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| **Council 2022Geneva, 21-31 March 2022** |  |
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| **Agenda item: ADM 1** | **Document C22/9-E** |
| **18 February 2022** |
| **Original: English** |
| Report by the Secretary-General |
| ANNUAL REVIEW OF REVENUE AND EXPENSESEfficiency measures |

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| SummaryThis document presents the key elements of the 2022 Budget implementation, pursuant to No. 73 of the ITU Convention, which stipulates that an annual review of revenue and expenses shall be carried out by the Council.In conformity with paragraphs 1, 2 and 3 of *instructs the Secretary-General and the Directors of the Bureaux* of Decision 5 (Rev. Busan, 2014 and Rev. Dubai, 2018), this document provides an update on the implementation of the efficiency measures as outlined in Annex 2 to Decision 5 (Rev. Busan, 2014 and Rev. Dubai, 2018).Action requiredThe Council is invited to endorse this document.References[*Council Resolution 1405 - (Biennial budget of the International Telecommunication Union for 2022-2023)*](https://www.itu.int/md/S21-CL-C-0097/en)[*Decision 5 (Rev. Busan, 2014)*](http://www.itu.int/pub/S-CONF-ACTF-2014) and [*Decision 5 (Rev. Dubai, 2018)*](https://www.itu.int/en/council/Documents/basic-texts/DEC-005-E.pdf) |

1. **Introduction**

1.1 The purpose of this document is to report on the status of the implementation of the first year of the 2022-2023 Budget of the Union for revenue and expenses.

1. **Budget of the Union for 2022-2023 (Resolution 1405)**
	1. The 2022-2023 Budget of the Union was adopted by the Virtual session of the Council (and subsequent consultation) at its 2021 session by Resolution 1405. The updated biennial budget amounts to KCHF 326,795 and is divided as follows: KCHF 163,601 for 2022 and KCHF 163,194 for 2023. It is based on an annual contributory unit amount of CHF 318,000 for Member States, i.e., zero nominal growth since 2006. The Budget of the Union is being implemented in conformity with Article 10 of the Financial Regulations and Financial Rules.
	2. The budget for 2022 has been increased by KCHF 1 640 on account of the deferment from 2021 to 2022 of the World Telecommunication Development Conference (WTDC) as well as the deferment from 2021 to 2022 of the Inter Regional Meeting (IRM) for the preparation of the WTDC. The updated budget for 2022 amounts to KCHF 163,601.
	3. The following Tables 1 and 2 provide the status of the 2022 Budget showing expenses and revenue as of 31 January 2022 and provide a forecast of revenue and expenses up to 31 December 2022. The preliminary forecast for 2022 shows a balanced result.





**3 Revenue**

3.1 The revenue of the Union consists of assessed contributions, cost recovery, interest/other revenue, and savings from budget implementation. The predicted shortfall in revenue for 2022 is estimated at CHF -3.7 million.

3.2 Revenue from assessed contributions represents some 77 per cent of the total planned revenue for 2022. It includes contributions from Member States, Sector Members, Associates and Academia. Table 3 below shows the breakdown of assessed contributions.



3.3 The amount of the annual contributory unit is set at CHF 318,000 for 2022-2023. As of 31 January 2022, the total invoiced revenue from Member States is at the budgeted level.

3.4 For 2022, the amount of the annual contributory unit for Sector Members is set at CHF 63,600 and for Associates at CHF 10,600. On 31 January 2022, the total invoiced revenue from Sector Members is above the budgeted revenue by KCHF 124. The invoiced revenue for Associates is KCHF 50 below the budgeted revenue. The invoiced revenue for Academia is higher than the budgeted revenue by KCHF 8.

3.5 Cost recovery revenue represents 20.5 per cent of the total budgeted revenue. The breakdown is provided in Table 4 below. Revenue from cost recovery is likely to be lower than the budgeted amount for 2022, CHF -3.7 million.

3.6 KCHF 3,109 will be withdrawn from the Reserve Account due to the deferment from 2020 to 2022 of the WTSA and the deferment from 2021 to 2022 of the WTDC. The same amount was paid into the Reserve Account at the end of 2020 for the WTSA, and at the end 2021 for the WTDC, thus no financial impact on the level of the Reserve Account.



3.7 The total of other revenue and revenue from interest are estimated to be together at their cumulated budgeted levels for 2022.

**4** **Expenses**

4.1 With regard to expenses, continuous application of efficiency measures and efforts are being made to comply with Resolution 1405. The objective is to keep expenses within the budget at the year-end 2022. Implementation of efficiency measures as well as consequences of the COVID-19 pandemic will generate unspent appropriations estimated to some CHF 3.7 million for 2022.

**5 Efficiency Measures**

5.1 The measures for implementation in the biennia 2014-2015, 2016-2017, and 2018-2019 were reported to the Council in Documents C15/45, C16/45, C17/45, C18/45, C19/45 and C20/9. These measures resulted in savings of CHF 57.6 million for 2014-2019.

5.2 Table A presents the savings under each of the 30 efficiency measures identified in Annex 2 to Decision 5 (Rev. Busan, 2014) for the 2014 to 2019 timeframe.

5.3 Table B presents the actual and prospective savings under each of the 27 efficiency measures identified in Annex 2 to Decision 5 (Rev. Dubai, 2018) for the 2020-2023 timeframe. These measures will be further analyzed during the budget implementation, and it will be possible to provide more detailed estimates of the achieved savings for some of these efficiency measures at that time.

TABLE A



TABLE B



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