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| **Agenda item: ADM 1** | **Document C23/51-E** |
| **9 June 2023** |
| **Original: English** |
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| Report by the Secretary-General |
| IMPLEMENTATION OF THE VOLUNTARY SEPARATION PROGRAMME |
| **Purpose**The purpose of this document is to report on the implementation of the voluntary separation programme, in line with *instructs the ITU Council* 6 of Decision 5 (Rev. Bucharest, 2022) of the Plenipotentiary Conference and Council Resolution 1413 (C23-EXT).**Action required by the Council**The ITU Council is invited **to note** the report from the Secretary-General.**Relevant link(s) with the Strategic Plan**Excellence in human resources and organizational innovation.**Financial implications**The cost of the voluntary separation programme is estimated at CHF 3 860K, funded from the ITU Reserve Account.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**References**[Council Resolution 1413](https://www.itu.int/md/S22-CEXT23-C-0007/en) (C23-EXT) |

1. **Introduction**

Pursuant to *instructs the Council* 6 of Decision 5 (Rev. Bucharest, 2022) of the Plenipotentiary Conference, the ITU Council is to take account of the impact of any cost-reduction programme on the staff of the Union, and to implement without delay, and preferably as of early 2023 at the latest, a voluntary separation and early retirement scheme, funded to the extent possible by budgetary surplus, but also through a withdrawal from the ITU Reserve Account, for an amount up to but not exceeding CHF 6 million.

At its 2023 extraordinary session, the Council resolved in Resolution 1413 (C23-EXT) to authorize the Secretary-General, as an extraordinary measure, to withdraw up to an amount of CHF 6 million from the Reserve Account to finance the implementation of a voluntary/agreed separation and early retirement scheme, and further resolved to instruct the Secretary-General to implement the voluntary/agreed separation and early retirement scheme without any delay and preferably no later than early 2023 to improve the budget implementation forecast and permit the preparation of future balanced budgets*.*

1. **Process**

In compliance with these decisions, the Secretary-General launched a voluntary separation programme on 17 March 2023, funded through the approved withdrawal from the Reserve Account. The voluntary separation programme was launched through Service Order 23/03 as a one-off exercise, available for a limited period, and was offered to eligible staff members, within the available financial resources and under specific terms and conditions.

The objectives of the programme were to:

1. support the balancing of the organization’s budget expenditure by reducing the number of staff in the Union at a more rapid rate than achieved through natural turnover and projected retirements;
2. afford the Union an opportunity to realign its structures and use of resources with its redefined strategic goals;
3. give the Union flexibility to further equip itself with additional skills and competencies necessary to deliver its mandate.

The programme was designed following a review of best practices in other organizations and provided different financial settlement options to staff, while ensuring a balanced approach with the needs of the organization and the imperative to perform the exercise in a cost-effective manner.

Staff members were provided until 30 April 2023 to present their formal application to benefit from the programme, based on financial estimations provided by the Human Resources Management Department.

1. **Applications**

A total of 46 staff members applied to the voluntary separation programme. Of the 46 applications, four were not recommended by the Directors of the Bureaux or Chiefs of Department of the General Secretariat for business continuity reasons. Therefore, the Ad hoc Committee reviewed 42 requests as follows:

**Table 1. Requests recommended for
 approval by Bureaux/General Secretariat**

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| **Sector/Department** | **Cases** |
| BDT | 4 |
| BR | 5 |
| TSB | 3 |
| GS | 30 |
| **Total**  | **42** |

In terms of gender, 22 applications were from female staff and 20 from male staff. The average age of applicants was 59.8 years, with a minimum age of 44.5 and a maximum of 64.1.

1. **Recommendations and decision**

According to Service Order 23/03, the Secretary-General appointed an Ad hoc Committee to review and assess applications for voluntary separation from staff and the recommendations from the Directors of the Bureaux or Chiefs of Department of the General Secretariat. The Ad hoc Committee was appointed based on the recommendations of the Directors of the Bureaux.

The committee made recommendations with the interests of the Union a priority and purely based on financial considerations, in line with the decision of the Council. The return on investment (ROI) was calculated for each application considering the costs of the programme and the estimated long-term savings to the organization.

The Ad hoc Committee provided the report to the Coordination Committee for discussion and further advised the Secretary-General to make the final decision to approve or reject applications based on the interests and strategic goals of the Union. As per Service Order 23/03, voluntary separations are to be granted at the discretion of the Secretary-General and are not a statutory entitlement.

The Secretary-General approved a total of 28 cases based on the interests and strategic goals of the Union, and with careful consideration of the financial impact of the exercise, in adherence to the decision of the Council to approve the programme in order to improve the budget implementation forecast and permit the preparation of future balanced budgets.

The final cost of the voluntary separation programme is estimated at CHF 3 860K, with estimated long-term savings[[1]](#footnote-1) of CHF 14 059K and a tangible ROI of CHF 10 189K (264 per cent).

**Table 2. Estimated cost of the voluntary separation programme, projected savings and return on investment**

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| **Approved cases** | **Cost of voluntary separation programme(CHF)** | **Net savings 2023 (CHF)** | **Net savings 2024-2027 (CHF)** | **ROI (CHF)[[2]](#footnote-2)** | **ROI (%)** |
| 28 | (3 860 013) | 1 394 563 | 12 654 438 | **10 188 988** | **264%** |

Staff members whose requests were accepted, in accordance with the provisions set out in Service Order 23/03, will have a date of separation from active service of 31 July 2023. This excludes six (6) members of the staff whose separation has been deferred to ensure business continuity, with no separation going further than the end of 2023.

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1. For purposes of this analysis, the long term is defined as the period from August 2023 until the end of the next programme cycle (2024-2027). Savings are mainly obtained by abolishing the position after departure of the incumbent or, in exceptional cases, by rehiring at a lower grade, in which case recruitment is deferred until a positive return on investment can be achieved. [↑](#footnote-ref-1)
2. ROI is generally calculated as net income/cost of investment. In this case, ROI (CHF) = Estimated net savings – Cost of voluntary separation programme. ROI (%) = ROI (CHF)/Cost of voluntary separation programme. [↑](#footnote-ref-2)