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| **Agenda item: PL 1** | **Document C24/52-E** |
| **9 April 2024** |
| **Original: English** |
| Report by the Secretary-General | |
| UPDATE ON THE TRANSFORMATION PROCESS | |
| **Purpose**  This document reports on the status of the Transformation process to achieve Organizational Excellence.  **Action required by the Council**  The Council is invited **to note** the progress achieved to date, and the financial implications set out in Section 7.  **Relevant link(s) with the Strategic Plan**  Excellence in human resources and organizational innovation  **Financial implications**  Financial and human resources will be required to fulfil the objectives of this programme as set out in Section 7; the funding of which is proposed in Document [C24/19](https://www.itu.int/md/S24-CL-C-0019/en).  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  *Council documents* [*C20/61*](https://www.itu.int/md/S20-CL-C-0061/en)*,* [*C20/74*](https://www.itu.int/md/S20-CL-C-0074/en)*,* [*C21/INF/15*](https://www.itu.int/md/S21-CL-INF-0015/en)*,* [*C22/INF/13*](https://www.itu.int/md/S22-CL-INF-0013/en)*,* [*C22/40*](https://www.itu.int/md/S22-CL-C-0040/en)*,* [*C22/57*](https://www.itu.int/md/S22-CL-C-0057/en)*,* [*C23/36*](https://www.itu.int/md/S23-CL-C-0036/en)*,* [*C23/50*](https://www.itu.int/md/S23-CL-C-0050/en)*,* [*C23/63*](https://www.itu.int/md/S23-CL-C-0063/en)*,* [*C23/INF/11*](https://www.itu.int/md/S23-CL-INF-0011/en)*,* [*C23/INF/13*](https://www.itu.int/md/S23-CL-INF-0013/en)*,* [*C24/19*](https://www.itu.int/md/S24-CL-C-0019/en)*,* [*C24/53*](https://www.itu.int/md/S24-CL-C-0053/en)*,* [*C24/31*](https://www.itu.int/md/S24-CL-C-0031/en) | |

1. **Introduction**

The case for change on ITU’s organizational excellence has been highlighted in the ITU Strategic Plan for 2024-2027 and the Plenipotentiary Decision 5.

Organizational excellence refers to improving the quality of work of the ITU secretariat, and thereby improving the services provided by ITU to its membership and other stakeholders. Initially, the transformation will primarily work toward improving the services provided by the General Secretariat. Since the General Secretariat is responsible for core services that enable the work of the whole of ITU, these improvements will have a positive impact on the effectiveness of all of ITU in the services provided to members and all stakeholders.

To achieve these principles, the transformation will drive enhancements in the following areas:

1. **People and Culture**

ITU seeks to create a stimulating and rewarding culture which favours engagement, mobility, career development, and forward-looking performance management, and promotes diversity and inclusion.

ITU will improve its ability to recruit, manage, empower, and retain top talent. Enhanced performance management systems will enable better recognition of high performing individuals and teams, while ensuring the ability of management to address underperformance. Increased investment in capacity building will improve organizational performance and empower staff to develop their knowledge and skills on a continuous basis, in line with ITU’s strategic goals. Staff assignment and work objectives will be better aligned with strategic goals and operational needs.

HR services will be transformed to be modern, agile, and innovative, leveraging fit-for-purpose technologies to provide service excellence across ITU.

1. **Resource Optimization**

ITU aims to ensure that its resource allocation reflects its priorities. The Union will adopt a strategic, impact-driven approach to budgeting that spans all sectors. By employing agile financial management and forecasting practices, using the best available data and tools, ITU can more effectively respond to both current needs and unexpected challenges. This approach will improve access to timely and accurate financial data organization-wide and enhance our forecasting capabilities.

Cost-saving measures and tools will be introduced, and underused resources will be redistributed across bureaus to increase efficiency. Our procurement and financial processes will be streamlined for better performance, and update financial regulations and rules will be updated, incorporating best practices from the UN system, with guidance from ITU’s governing bodies.

1. **Systems Processes and Tools**

The transformation will update ITU’s systems processes and tools, with its core mission, goals, and the needs of the Bureaux and regional offices, equipping it with modern tools to enhance effectiveness, agility, and efficiency. This aims to minimize risks, ensure financial health, and adopt new technologies and processes. ITU will foster a data-centric culture through coordinated management and data-driven decision-making, alongside risk management and strategic planning. Efforts will include streamlining corporate, administrative, and IT services across ITU, phasing out outdated systems, and upgrading processes and skills for better efficiency. Additionally, ITU will innovate its service delivery for conferences and meetings, leveraging new technologies to enhance quality and optimize productivity.

1. **Governance**

ITU will review and enhance internal tracking, monitoring, and coordination mechanisms to avoid duplication, improve efficiency and transparency. Targets will be established for ensuring that recommendations of governance, audit and judicial bodies are addressed efficiently and comprehensively.

1. **Transformation Update**

Several transformative initiatives have already been initiated and have already delivered improvements in service delivery.

**People and Culture**

Notable human resources transformation initiatives have been undertaken to enhance HR service delivery and efficiency. Key achievements include the implementation of an updated performance management Service Order (23/05) to streamline the performance review process.

A Performance Management Toolkit was developed in November 2023 to assist managers in addressing underperformance, which was further reinforced by four performance management clinics, benefiting 135 staff members and 47 supervisors. Teleworking arrangements, now available to all staff, are being formalized in a new Service Order, while HRMD continues to develop a broader framework for flexible working arrangements.

A Parental Leave Policy was issued in December 2023, following the introduction of the new parental leave framework in the ITU Staff Rules. Work continues to modernize the regulatory framework and enable further alignment with the United Nations common system, where necessary.

The launch of the Young Professionals Programme in 2023 aims to promote youth employment at ITU, with a focus on hiring from least-developed countries, which are currently unrepresented or under-represented among staff. Lastly, in moving forward on data-driven decision-making as part of the “service” pillar of the ITU Transformation plan, HRMD implemented a dynamic live dashboard, providing a comprehensive overview of key ‘people’ metrics, including gender and geographical distribution.

**Resource Optimization**

The secretariat has initiated a comprehensive process optimization project focused on the streamlining of extrabudgetary funds. This initiative marks a pivotal step towards ITU’s strategic goal of financial transformation and aligns with the vision of achieving a more agile and responsive financial management framework.

The primary objectives of this initiative are to:

1. **Enhance Efficiency**: By simplifying and standardizing procedures, ITU will significantly reduce administrative overhead and improve response times.
2. **Increase Transparency**: Streamlining processes will lead to greater clarity in fund management, ensuring accountability and facilitating better decision-making to many stakeholders.
3. **Optimize Resource Allocation**: Through the rationalization of fund management, the Secretariat will ensure that extrabudgetary resources are directed towards priority initiatives, maximizing impact.
4. **Strengthen Financial Governance**: Implementing best practices in process optimization will reinforce our financial governance structures, supporting long-term sustainability.
5. **Improvement in financial reporting**: Through streamlining process, financial reporting will be enhanced and enable more timely reporting through streamlined templates. This also includes strengthening the skills of FRMD staff, in particular by acquiring a solid grounding in IPSAS, and following best practices within the United Nations family.

FRMD will has embarked upon a process optimization initiative, adopting a phased approach to ensure smooth implementation and minimal disruption. The strategy includes:

* **Assessment Phase**: Comprehensive analysis of current processes to identify bottlenecks and areas for improvement (currently FRMD has undertaken the assessment phase will move the future phases during 2024).
* **Design Phase**: Development of streamlined processes and procedures, incorporating best practices and technological solutions.
* **Pilot Testing**: Implementation of new processes in selected areas to validate effectiveness and gather feedback.
* **Full Roll-out**: Gradual deployment across all relevant functions, accompanied by training and support to ensure seamless transition.
* **Monitoring and Evaluation**: Continuous monitoring of the new processes to assess performance and make necessary adjustments.

Stakeholders across the ITU, including department heads, project managers, and finance personnel, will be directly engaged in the transformation process. FRMD will provide regular updates, training, and support to ensure that all stakeholders are equipped to adapt to and benefit from the new streamlined processes.

**Systems Processes and Tools**

ITU has increased use of machine translation and in-house engine, enhancing productivity and reduction in costs while increasing the availability of multilingual content.

The secretariat has enhanced the use of computer-assisted tools (CAT), contributing to streamlining translation processes and productivity increase in text processing work.

Data-driven analysis and forecasting have been implemented to better align recruitment plan to translation and text processing needs throughout the annual cycle, increasing efficiency and cost effectiveness.

The secretariat has worked on the modernization of the Identity and Access Management (IAM) system at ITU to replace the outdated TIES management system and to provide a seamless process for ITU membership, staff and other stakeholders. The new system will be launched on 6 May 2024. This system will deeply impact all aspects of ITU’s operations through a contemporary platform for ITU user account creation and self-service functionalities; streamline the maintenance of Delegates’ profile; enable members to administer TIES access for their delegation members; ensure secure access to digital resources, documents, and physical or virtual events; and enhanced participant overall experiences at ITU conferences and meetings.

**Governance**

The following steps have been taken in 2023 to improve the efficiency of the secretariat’s planning and execution of ITU Council meetings:

* A more strategic agenda has been defined. An annotated agenda has been published.
* Shorter and decision-oriented documents were prepared including financial implications and links with the Strategic Plan and the Financial Plan.
* A new ITU Council website has been published.
* The engagement with councillors has been strengthened through four virtual thematic briefings on strategic topics as well as a briefing for new Councillors.
* The Annual Activity Report (Doc 35) has been reformatted and shortened to include the follow-up on PP Resolutions.
* A Secretary-General’s retreat was organized the day before the Council as well as a high-level segment.

Engagement with the permanent missions has been strengthened through four briefings for Ambassadors, a briefing for new ITU focal points at permanent missions, and the organization of more than 10 ITU Demystifying Digital series hosted by Permanent Missions upon their requests on topics such as the Metaverse, Sustainable and Green Standards, and Quantum.

1. **Transformation Roadmap**

The roadmap for the transformation process will be submitted to the Council as a separate document.

The transformation roadmap will be structured around the four pillars above, in relation to which 18 outcomes have been developed. These outcomes represent the concrete change within ITU which the transformation is seeking to achieve, and indicators have been identified to facilitate measurement of progress.

Progress toward the outcomes will be achieved through initiatives implemented by relevant departments, which will result in specific, measurable deliverables. In this way, initiatives will be undertaken which will collectively deliver on the desired transformation outcomes.

The roadmap will be a living one which will be updated based on progress toward the desired outcomes. As such, once initiatives are completed, their impact will be assessed in terms of contribution toward the overall outcomes, and where necessary additional initiatives will be developed to continue to further the overall objective.

This iterative process for development and ongoing refinement of the roadmap is set out in the figure below.

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The initial phases of defining the objectives, outcomes and KPIs have been completed, and work has commenced to determine and prioritize the activities.

1. **How will progress be measured?**

The transformation process will deliver improvements in a wide range of areas of ITU’s work, through enhancements in internal capacity, processes, and procedures. It will comprise several detailed initiatives and of varying scope.

As the initial focus for the transformation is on corporate functions which are common to most organizations, where possible the desired improvements will be measured using best practice corporate performance indicators. ITU’s desired performance levels will be established based on achievable improvements benchmarked by comparison with an identified selection of similar organizations. This will ensure that ITU is able to assess its progress, but also to benchmark itself against peers thereby affording management and membership readily verifiable results for the transformation.

The overall outcomes will be measured through progress on indicators as set out in Annex 1.

It is proposed to adopt an overall objective based on which targets for each indicator will be established. It is proposed that this objective should be based on a ranking which ITU should achieve, benchmarked with agencies that are similar to ITU in composition, governance and business model. Detailed targets are being developed and will be presented to the Council together with benchmarks at the 2025 session.

1. **Transformation Team**

The Transformation Team will coordinate the transformation process and will ensure the execution of the specific initiatives by the responsible teams, ensuring accountability. Specifically, the team will have the following responsibilities:

* Transformation Initiative Planning and Oversight.
* Monitoring and progress measurement.
* Ensuring accountability and reporting.
* Process review and reengineering.
* Traceability and follow-up.
* Delivery support.
* Stakeholder engagement and communication.
* Ensure senior leadership sponsorship.
* Change management.
* Risk management.

1. **Governance of the Transformation Process**

The Secretary-General and the Deputy Secretary-General will champion the transformation in consultation and close collaboration with the Directors of the Bureaux (all part of the Coordination Committee) as well as with the senior managers (the Management Coordination Group).

An intersectoral Transformation Group has been established to provide guidance on the transformation process. It comprises senior representatives from each Bureau, and the group assists in defining the transformation process, advises on priorities, promotes cross-sectoral awareness and support across bureaus. The group has also directly managed cross-sectoral transformation initiatives of particular importance (such as a SSA recruitment acceleration initiative).

Regular updates from the transformation team will be provided to IMAC, CWG-FHR and the Council.

1. **Financial Implications**

Funding of the transformation will primarily come from regular budgetary allocations, though some additional allocations will be sought to ensure adequate capacity and expertise to implement the initiatives.

During 2024, it is estimated that the following additional funding will be required to support specific transformation initiatives that cannot be completed using existing financial and human resources:

**People and Culture – Estimated Funding: CHF 300 000**

* **Human Resource Policy Development:** People and Culture improvements are grounded in the organization’s human resource policies, practices, and rules. A key initial step in the improvement of this aspect is the review and revision of the policies to ensure that they are suitable for a more efficient and effective ITU. The transformation process will support the Human Resources Management Department (HRMD) in a comprehensive review and renewal of the existing Human Resource Policies to support the changes that will enable improvements. This will ensure that ITU staff is equipped, able and motivated to achieve the outcomes.
* **Culture and Values Definition:** A key outcome of ITU’s recent senior management retreat, informed by the recent UN wide employee wellbeing survey, is the need for ITU to develop and define an internal culture and set of values for the organization, a process which will be led by the transformation unit, with close collaboration with HRMD.
* **Workforce Planning:** Ensuring a sustainable future for the secretariat will require a review of the ITU workforce both from the perspective of skills and capabilities, but also the work methods and norms that will be enabled by the transformation. A workforce review and assessment will be carried out to ensure the staff are fully equipped to carry out the functions in a transformed workplace.

**Systems Processes and Tools – Estimated Funding: CHF 700,000**

* **Enterprise Architecture:** orchestrating a comprehensive blueprint that aligns technology, processes, and resources to support an organization’s strategic objectives and its digital transformation. This will include among other, the targeted state of IT, Cyber Security and Data Architectures. This Enterprise Architecture will streamline operations, reduce complexity, facilitate innovation, and ensure right investments decision on IT modernization and governance covering cybersecurity, and data protection, aligning with recommendations from IMAC.
* **Implementation Plan for the Digital Transformation based upon the Enterprise Architecture:** It will encompass the development of comprehensive blueprints and an actionable project portfolio for implementation, highlighting dependencies and provide an assessment of resources required to ensure successful execution and provide for the return on investments. The Council is reminded that the indicative roadmap developed by EY consultants and presented to Council 2023, estimated an expenditure of CHF 8 280 000 on digital transformation. Once the implementation plan is developed the secretariat will revert to the Council with further detail on the financial implications.
* **Website Roadmap:** Document [C24/53](https://www.itu.int/md/S24-CL-C-0053/en) outlines a roadmap for the harmonization and improvement of search functionality for ITU’s website. This is a key part of ITU’s effectiveness and will be supported by the transformation process.

**Transformation Team Staff Costs – Estimated Funding CHF 354 000**

To date, the transformation team has been funded through an initial allocation from savings made at Council 2023. This has enabled the engagement of the Chief, Transformation and one member of the team, however further funding is needed to ensure that the team is properly resourced to effectively deliver on the various initiatives and deliverables.

| **Pillar** | **Item** | **Amount (CHF)** |
| --- | --- | --- |
| **Transformation Team Staff Costs** |  | 354,000 |
| **People & Culture** | * Human Resource Policy Development * ITU Culture & Values Development * ITU Workforce Planning | 300,000 |
| **Systems Processes and Tools** | * Enterprise Architecture Assessment * Implementation Plan for the Digital Transformation * Website improvement | 700,000 |
| **TOTAL** |  | **1,354,000** |

**Annex 1: Outcomes, Visions and Key Performance Indicators (KPIs)**

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| Pillar | Outcome | Vision | KPIs |
| People and Culture | Enabling environment and management | ITU’s work environment and management culture is more enabling and ensures that staff are engaged, high performing and accountable, with improved performance and under-performance management practices. | Absenteeism rate |
| UN Stress Health Risk Index |
| Leadership culture | Inspirational leadership at all levels steers how we manage, operate, communicate and make decisions to support employees in achieving their goals. | Employee feedback on change initiatives |
| Performance management |
| Optimized organizational structure | The organizational structure and operating model enhances ITU’s future strategic positioning and maximizes efficiency in delivering on its value proposition. | Inclusive workforce – gender, age groups and geographical representation |
| Organizational structure and processes aligned to deliver mandate | Ensuring clear roles, responsibilities, and reporting lines, as well as efficient and streamlined processes that optimize resource allocation, minimize duplication, and promote collaboration and communication. | Operational support costs as percentage of total budget aligned with UN benchmark |
| Process modernization | Streamlined processes, automated and digitized to the extent possible, enable a highly efficient full life cycle recruitment processes, as well as facilitating ITU to bring in and build the best talent pool possible. | Reduction in average recruitment time |
| Talent management | ITU is an employer of choice and able to recruit, support, manage, empower, and retain the top talent, including increased flexibility of work and career progression. | Healthy turnover rate |
| Time to recruit – Fixed Term  Time to recruit – Consultant |
| Resource Optimization | Aligned organizational structure and processes | Ensuring clear roles, responsibilities, and reporting lines, as well as efficient and streamlined processes that optimize resource allocation, minimize duplication, and promote collaboration and communication. | Operational support costs as percentage of total budget |
| Alignment with financial management best practices | Financial operations are conducted in a manner that is efficient, effective, and in line with international standards | Ratio of Incoming Revenue to Budget |
| Variance between budget and expenditures |
| Enhanced transparency and availability of financial information | The establishment of robust financial management practices would result in increased transparency in financial operations. This includes timely and accurate reporting, and accessibility of financial data to stakeholders. Transparent financial information would promote accountability and enable informed decision-making. | Financial reporting and reconciliation accuracy and frequency |
| Strengthened results-based budgeting and financial management (RBM) | Improved implementation of a RBM framework would enable the ITU to improve financial decisions and resource allocations which would be guided by clear goals, objectives, and performance indicators, leading to improved accountability and the achievement of desired outcomes. | Cost of executing mandated priorities as percentage of total budget |
| Systems Processes and Tools | Data Culture | Create an organization where data is valued, utilized, and integrated into decision-making processes at all levels. The culture empowers employees to make informed choices, drives innovation, and enhances organizational performance by leveraging data-driven insights, and provide valuable information to membership and stakeholders about matters within ITU’s mandate. | Data for decision making available through single accurate source of truth |
| Data Culture | Percentage of ITU Information classified and secured |
| Efficient and effective systems, processes and tools across ITU | ITU systems, processes, and tools enhance efficiency, productivity, and agility. Systems and processes are streamlined, reducing redundancies, and allocating resources effectively, leading to cost savings and improved performance. | Cost and time to execute key processes |
| Excellence in conferences, meetings and events | Modernization and improvement in the delivery of services in ITU conferences, meetings and events, making more effective use of technology and enhancing productivity levels across services | Level of participation |
| Participant satisfaction |
| Cost per participant |
| Facilitate Digital Transformation | ITU optimally leverages technology to enhance efficiency, agility, and innovation within the organization, enabling it to adapt to evolving demands of membership, within an optimal financial resource envelope. | Cybersecurity score |
| Percentage of critical IS systems aligned with modern industry and cybersecurity standards |
| Governance | Internal Controls | Review and enhance internal tracking, monitoring, and coordination mechanisms to avoid duplication, improve efficiency and transparency. | Resolution time for IMAC and Audit recommendation |
| Number of new and outstanding recommendations |
| Risk management | The transformation plan will address and enhance mitigation of existing organizational risks. | Percentage of risks in risk register with valid mitigation or resolution measures |
| Safety and security | Safety, security and resilience for staff and delegates enhanced through client-centric processes, risk management, business continuity, IT disaster recover, crisis management frameworks and continued compliance with UNSMS requirements | Enhanced business continuity and crisis management |

**Annex 2: Methodology**

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