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| **Council Working Group for Strategic and Financial Plans 2024-2027 Third meeting – 21 and 22 February 2022** |  |
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| Draft annex 2 to resolution 71: Situational Analysis | |
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| **Summary**  This document presents the draft Situational Analysis, being elaborated by the CWG-SFP within the process of the development of the of the Draft ITU Strategic plan for 2024-2027.  **Action required**  The Council Working Group is invited to **consider** **and endorse** the draft Situational Analysis of the Draft ITU Strategic plan for 2024-2027.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [Resolution 71 (rev. Dubai, 2018)](https://www.itu.int/en/council/Documents/basic-texts/RES-071-E.pdf) |

# ITU as a part of the United Nations System

1. ITU is the United Nations specialized agency for telecommunication/ICTs. ITU allocates global radio spectrum and associated satellite orbit resources, develops technical standards that ensure networks and technologies seamlessly interconnect, and strives to improve access to and use of telecommunication/ICTs to underserved communities worldwide. ITU is committed to connecting all the world's people – wherever they live and whatever their means, leaving no one behind. ITU's work aims to protect and support everyone's fundamental right to communicate.
2. ITU has been based on the partnership of diverse members since its inception in 1865. It is therefore unique in the UN system, as it brings together 193 Member States, over 900 private sector companies, universities, and civil society organizations, that work together to harness the power of telecommunication/ICT to promote universal and affordable connectivity for all.

# Developments since the ITU 2018 Plenipotentiary Conference

* 1. Developments at the UN System

1. **Digital transformation and cooperation have become one of the top priorities across the United Nations**. The rapid advancement of digital technologies is transforming economic and social activities globally. In response, digital transformation has been considered as a top priority across the UN system, especially to support the achievement of the Sustainable Development Goals (SDGs). Notably, the UN Secretary-General’s strategies and priorities are increasingly focused on digital and cyber-security issues, the number of resolutions on digital technologies in the UN General Assembly and other UN entities has grown, while many UN entities have launched digital transformation strategies and initiatives for their programmes, funds and internal processes. Digital-themed UN conferences and international days are also becoming more frequent. In particular, the UN Secretary-General outlined his vision of an open, free and secure digital future for all in the ‘Roadmap for Digital Cooperation’, released in June 2020.[[1]](#footnote-2) This was reinforced through a set of recommendations, responding to the commitments made by Member States in the Declaration on the Commemoration of the 75th anniversary of the United Nations[[2]](#footnote-3), in his recent report ‘Our Common Agenda’, released in September 2021.[[3]](#footnote-4)
2. These evolutions in the UN system may create parallel work-streams and related inefficiencies across UN entities whose work overlaps with ITU’s mandate in areas of telecommunications/ICTs, such as universal connectivity. They may also hinder ITU’s value added in supporting digital transformation across its membership. However, these developments can also create opportunities to enhance ITU’s unique role as a leading organization in the telecommunication/ICT landscape. In particular, ITU can collaborate and participate across UN agencies’ workstreams, to increase synergies, knowledge-sharing and generate new and increased funding, as well as support for telecommunication/ICTs initiatives at global, regional and local levels. For example, ITU has already been part of the UN workstreams to lead the implementation of the Secretary-General’s Roadmap for Digital Cooperation, as well as to support the UN-wide effort to put forward ‘Our Common Agenda’. Overall, this will enable ITU to fulfil its programmatic, operational and management mandates in a more coherent and coordinated manner within the UN system, and ensure that its priorities are strengthened and reflected in UN system-wide related work, outputs and agenda settings.
3. **The UN development system reform involves a set of far-reaching changes to support Member States in achieving the Sustainable Development Goals**. The 2030 Agenda resulted in bold changes to the UN Development System (UNDS), including the development of a new generation of UN Country Teams, focused on Common Country Analysis (CCA) and a strategic ‘UN Sustainable Development Cooperation Framework’ (UNSDCF) led by independent and empowered UN Resident Coordinators (RC).[[4]](#footnote-5) The UNSDCF, in particular, underscores the UNDS’s collective commitment to help countries address SDG priorities and gaps; it also enhances the accountability of UN Country Teams and host governments, to collectively deliver development results. To do this, the UN system employs CCA further to conduct independent, impartial and collective analyses of countries’ progress, opportunities and challenges in delivering their commitments to the 2030 Agenda, UN norms and standards and the principles of the UN Charter, as reflected in the Cooperation Framework Guiding Principles. The UNDS has also enhanced and promoted common business operations, through the mutual recognition of policy and procedure best practices.[[5]](#footnote-6) This allows UN entities to adopt each other’s policies, procedures, system contracts and related operational mechanisms to deliver their mandates, without further evaluation, checks or approvals.
4. To ensure the UN system works for ITU, the Union can continue to engage with the reformed UNDS, especially with the new RC system. In particular, the Union can work to raise awareness among RCs on ITU’s mandate and functions, by involving them in meetings and consultations with the membership. It can also further leverage ITU’s Regional Presence and support these offices on engagements with RCs, in CCAs and UNSDCF. Moreover, to enhance its involvement in the CCA and other UN Periodic Reviews, the ITU can provide telecommunication/ICT-related guidelines or data for specific countries or regions. Meanwhile, ITU can continue to build on its existing role in the UN system. The organization is a signatory to the UNSCDF and has worked closely with the UN Development Coordination Office (DCO) to provide an offer to RCs and has participated in virtual briefings organized with DCO. ITU Regional Directors are also regularly updated on new developments, including updated guidance on RC-UN agency engagement, such as the revised Management and Accountability Framework that was recently published with national, regional and global chapters.
   1. Developments in the Telecommunications and ICTs landscape
5. **COVID-19 demonstrated the critical role of telecommunications and ICTs in connecting societies and accelerating digital transformation**. The COVID-19 crisis created unprecedented demand for communication networks. As a result of global lockdowns and the rise of teleworking, distance learning, remote entertainment and telemedicine, internet traffic has risen by 30%.[[6]](#footnote-7) Consumers have also become more reliant on digital tools, with 74% of global users reporting significant increases in their internet usage during COVID-19 lockdowns.[[7]](#footnote-8) To meet these evolving consumer needs, new technologies are scaling rapidly. 5G network rollouts have continued unabated and enabled faster connectivity across longer distances. From March 2020 an average of eight new 5G networks have launched monthly, up from six for the same period in 2019.[[8]](#footnote-9) IT infrastructure is also evolving and becoming more democratized. Cloud internet traffic doubled 2019 volume during the pandemic.[[9]](#footnote-10) Meanwhile, the IoT, quantum computing and AI are becoming more sophisticated and widespread. These technologies have the potential to improve operational efficiency, accelerate automation and unlock new capabilities.[[10]](#footnote-11) The COVID-19 crisis has demonstrated that emerging technologies are essential to the functioning of our society, economy, and provide critical infrastructure. As digitalization advances, ensuring equitable and sustainable development is increasingly pressing.
6. **However, the socioeconomic impacts of the pandemic have left vulnerable communities behind.** The pandemic has widened differences in telecommunication/ICT investments and infrastructure development between countries. In developed countries, telecommunication/ICTs capital investment has increased to accommodate rising internet traffic and led to an expansion of 5G and optical fiber infrastructure. In developing countries, capital investment and expenditures per capita have fallen, while the deployment of 4G and 5G coverage is lagging. 5G currently reaches 3% of the population in Latin America and 0% in Africa. Thus, with the rapid pace of digitalization after COVID-19, those without affordable connectivity risk being left further behind. In 2021, some 2.9 billion people remain offline, 96 per cent of whom live in developing countries.[[11]](#footnote-12) In the UN-designated Least Developed Countries (LDCs) in particular, affordability and lack of literacy and digital skills remain significant barriers to the adoption of digital tools. There are almost six times more people in the usage gap than the coverage gap, and while handset affordability has improved, over 50% of LDCs fall short of international affordability targets.[[12]](#footnote-13) As more services are delivered online, the most vulnerable in society will have increasingly limited access to education, medicine, government services, e-commerce and communication tools.
7. **Meanwhile, as the climate crisis intensifies, it is increasingly urgent for the telecommunication/ICT sector to advance progress towards the WSIS Action Lines and 2030 Agenda for Sustainable Development**. Human influence has warmed the climate at an unprecedented rate in the last 2000 years. Meanwhile, the rapid advancement and deployment of telecommunications/ICTs globally has led to an increase in greenhouse gas (GHG) emissions, energy consumption and electronic waste. According to recent estimates, the telecommunication/ICT sector accounts for 3-4% of global CO2 emissions, about twice that of civil aviation. With global data traffic expected to grow around 60% per year, the industry’s share is expected to grow further.[[13]](#footnote-14) However, while the sector requires energy resources, telecommunications/ICTs also offer new opportunities to mitigate and adapt to climate change. For example, telecommunication/ICT play a crucial role in monitoring and analyzing short- and long-term climate trends, enabling disaster risk reduction and management and raising awareness to help protect the environment and reduce GHG emissions. In this context, as 2030 approaches, it is increasingly pressing to leverage the power of telecommunications/ICTs to drive sustainable development and accelerate progress towards the WSIS Action Lines and Sustainable Development Goals.
8. **To respond to these challenges and unlock the potential of digitalization, ITU has the opportunity to play a vital role in bridging the digital divide and enabling sustainable digital transformation**. ITU’s diverse membership is uniquely positioned to address digital inequalities. In particular, governments and regulators in developing countries can launch initiatives targeted at reversing declining capital spending and stimulating investments to enable network roll-out. They can also collaborate to reduce demand-side barriers to connectivity, through efforts to enhance affordability, digital literacy, local content development and adoption of mobile broadband. As an organization, ITU can continue to serve as a platform to drive responsive technical and regulatory action and encourage collaboration between regulators and industry. ITU could also further harness data to enhance digital regulation, by building analytics capabilities, adopting data-driven tools in decision-making and providing regulators with regulatory solutions to respond to changes in the telecommunications/ICTs landscape.[[14]](#footnote-15) Finally, to support the achievement of the SDGs, ITU can continue to play a crucial role in helping members leverage the power of telecommunications/ICTs to promote sustainability, tackle the climate crisis and reduce the environmental footprint of the sector. In particular, ITU’s work could contribute in addressing rising energy consumption, greenhouse gas (GHG) emissions, and e-waste generation through the application of an environmental lens across its work.
   1. Progress on ITU’s Targets of the 2020-2023 Strategic Plan
9. The 2020-2023 ITU Strategic Plan contained five strategic goals (Growth, Inclusiveness, Sustainability, Innovation and Partnership) measured through 24 targets contributing to the achievement of the Connect 2030 Agenda.
10. **Uptake of the Internet has accelerated during the pandemic**. An estimated 4.9 billion people are using the Internet in 2021[[15]](#footnote-16), meaning that roughly 63 per cent of the world’s population is online – an increase of 17 per cent – with almost 800 million people estimated to have come online since 2019. Internet penetration increased more than 20 per cent on average in Africa, in Asia and the Pacific, and in the UN-designated Least Developed Countries (LDCs).
11. **Growth has been necessarily much weaker in developed economies, given that Internet use is already almost universal**, at more than 90 per cent. This growth differential has contributed to a modest narrowing of the divide between the world’s most and least-connected countries: for example, the divide between developed economies and the LDCs went from 66 percentage points in 2017 to 63 percentage points in 2021.
12. **Broadband subscriptions pick up in 2021**: Following a small decline in 2020, the penetration of mobile cellular subscriptions worldwide rose again in 2021, reaching a record 110 subscriptions per 100 inhabitants. Mobile subscriptions with broadband capability (3G or better) followed the same trend, reaching 83 subscriptions per 100 people.
13. **The urban-rural gap, though less severe in developed countries, remains a major challenge for digital connectivity in the rest of the world**. Globally, people in urban areas are twice as likely to use the Internet than those in rural areas (76 per cent urban compared to 39 per cent rural). In developed economies, the urban-rural gap appears negligible in terms of Internet usage (with 89 per cent of people in urban areas having used the Internet in the last three months, compared to 85 per cent in rural areas), whereas in developing countries, people in urban areas are twice as likely to use the Internet as those in rural areas (72 per cent urban compared to 34 per cent rural). In the LDCs, urban dwellers are almost four times as likely to use the Internet as people living in rural areas (47 per cent urban compared to 13 per cent rural).
14. **The digital gender divide is also narrowing globally, but large gaps remain in poorer countries**. In the developed world, the digital gender divide has been virtually eliminated (89 per cent of men and 88 per cent of women online) but wide gaps remain in Least Developed Countries (31 per cent of men compared to just 19 per cent of women) and in Landlocked Developing Countries (38 per cent of men compared to 27 per cent of women).
15. **A generational gap is evident across all world regions**. On average, 71 per cent of the world’s population aged 15-24 is using the Internet, compared with 57 per cent of all other age groups. This generational gap is reflected across all regions. It is most pronounced in the LDCs, where 34 per cent of young people are connected, compared with only 22 per cent of the rest of the population. Greater uptake among young people bodes well for connectivity and development. In the LDCs, for example, half of the population is less than 20 years old, suggesting that local labour markets will become progressively more connected and technology-savvy as the younger generation enters the workforce.
16. **Monitoring the world’s evolving digital divide**. ITU figures also point to a glaring gap between digital network availability versus actual connection. While 95 per cent of people in the world could theoretically access a 3G or 4G mobile broadband network, billions of them do not connect.
17. **Affordability of devices and services remains a major barrier**. The widely accepted target for affordable broadband connectivity in developing countries sets the cost of an entry-level mobile broadband package at 2 per cent of gross national income (GNI) per capita. Yet in some of the world’s poorest nations, getting online can cost a staggering 20 per cent or more of per capita GNI.
18. **Lack of digital skills and an appreciation of the benefits of an online connection is another bottleneck**, compounded by a lack of content in local languages, as well as by interfaces that demand literacy and numeracy skills that many people do not possess.
    1. Assessing ITU’s value proposition and its organizational effectiveness
19. Several projects and initiatives undertaken in the last strategic planning cycle reviewed ITU’s capabilities and provided recommendations on how to further improve its value proposition to its membership and advice to ITU management on enhancing organizational effectiveness. These included the Review of ITU’s Regional Presence, the Culture & Skills Project and informal consultations with members during the strategic planning process.
20. In particular, feedback gathered from the membership underscored the need to establish clear areas of impact and leverage synergies across ITU Sectors. To enhance ITU’s membership offering, it was also suggested providing members with a catalogue of services. Finally, it reinforced the need to improve internal management through results-based management and enhance transparency and accountability.
21. The Culture & Skills project report emphasized the need for ITU to reform its organizational culture, by fostering cross-functional collaboration, bottom-up innovation and responsiveness to changes in the telecommunication/ICT landscape. It also highlighted the need to tackle process inefficiencies, duplication and perceived bureaucracy that lead to reactive and slow decision-making. Other areas of improvement regarding culture included providing staff with clearer ownership and accountability through performance-driven talent management, while also reinforcing inspirational leadership by minimizing organizational hierarchy.
22. Finally, in terms of regional presence, the Review of ITU Regional Presence recommended that ITU further integrate its regional and global planning instruments to enhance the alignment and focus of regional programmes and initiatives. Specifically, it emphasized the need to clarify regional mandates and responsibilities, to ensure ITU’s regional presence represents the ITU as a whole, aligns with the organization’s vision and mission, and takes a leading role in coordinating specific activities.
    1. Summary of ITU’s Strengths, Weaknesses, Opportunities and Threats (SWOT)
23. To respond to the rapid changes in the digital landscape, it will be vital for ITU to leverage its existing strengths as the leading UN Agency focused on telecommunications/ICTs and clearly demonstrate its critical role in enhancing the access and use of these technologies for sustainable development. ITU will also strive to leverage both internal and external opportunities, to reinforce the added value of ITU’s services, products and initiatives. However, to build and maintain its vital role in the telecommunication and ICTs sector, the Union must also focus on remedying its weaknesses as an organization and responding to emerging threats. ITU has identified, analysed and assessed the strategic risks during the strategic planning process (as part of the organization’s overall risk management framework), which are further reflected in this analysis.
24. Further details on the strengths, weaknesses, opportunities and threats (SWOT) for ITU are included in the tables below.

| **Strengths** | **Weaknesses** |
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| - Targeted focus on telecommunications/ICTs and more than 150-year history, giving ITU a unique position in the UN system  - Leading role in enabling the use of and access to telecommunication/ICT resources globally, through regulations and standards of universal applicability  - Trusted global and neutral platform, with a recognized brand and credibility in the international community to facilitate SDGs and WSIS action lines  - Comprehensive and diverse membership that includes governments and regulators, the private sector and academia, providing a unique platform for multilateral discussions and enabling partnerships with stakeholders across the telecommunication/ICT sector  - A diverse range of sector mandates that facilitate comprehensive and complementary actions to deliver on ITU’s mission  - Strong technical capacities of staff and membership, especially within core competencies | - Inefficiencies and bureaucracy, leading to reactive and slow processes  - Complex governing structure, limiting organizational agility and quick decision-making  - Siloed approach with limited cross-functional collaboration that impedes potential synergies and operational efficiencies  - Risk-averse organizational culture and processes, constraining innovation, and bottom-up entrepreneurship  - Limited resource mobilization capacity, constraining the organization’s ability to enhance support for its members |

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| **Opportunities** | **Threats** |
| - Increased contributions of telecommunications and ICTs to sustainable development, enhancing ITU’s role in achieving the SDGs  - Acceleration of digitalization and digital transformation driven by the impacts of COVID-19, reinforcing the importance of ITU’s programmes and platform  - Deepened engagement with new technologies and stakeholder groups, such as youth, women and marginalized communities to garner diverse perspectives on the challenges and opportunities of digitalization  - Growth of membership and partnership opportunities, with the rapid development of new companies and organizations in the telecommunication/ICT landscape due to digital transformation  - Expansion of system-wide UN digital programming, empowering ITU to leverage its unique expertise and position itself as the leading telecommunications/ICTs enabler of other UN agencies’ activities  - A more targeted use of the ITU’s regional presence could improve programming and results delivery | - The telecommunication/ICT landscape and development needs may evolve too quickly for ITU to effectively adapt its programming and capacities, and uphold its value proposition  - The COVID-19 induced global economic slow-down and threats to strong, balanced and sustained growth may limit ITU's resources and ability to deliver its strategic goals  - In the rapidly changing landscape, Member states, industry leaders, other UN agencies and international organizations may capture a greater share of new opportunities in regulation within the mandate, standard-setting and funding, which may render some of ITU’s activities less relevant  - Divergent guidance around the specific scope of ITU’s work leading to stretching resources too thin, which risks diluting ITU’s impact |

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1. [United Nations](https://www.un.org/en/content/digital-cooperation-roadmap/), June 2020 (<https://undocs.org/A/74/821>) [↑](#footnote-ref-2)
2. [A/RES/75/1 - E - A/RES/75/1 -Desktop (undocs.org)](https://undocs.org/A/RES/75/1) [↑](#footnote-ref-3)
3. [United Nations](https://www.un.org/en/content/common-agenda-report/), September 2021 [↑](#footnote-ref-4)
4. [UNSG](https://unsdg.un.org/2030-agenda/cooperation-framework), June 2019 [↑](#footnote-ref-5)
5. [UN](https://undocs.org/en/A/RES/71/243), February 1 2017 [↑](#footnote-ref-6)
6. [ITU Publication](https://www.itu.int/pub/D-PREF-EF.COV_ECO_IMPACT_B-2021), June 2021 [↑](#footnote-ref-7)
7. [Ericsson](https://www.ericsson.com/en/blog/2020/4/networks-adapting-data-traffic-new-normal), April 2020 [↑](#footnote-ref-8)
8. [GSMA Intelligence](https://data.gsmaintelligence.com/api-web/v2/research-file-download?id=58621970&file=141220-Global-Mobile-Trends.pdf), December 2020 [↑](#footnote-ref-9)
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12. [GSMA Intelligence](https://data.gsmaintelligence.com/api-web/v2/research-file-download?id=58621970&file=141220-Global-Mobile-Trends.pdf), December 2020 [↑](#footnote-ref-13)
13. [BCG](https://www.bcg.com/en-gb/publications/2021/building-sustainable-telecommunications-companies), June 2021 [↑](#footnote-ref-14)
14. [ITU Publication](https://www.itu.int/pub/D-PREF-EF.COV_ECO_IMPACT_B-2021), June 2021 [↑](#footnote-ref-15)
15. [ITU Publication](https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2021.pdf), 2021 edition of Measuring Digital Development: Facts and figures, November 2021 [↑](#footnote-ref-16)