.itu.int/md/S19-CLCWGFHR09-INF-0002/en>.

**3 Implementing the new PP-18 Resolution on SME participation in ITU  
(Document** [CWG-FHR 9/4](https://www.itu.int/md/S19-CLCWGFHR09-C-0004/en))

3.1 Following the SME pilot project launched by Council 2017, PP-18 adopted Resolution 209 [COM5/3] (Dubai, 2018), which encourages SMEs to participate as Associates in the Sectors of the Union, with reduced fees.  Applicants will require approval of the relevant Member State, attesting the applicant is an SME in accordance with the SME definition of the country. If an entity is approved by their respective Member State, they must also have fewer than 250 employees as well as annual revenues below a maximum determined by Council. To assist Council 2019 in determining this maximum annual revenue level, the CWG-FHR asked the secretariat to analyze the financial impact of two potential thresholds, CHF 15 million and CHF 50 million, based on existing international indicators. The CWG-FHR recommends that Council extend the current SME pilot project until 31 January 2020 to facilitate the transition towards implementing the new resolution.

**Exemptions from fees for international and regional organizations  
 (Document** [CWG-FHR 9/5](https://www.itu.int/md/S19-CLCWGFHR09-C-0005/en))

3.2 PP-14 instructed Council to review the criteria for exemption from fees for international and regional organizations. Council 2017 approved the revised criteria, which were applied to new applications received. The secretariat highlighted challenges in implementing one provision of the revised criteria, namely point 1.2 b), which requires that exemption requesting entities not only be not-for-profit, but also be “representing members who are primarily non-profit.” This provision is difficult to put into practice, namely due to the mixed membership of some members, and because ITU would risk losing members who have participated for many years, especially at the regional level, where such members are often the only voice of industry in such ITU activities. Taking into account the points raised, the CWG-FHR recommends that Council extend exemption status for the existing list of member entities for another four years according to the criteria established by Council 2000, and to continue to apply the new criteria approved by Council 2017 to new applications.

**4 Terms of reference for hiring an external management consultancy to perform a strategic and financial review of ITU TELECOM world events  
(Documents** [CWG-FHR 9/10](https://www.itu.int/md/S19-CLCWGFHR09-C-0010/en) + Add. 1-2)

4.1 The secretariat presented the document outlining the steps taken and the proposed terms of reference for the external management consultancy to be hired by the Union to perform a strategic and financial assessment of ITU Telecom events in line with Resolution 11 (Rev. Dubai, 2018).

4.2 The document provided a background on the hiring of the external management consultancy including its funding from the Exhibition Working Capital Fund (EWCF), the submission of the terms of reference to CWG-FHR for approval and the submission by the consultancy of a report with recommendations and various strategies to Council 2020 for action.

4.3 ITU Member States have been invited by the Secretary-General (Circular Letter/CL-18/54) to contribute to the terms of reference for hiring such consultancy to ensure that all areas of interest/concern are fully addressed. Contributions have been received from three (3) Member States (Kingdom of Saudi Arabia, Germany and South Africa) which were taken into consideration in formulating the proposed terms of reference.

4.4 Although the commencement of the consultancy services has been foreseen for 1 April 2019, taking into consideration the internal procurement procedures, the consultancy will be hired by June 2019 which still provides ample time for the completion of a comprehensive review and assessment, and the submission of the its report to Council 2020.

4.5 The proposed terms of reference include the background of ITU Telecom events, purpose and objectives of the external management consultancy, required experience and qualifications, scope for the assessment and review (Phase I of the Project) and Project deliverables and timeframe as follows:

* by 1 April 2020: submission to ITU of final comprehensive Report;
* Within 2 weeks after submission of the Report: oral presentation to ITU Senior Management;
* June 2020: oral presentation of Final Report summary at Council ; and
* June 2021: in case a second phase of the contract is commissioned to develop all aspects of a redesigned ITU Telecom programme, submission of second phase Report to include a new strategy and an implementation plan.

4.6 Since a number of delegates suggested some revisions to the terms of reference for the consultancy, the Chairman appointed an *ad hoc* group headed by Canada to consolidate the inputs from the Group members and to submit a revised draft of the terms of reference on the next day of the CWG-FHR session.

4.7 Below are the relevant inputs and remarks from the Member States that have been taken into consideration in the revision of the Terms of Reference:

* The scope of assessment should be clear with regard to the expected outcome and nature of the consultancy: to perform comprehensive strategic and financial assessment and review of ITU Telecom event or to focus on improving ITU Telecom events?
* The “Background” should not be a part of the Terms of Reference;
* After in-depth discussion on the 4 options presented relating to the analysis that the consultancy will provide, the following text has been accepted by the Group:

*“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.”*

* The above-mentioned revised text includes considerations of the unique value of ITU Telecom events;
* The Group has decided to keep as separate the two paragraphs relating to the organizational and financial matters, and recovery of cost;
* Taking into account the concerns expressed in PP-18, the study will also look at the benefits and barriers particularly for developing countries to participate in ITU Telecom events;
* It was also agreed that the results of ITU Telecom events over the last 8 years instead of 4 years should be taken into consideration;
* With regard to the stakeholders that should be interviewed, it was proposed that the hired consultancy could make available questionnaires on the web for easy and quick access.

4.8 The Chairman reminded the Group that the Member States should not intervene at the political level on the works of the consultancy, in order to have an unbiased and independent outcome of the study. It should not be assumed that the purpose of the consultancy is to terminate ITU Telecom events since *Resolves* 1 of Resolution 11 states that the Union should continue to organize such events.

4.9 The terms of reference for the consultancy has been approved by the Group as required in Resolution 11 (Rev. Dubai, 2018). Consequently, the procurement process can commence.

**5 Review of the implementation of the HR Strategic Plan and Resolution 48**

**Framework for the new HR Strategic plan for 2020-2023 (Document** [CWG-FHR 9/11](https://www.itu.int/md/S19-CLCWGFHR09-C-0011/en))

5.1 The Chief of the HR Management Department introduced Document CWG-FHR9/11. The Human Resources Management Department (HRMD) has started the work towards establishing a four year Human Resources Strategic Plan (HRSP) 2020-2023 in accordance with Resolution 48 (Rev. Dubai, 2018) instructing the Secretary-General to prepare and implement it, with the assistance of the Coordination Committee, and in collaboration with the Staff Council and the Regional Offices, aligned with the ITU strategic and financial plan, in order to respond to the needs of the Union, its membership and its staff.

5.2 The purpose of this document is to present to the CWG-FHR the process that will be followed by the HRM Department for establishing the HRSP, starting with the ITU People Strategy making reference to existing United Nations Common System, Plenipotentiary, Council, Management Coordination Group documentation, as well as benchmarking with Human Resources Strategies of other international Organizations.

5.3 HRMD will conduct consultations starting in February with the Bureaux, Departments of the General Secretariat and the Staff Council, in order to translate the priorities and goals of the ITU People Strategy into an HRSP driven by the specific needs of the Sectors and in line with the overall ITU priorities and goals.  On the basis of the results of those consultations, the HRSP will be prepared for submission to the 2019 Council session for approval.

**Staffing at Regional Offices (Resolution 25 (Rev. Dubai, 2018))**

5.4 The new BDT Director, Ms. Doreen Bogdan-Martin, gave an oral presentation on the regional offices.

5.5 Below is a summary of the information that was conveyed by the BDT Director to the Group:

* Focus on two important elements linked to regional presence:
* Close collaboration within BDT, between HQ and the field, as well as with the other Bureaux and the General Secretariat. Monthly meetings between the Directors of the Bureaux are planned to ensure close collaboration and avoid duplication;
* Coherence in the work of BDT and prioritization of actions relating to 30 regional initiatives, 11 programs, numerous study group questions, with BDT’s 140 staff and CHF 28.6 million budget;
* The BDT Director conducted her first mission to Saudi Arabia where an agreement was signed to further assist developing countries;
* Importance of the role of ITU regional offices in accordance with the instructions in Resolution 25 (Rev. Dubai, 2018);
* Regional presence is currently being reviewed by BDT in collaboration with the Financial Resources Management Department and the Human Resources Management Department. Terms of references are being prepared. JIU recommendations, report of the External Auditor at Council 2018 and the IMAC comments on the unfortunate fraud case in a regional office are being taken into consideration;
* While pushing for more autonomy and decentralization of certain functions, BDT will ensure that the right controls are in place so that fraud of any form will not recur;
* BDT will prepare a document for Council 2019 and will conclude the review to be presented at Council 2020. The review will look closely at functions (ensure no duplication), degree of autonomy in decision-making, resources currently available, overall structure, financial management, procurement activities and internal administrative procedures;
* Deliverables will suggest a desirable structure, the needed skill sets, managerial objectives to improve organization performance and extending Results-based management (RBM) model for the regional presence;
* Inputs by Member States, Sector Members and other actors in the ICT ecosystem are welcome to assist in attaining the goal to ensure that regional offices are indeed “ITU offices” working in the most effective and efficient way to provide assistance to the countries in their region;
* The host country agreement is being prepared for the creation of an area office/innovation center in India;
* Criteria are also being elaborated further to the instructions of Member States for the establishment of a field office to be presented at Council 2019.

**6 Resolution 212 (Dubai, 2018): The Union's future headquarters premises**

**Status report on the Union’s future Headquarters premises**

6.1 In the 2018 Plenipotentiary Conference in Dubai, the new Resolution 212 (Dubai, 2018) was passed concerning the Union's future headquarters premises. This resolution replaces Resolution 194 of Busan 2014.

6.2 The new resolution resolved:

* accordance with Council Decision 588 (of 2016), and to other relevant Council Decisions:

that financing should primarily be from an interest-free loan over 50 years from the Swiss Confederation which should not exceed CHF 150M, which can be supplemented by sponsorships and donations, and the fund established by Council 2018;

* that MSAG would continue meeting quarterly in general, reviewing progress and providing guidance, and that representatives of permanent missions in Geneva be provided with updates at information meetings at least twice a year.

6.3 In addition, Decision 5 (Rev. Dubai, 2018) instructs the Council

*“to authorize the Secretary-General, in the event that a surplus is achieved during the budget implementation, to allocate an appropriate amount to the New Building Project Fund to finance the costs that cannot legally be financed by the loan from the host country;”*

6.4 This means there are now the following funding sources:

* the loan from the Host Country (for items that are legally includable);
* sponsorships;
* donations;
* the fund established by Council 2018 (for items that are not legally includable in the loan).

6.5 The architect continues cost-optimizing the initial concept design that was delivered in October 2018. The final version is expected 1 April 2019.

6.6 As compared with the initial design the following substantial changes were decided on in early 2018:

* one fewer basement floor, optimized by the use of existing basement space;
* one fewer above-ground office floor, optimized by the reshaping of the narrow ends of the building.

6.7 This means there is now a total of ten floors: basement, lower ground (Varembé side), upper ground (Giuseppe Motta side), technical level, courtyard garden, and five upper office floors.

6.8 As a consequence of the elimination of one office floor, the building height is lowered with regard to the winning design. ITU has confirmation from the Conseil d’Etat de la République et canton de Genève that the Local Zoning Plan need not be revised for this height, and that planning authorization consideration will follow the standard processes.

6.9 With regard to security issues, the new building is required to be compliant with UN-MOSS (minimum operational security standards) which applies to all UN Organizations’ buildings which are new or retro-fitted either in Switzerland or elsewhere (recent examples in Geneva are ILO, UNOG, WIPO, WHO, and WTO).

6.10 In December 2018, a UNDSS Architect and a Blast Mitigation Expert from the Physical Security Unit in New York undertook a preliminary physical security assessment and inspection of the new building’s design and concept in relation to MOSS security mitigation measures. The preliminary assessment report indicated the same concerns/challenges for the New Building that were recognized by ITU secretariat which are mainly insufficient stand-off distances from the rue Varembé, and the Nations Parking ENTRY/EXIT lanes from the rue Varembé. The preliminary report *concurred as a best security practise* with the initial concept strategy that has been designed by the ITU and Architect, that of having two separate layers of perimeter security barriers, i.e. anti-vehicle barriers installed around the compound parcel as far away as possible from the building to gain the maximum amount of stand-off distance, and an anti-climb pedestrian barrier installed to channel unaccredited persons into a Screening/Accreditation Pavilion (for visitors and unaccredited delegates) which will be situated at the new entrance off the Ave Giuseppe Motta. A formal report has been requested by ITU. A site visit will be undertaken by the UNDSS Architect and a Blast Mitigation Expert in February for a more detailed assessment. The formal report will be shared the Liaison Committee Security Working Group.

6.11 KPMG has been engaged to provide a technical support consultancy until April 2019. An international procurement action was launched in November 2018 for the long term project management support from April 2019 onwards. Offers are currently under evaluation. Experts from the support consultancy will be invited to join meetings of the Management Board and in particular the Requirements Subgroup.

6.12 MSAG met this week and will meet again on 15 April 2019 to review the final concept design and prepare its report to Council.

6.13 ITU hopes to avoid the need to rent temporary office accommodation during the transition period (between vacating the Varembé building and moving into the new building) by increasing the space available for staff in the Tower and Montbrillant Buildings and encouraging teleworking.

6.14 ITU also hopes to avoid the need to rent meeting rooms during the period when the Tower and Montbrillant meetings rooms will not be usable due to the disruption (during 2022-2023) by Member States offering to host the meetings on the normal terms (covering the cost of ITU support staff travel and subsistence).

6.15 Member States and Sector Members are further encouraged to provide sponsorship and/or donations and to contact the Deputy Secretary-General for information if they have an interest.

6.16 The secretariat will provide Council 2019 ordinary session with a comprehensive status report covering all these issues and including budget and schedule.

**7 Report and follow-up on the recommendations of the External Auditor  
 (Document** [CWG](https://www.itu.int/md/S19-CLCWGFHR09-C-0003/en)-FHR 9/3)

7.1 The secretariat presented the document containing the recommendations made by the External Auditor (Corte dei Conti), the comments by the Secretary-General and the status as reported by ITU Management with updates as of 31 December 2018:

* Recommendations made in the External Auditor’s Report on the audit of financial statements for 2017;
* Recommendations made in the External Auditor’s Report on the Audit of the Union’s accounts on ITU Telecom World 2017;
* Recommendations made in the Special Report of the External Auditor on Regional Offices.

7.2 Following the CWG-FHR meeting in January 2017, all recommendations have been reviewed by the External Auditor during the audit of the 2017 accounts.

7.3 Ten (10) recommendations have been made by the External Auditor relating to the ITU Financial Operating Report on the 2017 accounts. Updates have been provided by the secretariat on open recommendations pertaining to 2016 (12 recommendations), 2015 (4 recommendations) and 2014 (2 recommendations) and 2012 (3 recommendations).

7.4 Five (5) recommendations were made on ITU Telecom World 2017 for which the status was provided by ITU Management as of December 2018.

7.5 Comments by the Secretary-General were made to the twenty-two (22) recommendations of the External Auditor relating to Regional Offices.

7.6 The open recommendations will be reviewed and discussed further with the External Auditor during the audit of the 2018 accounts. An update of the status of these recommendations will be presented in the External Auditor’s Report to Council 2019.

**Summary Report of the 21st meeting of the Independent Management Advisory Committee (IMAC) (Document** [CWG-FHR 9/13](https://www.itu.int/md/S19-CLCWGFHR09-C-0013/en))

7.8 The Chair of IMAC, Dr. Beate Degen presented the summary report from the 21st meeting of the Committee. The Chair comprehensively introduced Document [CWG-FHR 9/13](https://www.itu.int/md/S19-CLCWGFHR09-C-0013/en) and explained the views of the Committee on the topics addressed by the report, including: *i)* feedback from the ITU Council session at PP-18; *ii)* the IMAC Terms of Reference; *iii)* the review of the status of IMAC Recommendations, *iv)* Financial Management topics; *v)* the topic of Ethics Office; *vi)* Compliance and fraud management topic; *vii)* Internal Audit function; *viii)* External Audit; *ix)* a case of fraud in a Regional Office; *x)* the ITU HQ construction project; and *xi)* strategic planning and risk management.

7.9 Several delegations took the floor and appreciated the presentation by the Chair of IMAC. Most delegates requested to be provided with more information on the fraud case in a regional office – which was previously reported during the Council session at PP-18 by the External Auditor and IMAC.

7.10 The ITU secretariat, through the Head of Internal Audit, the Chief of the Human Resources Management Department and the Head of Legal Affairs Unit, provided more information on the case and explained the measures undertaken by the secretariat, including the disciplinary procedure against the individual involved in the fraud. The relevant documentation had been submitted by the Secretary-General to the External Auditor without delay, as per Article 28/paragraph 9 of the ITU Financial Regulations and Financial Rules. The secretariat also committed to provide IMAC with all the relevant documentation related to the fraud case in order to enable IMAC to fulfil its responsibilities in accordance with Resolution 162  
(Rev. Busan, 2014), once the disciplinary procedure will be completed, giving the Committee the chance to review the documentation in advance to the following meeting.

7.11 Following the requests by several delegations, the Chair of IMAC confirmed that, upon the receipt of all the related documentation, the Committee will look into the measures undertaken and the overall governance and controls in place that might need to be revisited.

7.12 On the issue of the IMAC Terms of Reference Member States focused on the topic of ethics in the mandate of the Committee, asking that despite the missing clear authorization, there should be a “gentlemen’s agreement” that IMAC may look into those issues and provide recommendations, if it is deemed necessary by the Committee.

7.13 On the question of duplication of work between the MSAG and IMAC regarding the topic of the ITU HQ construction project, the group concluded that both Committees shall continue to look into the topic, as they are approaching it from different perspectives, with IMAC being concentrated on the overall project oversight and management mechanisms.

**8 Update on the selection process concerning the new External Auditor  
 (Document** [CWG-FHR 9/7](https://www.itu.int/md/S19-CLCWGFHR09-C-0007/en))

8.1Mr. Kamel Dimassi, Internal Audit, presented the document. The Chairman opened the floor for comments but no delegations took the floor.

**Selection process concerning the new IMAC members (Document** [CWG-FHR 9/6](https://www.itu.int/md/S19-CLCWGFHR09-C-0006/en))

8.2 The secretariat presented the process and timeline for the Selection of IMAC members (document [CWG-FHR 9/6](https://www.itu.int/md/S19-CLCWGFHR09-C-0006/en)). The group was reminded that the Committee is composed of five (5) members who are currently appointed until the end of 2019. Two (2) of the current members are eligible for renewal, while the other three (3) are in their second and last term in the Committee.

8.3 The selection process, similarly to the process followed in 2015 and in 2011, will be led by a Selection Panel nominated by the regional groups, which will review the candidates for IMAC and submit its recommendations to the 2019 Session of Council, following a process of nominations by Member States and expressions of interest by individuals.

8.4 The group took note of the document and the Chair of CWG-FHR kindly urged the regional groups to nominate their candidates for the IMAC Selection Panel as soon as possible, in order to be able to stick to the strict deadlines for the selection process.

**9 Preparation of the draft biennial Budget of the Union for 2020-2021  
 (Document** [CWG-FHR 9/2](https://www.itu.int/md/S19-CLCWGFHR09-C-0002/en))

9.1 The draft biennial Budget of the Union for 2020-2021 was presented by the secretariat based on Decision 5 (Rev. Dubai, 2018) and associated guidelines and in accordance with number 100 of Article 5 of the Convention. After consultations with the Coordination Committee while ensuring that all possible savings have been made and taking into consideration the limitations set by the Plenipotentiary Conference, the draft Budget will be submitted to Council 2019.

9.2 The amount of the contributory unit to be paid by Member States of CHF 318,000 has been maintained resulting in zero nominal growth since 2016. No withdrawal from the Reserve Account is foreseen to balance the 2020-2021 draft Budget.

9.3 The 2020-2021 draft Budget totals CHF 331.34 million which is CHF 6.72 million higher than the 2018-2019 Budget of CHF 324.61 million. Provisions for three major events are included in the draft Budget (World Telecommunication Standardization Assembly (WTSA-20), World Telecommunication Development Conference (WTDC-21) and World Telecommunication Policy Forum (WTPF-21).

9.4 Linkage with the Goals and Objectives of the ITU Strategic Plan for 2020-2023 has been taken into consideration.

9.5 As in previous budgets, a five per cent vacancy rate has been applied which implies recruitment delays, part-time service and leave without pay. Nevertheless, the implementation of the vacancy rate will pose as a significant challenge in the management of vacant positions and the recruitment process.

9.6 The following ITU common and central expenses were consolidated in an ITU common expense cost centre for transparency and efficiency.

* ILO tribunal – post adjustment;
* Post upgrading (new);
* Extended sick leave/maternity leave (new);
* In-service training;
* Communication costs (fixed and mobile phones);
* Dispatch and postage costs;
* Photocopier rental;
* Bank charges;
* Loan repayment;
* Retired staff ASHI;
* UN services;
* Audit and inter-agency fees;
* ICT and building maintenance fund.

9.7 The draft 2020-2021 Budget includes 763 posts which is 15 posts higher than in the   
2018-2019 Budget.

9.8 The conditions of service as of 1 October 2018 including the new post adjustment in Geneva have been taken into consideration in the draft 2020-2021 Budget. Adjustments will be made taking into account the following:

* Conditions of service as of 1 January 2019;
* 2018 actual cost of non-staff expenses;
* Possible implementation of efficiency measures in Annex 2 of Decision 5  
  (Rev. Dubai, 2018);
* Outcome of on-going discussions on how to allocate the budget among the three Sectors and the General Secretariat within the limits established in Decision 5 (Rev. Dubai, 2018).

9.9 A number of tables were presented in the Draft Budget 2020-2021:

* Table 1 – Planned expenses by Sector;
* Table 2 – Revenue by source;
* Table 3 – Proposed transfers of 2020-2021 Budget;
* Table 4 – Transfers included in Financial Plan for 2020-2023;
* Table 5 – ITU Common Expenses;
* Table 6 – Budgeted Post comparison between 2012 and 2021.

9.10 Two Annexes were presented in the document:

* Annex 1 – Draft Budget 2020-2021 Breakdown of expenses by Sector and section;
* Annex 2 - Documentation Volumes on Translation, Composition and Reprography.

9.11 A number of delegates expressed their appreciation and acknowledged the efforts of the secretariat in preparing the draft Budget for 2020-2021.

9.12 In response to queries from delegates, the secretariat provided the following clarifications:

* The revised draft Budget for 2020-2021 which will be submitted to Council 2019 will provide more detailed information for each table and more Annexes;
* Consistency in the use of terminology for the three Sectors e.g. “*workshop/seminar*” to extent possible;
* With regard to the proposed centralization of the budget relating to provisions in case the ILO tribunal decides to reinstate the reduction in post adjustment for professional and higher categories, several delegates are of the opinion that such provisions should remain in the three Sectors and the General Secretariat. The secretariat informed delegates that such proposal was made for accounting purposes in order to simplify by allocating the fund in one cost centre. However, the request of the delegates will be reflected by the secretariat in the revised draft Budget;
* Although 15 new posts are added, the staff-related costs in the draft budget for 2020-2021 appear lower due to the salary reduction of staff in the professional category. Details on these new posts will be provided by the secretariat when presenting the draft budget to Council 2019;
* The main funding for the Artificial Intelligence for Good event and the WSIS Forum comes from voluntary contribution/sponsorship and not the regular budget which only covers relating to administrative work and support;
* Since the draft Budget for 2020-2021 was prepared in 2018 wherein the conditions of service as of 1 October 2018 has been used, adjustments will be made in the calculation of staff costs using the conditions of service as of 1 January 2019 which is a more recent basis;
* Savings from budget implementation will be transferred as in usual practice to the Reserve Account or to some activities as approved by Council. When savings are obtained, Decision 5 gives priority to the new building fund and the After-Service Health Insurance (ASHI).

9.13 The Chairman reminded the Group that a real balanced budget for 2020-2021 should show CHF 4.261M lower expenses.

**Contribution by Brazil (Federative Republic of) - Translation procedures in the ITU (Document** [CWG-FHR 9/8](https://www.itu.int/md/S19-CLCWGFHR09-C-0008/en))

9.14 The delegate from Brazil presented the document. PP-18 reaffirmed the importance of continuing improvements in the translation procedures in ITU including the use of innovative technologies and the adoption of alternative translation procedures. Referring to Annex 2 to Decision 5 (Rev. Dubai, 2018), the importance of optimizing ITU translation services while taking into account the cost and quality of translation was highlighted.

9.15 Moreover, Resolution 154 (Rev. Dubai, 2018) on the Use of the six ITU official languages on an equal footing instructs the Council “*to continue to analyse the adoption by ITU of alternative translation procedures, taking into account their financial implications and leveraging the benefits of innovative technologies in order to reduce translation and typing expenses in the budget of the Union…”.*

9.16 Member States have expressed interest in alternative translation procedures as mentioned in Resolution 154 (Rev. Dubai, 2018) and made contributions on this regard noting the burden in the current cost of translation services (about CHF 191 per page), the continued increase in translation-related cost and thereby proposing the increased use of technology (e.g. artificial intelligence and machine translation) in ITU’s translation services.

9.17 The Deputy Secretary-General has been requested by Council 2017 to preside in an internal Committee reporting to Council through CWG-Lang. During the 9th session of CWG-Lang, the secretariat informed the Group that outsourcing and machine translation has been increasingly used to optimize translation services and that other solutions including remote interpretation will be used on a trial basis from 2019.

9.18 Cost savings and increased efficiency in translation procedures will pave a way in the improvement and inclusiveness of the work of ITU which are in line with the goals of Resolution 154 (Rev. Dubai, 2018).

9.19 It is being proposed that the secretariat presents to Council 2019 a detailed plan for the full achievement of the provisions in Decision 5 (Rev. Dubai, 2018) and Resolution 154  
(Rev. Dubai, 2018) regarding the adoption of alternative translation procedures taking into consideration all the measures recommended by Member States in the last four years (e.g., outsourcing, remote interpretation and machine translation).

9.20 The Chairman concluded that the document has already been presented during the recent CWG-Lang session and the Deputy Secretary-General had already advised delegates that the secretariat will prepare the plan to be submitted to Council 2019.

**Contribution by Brazil (Federative Republic of) – Issues to be considered in the ITU biennial budget for 2020-2021 (Document** [CWG-FHR 9/9](https://www.itu.int/md/S19-CLCWGFHR09-C-0009/en))

9.21 The delegate from Brazil presented Document CWG-FHR 9/9.

9.22 In line with Resolution 2 (Rev. Dubai, 2018) and Resolution 77 (Rev. Dubai, 2018), the draft Budget for 2020-2021 (Document CWG-FHR 9/2) allocates CHF 307,000 for World Telecommunication Policy Forum (WTPF-21). CHF 1,436,000 is also included in the biennial budget for two annual Council sessions and Council Working Group (CWGs) meetings during 2020-2021 as well as for some meetings of Expert Groups (EGs). Additional budgetary allocation for EGs shall also be included in the 2020-2021 budget.

9.23 Council 2019 is being requested to approve the agenda and the theme of WTFP-21, and Brazil proposes to establish an Expert Group on WTPF (EG-WTPF) and allocate an additional budget for the meetings of EG-WTPF. The issues to be considered cover remote participation, languages for interpretation and translation of documents, and the number and duration of EG-WTPF meetings.

9.24 Moreover, following the amendment of Resolution 146 (Rev. Dubai, 2018), Council 2019 is being requested to establish the new Terms of Reference and the new management team of the Group as well as the number of duration of EG-ITRs meetings.

9.25 It is being proposed that the secretariat submits a proposal for a detailed calendar of meetings and corresponding budgetary allocation in the 2020-2021 biennial budget for events covered in the document.

9.26 Furthermore, it is also being proposed that the cluster of CWGs meetings do not exceed two week-duration including meetings of all CWGs and Expert Groups (except “EG on Decision 482).

**Financing the EG-WTPF and EG-ITRs (Document** [CWG-FHR 9/12](https://www.itu.int/md/S19-CLCWGFHR09-C-0012/en))

9.27 The secretariat presented Document CWG-FHR 9/12 which provides the financial information on the proposal made by Brazil in Document CWG-FHR 9/9 to include the cost of meetings of Expert Group on World Telecommunication Policy Forum (EG-WTPF) and Expert Group on International Telecommunication Regulations (EG-ITRs) in the 2020-2021 draft Budget.

9.28 The 2020-2023 Financial Plan did not include all the necessary appropriations relating to the EG-WTPF and EG-ITRs as outlined in the proposed schedule of 2020-2021 meetings presented in Document CWG-FHR 9/9.

9.29 The secretariat presented a table showing the total estimated additional cost of EG-WTPF and EG-ITR meetings in 2020-2021 amounting to CHF 262,000.

9.30 Several delegations took the floor on the preparatory process of WTPF 21 and the need for the creation of an expert group for this purpose. The need to convene the EG-ITR in the six languages of the Union was reconfirmed.

9.31 The Chairman concluded that further discussions are needed on the frequency of meetings, the structure of these meetings and the number of languages to be used. These items should be dealt with at Council 2019 when discussing the arrangements for the preparations of EG-ITR and WTPF. As far as the Budget 2020-2021 is concerned, the figures presented by the secretariat in Document CWG-FHR 9/12 shall be provisionally used to give flexibility to Council 2019 when taking its decision on the above-mentioned matter.

**10 Status report on implementation of Council Decisions 600 and 61 (UIFN, IIN) (Document**[CWG-FHR 9/14](https://www.itu.int/md/S19-CLCWGFHR09-C-0014/en))

10.1 The secretariat introduced Document CWG-FHR 9/14 by 1) summarizing the recommendations by Council 2018, 2) updating the status of consultations with national Administrations/regulators or authorized agencies and 3) updating the status of implementation of Council Decisions 600 and 601.

10.2 A question was raised about the amount of unpaid invoices (CHF 671 700 out of CHF 752 700). The secretariat clarified that one particular operator who was invoiced CHF 326,800 decided to become a Sector Member which represents almost half of the unpaid revenues that were charged at the beginning of 2018. The new sector membership fee will be a recurring income for the ITU over the next years. The rest of the unpaid amount remains mostly with four companies. If invoices for these operators/companies can be closed, a significant amount of unpaid invoices would be resolved.

10.3 The secretariat reminded that at the end of a year, according to IPSAS rules, provision will be made for any unpaid invoices. If the invoices remain unpaid for a long period, the secretariat will seek assistance from Member States to recover the debt. Finally, if it is not successful, it would be the Council to decide whether to write off the debt.

10.4 The secretariat confirmed that the CHF 500,000 per year foreseen from UIFN in the draft budget for 2020 and 2021 is the combination of one-time fee, annual maintenance fee for UIFN, and recurring new sector membership fees.

**11 New UN system-wide action plan for gender equality and the empowerment of women**

11.1 The secretariat presented an overview of the new United Nations system-wide action plan on gender equality and the empowerment of women (UN-SWAP). The original UN-SWAP, the first thematic accountability framework in the UN system, was endorsed by the CEB in 2012 and was in place through to the end of 2017. ITU advanced from 13 per cent to 40 per cent compliance during this initial implementation period. Aggregated results from across the UN system illustrate the importance of the framework in advancing gender equality and mainstreaming. As such, ITU aligns its gender equality and mainstreaming (GEM) planning to the UN-SWAP framework.

11.2 Phase 2 or UN-SWAP 2.0 started in 2018 for a further 5 year period. The new framework aligns to the 2030 agenda with focus on gender-related SDG results. Further, the bar has been raised in terms of the institutional strengthening indicators then support achievement of results, including two new stand-alone indicators on "leadership" and "equal representation of women". A new annual GEM implementation plan is forthcoming for Council 2019.

**12 Report to Council**

12.1 The Chairman informed delegates that the report of this meeting will be published on the website and delegates will be given at least two (2) weeks to review and provide comments and suggestions.

12.2 The report to Council 2019 will be a summary of the above-mentioned report.

**13 Next meeting**

13.1 Should there be no substantial and urgent topics to be discussed or any topic to be assigned to the Group by Council 2019, there will be no need for CWG-FHR to meet during the September 2019 cluster. The schedule of the next CWG-FHR meeting will therefore be decided after Council 2019.

**14 Other business**

14.1 The delegates expressed their gratitude to the Chairman for his efforts and to all the participants for having successfully completed the work of CWG-FHR as scheduled.

14.2 The Chairman thanked the secretariat for the valuable support that he has been accorded making him feel privileged. He also thanked his administration (Germany) for making him available to assume the Chairmanship of CWG-FHR despite the fact that they have relatively few officials to represent the administration in eight (8) international organizations.

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