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| **Agenda item: ADM 1** | **Document C24/70-E** |
| **6 May 2024** |
| **Original: English** |
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| Report by the Secretary-General | |
| ITU RESOURCE MOBILIZATION STRATEGY | |
| **Purpose**  The Plenipotentiary Conference (Bucharest, 2022) instructed the Secretary-General in Decision 5 (Rev. Bucharest, 2022) to develop an ITU-wide resource mobilization strategy and to present it to ITU Council for review and guidance on its implementation.  The secretariat presented [C23/62(Rev.1)](https://www.itu.int/md/S23-CL-C-0062/en) to the Council at its July 2023 session, which in turn asked the Council Working Group on Financial and Human Resources (CWG-FHR) to continue working on the strategy. The secretariat prepared [CWG-FHR-16/11](https://www.itu.int/md/S23-CWGFHR16-C-0011/en) and [CWG-FHR-17/3](https://www.itu.int/md/S24-CWGFHR17-C-0003/en). A brainstorming session was held during the CWG-FHR meeting in January 2024. The outcomes are available in [CWG-FHR-17/INF/9](https://www.itu.int/md/S24-CWGFHR17-INF-0009/en). Finally, a CWG-FHR correspondence group was set up in March 2024. This document reflects the inputs gathered through these various consultations.  At this stage, the strategy is directional in nature. It outlines areas for further exploration and improvement as part of ITU’s transformation plan. As the strategy evolves, specific objectives and KPIs will be added to monitor implementation and measure impact.  **Action required by the Council**  The Council is invited **to note** this document.  **Relevant link(s) with the Strategic Plan**  Resource mobilization.  **Financial implications**  Potential to increase regular budget and extra-budgetary funding.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [*Decision 5*](https://www.itu.int/en/council/Documents/basic-texts-2023/DEC-005-E.pdf) *(Rev. Bucharest, 2022) of the Plenipotentiary Conference; Council documents* [*C17/67*](https://www.itu.int/md/S17-CL-C-0067/en)*, and* [*C23/INF/12*](https://www.itu.int/md/S23-CL-INF-0012/en)*;* [*Kigali Action Plan*](https://www.itu.int/dms_pub/itu-d/opb/tdc/D-TDC-WTDC-2022-PDF-E.pdf)*,* [*C23/62rev1*](https://www.itu.int/md/S23-CL-C-0062/en)*,* [*CWG-FHR 16/11*](https://www.itu.int/md/S23-CWGFHR16-C-0011/en)*,* [*CWG-FHR 17/3,*](https://www.itu.int/md/S24-CWGFHR17-C-0003/en)[*CWG-FHR-17/INF/9*](https://www.itu.int/md/S24-CWGFHR17-INF-0009/en)*.* | |

**1.** **Background**

**1.1** The Plenipotentiary Conference (Bucharest, 2022) (PP-22) instructed the Secretary-General in Decision 5 (Rev. Bucharest, 2022) to develop an ITU-wide resource mobilization strategy to address the need for additional funding to meet organizational priorities and present it to ITU Council for review and guidance on its implementation.

**1.2** In addition, the ITU strategic plan for 2024-2027, as approved by PP-22, notes:

Accelerated resource mobilization efforts and increased financing are critical to achieving the goals of the Union and enhancing ITU support for the membership. ITU, therefore, recognizes the need to identify the most effective ways to mobilize extrabudgetary resources, build its resource mobilization capacity and enhance its current fundraising strategy while leveraging partner inputs to complement these efforts. ITU will develop long-term financial commitment frameworks in order to effectively plan, programme and deliver on projects and enhance predictability of resource flows*.*

**1.3** At its 2017 session, the Council agreed to principles for resource mobilization, available [here](https://www.itu.int/hub/membership/how-we-are-funded/principles-for-resource-mobilization/#:~:text=Defining%20the%20scope%3A%20%E2%80%9CResource%20Mobilization,revenues%20and%20extra%2Dbudgetary%20contributions.). In these principles, the Council agreed:

As ITU’s primary source of revenues, the top priority for Resource Mobilization is assessed contributions from ITU’s Member States. These contributions are provided to support an agreed Strategic Plan and its implementation through Operational Plans, using the ITU Regular Budget. Therefore, Member States are encouraged to prioritize their assessed contributions as their main financial support to ITU, either by maintaining or when possible, increasing these contributions before considering providing resources for activities outside of the ITU Regular Budget.

It also agreed that the secretariat will encourage members and other stakeholders, to the extent possible, to provide support for extra-budgetary, voluntary contributions to meet organizational priorities.

**1.4** As a follow-up to Decision 5 (Rev. Bucharest, 2022), the secretariat discussed this matter during the internal ITU Visioning Exercise from November 2022 to February 2023 and the ITU Senior Management Retreat in February 2023. Following these discussions, the secretariat engaged Boston Consulting Group (BCG) on a pro-bono basis to support ITU in the development of an ITU-wide funding and resource mobilization strategy.

**1.5** As requested by the Council at its 2023 session, the CWG-FHR also considered further elaboration of the strategy at its fall 2023 and January 2024 sessions, building upon inputs from the above-noted secretariat exercises. CWG-FHR reviewed background information and options put forward by the secretariat and contributions from Member States. To help further engage Member States in the development of the strategy, an informal brainstorming session was held during the CWG-FHR meeting in January 2024. The outcomes of this session are available in [CWG-FHR-17/INF/9](https://www.itu.int/md/S24-CWGFHR17-INF-0009/en). To continue this discussion, a correspondence group on ITU’s resource mobilization strategy was set up in March 2024.

**1.6**  At this stage, the strategy is largely directional in nature. It outlines areas for further exploration and experimentation, areas to be improved and capacities to be developed as part of ITU’s transformation plan. As the strategy evolves, additional details will be added, including specific objectives and KPIs to monitor implementation and measure impact.

**2.** **Key findings from Research and Consultations**

**2.1**  **ITU funding analysis: current situation and trends**

**a.** **Regular budget revenues**

Revenues from Member State units have been stable in recent years. The size of the contributory unit (CHF 318 000) has not changed since 2006. In 2023, Member States’ assessed contributions represented 71 per cent of ITU’s regular budget revenues. See Table 1 below.

Revenues from Sector Members’ contributions, including Associates and Academia, represent approximately 11 per cent of ITU’s regular budget revenues. While Sector membership has grown to its highest-ever level, surpassing 1 000 member entities in February 2024, revenues from Sector membership fees have remained largely flat, hovering around CHF 16.5 million. Most growth has come from lower-fee-paying categories of membership, including Associates, Academia and, most recently, small and medium enterprises. Some qualifying international and regional organizations have also benefited from fee exemptions.

Cost recovery is applied to the processing of satellite network filings, generating CHF 10.6 million in 2023. Revenues from the sales of publications totalled CHF 16.7. An additional CHF 1.3 million was generated from the allocation of numbering resources and the Telecommunication Development Bureau (BDT) project support. Cost recovery revenues can vary from one year to the next which can be a challenge for budget planning. Publication revenues for example, go up or down according to the cycle of maritime publication releases. Satellite filing cost recovery revenues can vary reflecting changes in the industry.

In the brainstorming sessions, Member States noted that to avoid undue pressure on the ITU regular budget, No. 488 of the Convention and PP Decision 5 (Annex 2) should be more strictly followed. Doing so would help reduce costs, thus reducing the need to raise additional revenues. CV488 states that “Before adopting proposals or taking decisions with financial implications, the conferences of the Union shall take account of all the Union’s budgetary provisions with a view to ensuring that they will not result in expenses beyond the credits which the Council is empowered to authorize.” PP Decision 5 (Annex 2) provides a list of measures for improving ITU's efficiency and reducing its expenses.

**Table 1. Regular budget revenue**

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| --- | --- | --- | --- | --- | --- | --- |
| **Amounts in CHF million** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** |
| Member States | 108.6 | 109.9 | 109.3 | 109.3 | 109.2 | 109.2 |
| Sector members, Associates and Academia | 16.3 | 16.6 | 16.4 | 16.3 | 16.4 | 16.5 |
| Publications | 13.9 | 15.6 | 17.1 | 19.4 | 14.6 | 16.7 |
| Satellite filings | 19.1 | 12.1 | 13.6 | 11.2 | 10.3 | 10.6 |
| Others (numbering, project support, ITU Telecom) | 3.4 | 2.6 | 1 | 0.9 | 1.25 | 1.3 |

**b.** **Overview of extra-budgetary revenue**

In 2023, a total of CHF 20.3 million was recognized as extrabudgetary revenue, including CHF 15.1 million in trust fund contributions, CHF 3.6 million in voluntary contributions, and CHF 1.6 million in sponsorships. In 2023, extrabudgetary revenue was distributed across ITU, with BDT at 68 per cent, TSB with 17 per cent, BR with 4 per cent and the General Secretariat with 11 per cent.

Extrabudgetary revenues described above are presented in the 2023 Financial Operating Report of the Union. For information on extrabudgetary contributions received in cash during 2023 please refer to Document [C24/INF/12](https://www.itu.int/md/S24-CL-INF-0012/en).

**2.2** **Funding models across the United Nations system**

Very different funding models exist across the United Nations system, depending on the different mandates and core activities of each organization. Some organizations, such as UNICEF, UNHCR, and WFP, rely primarily on voluntary contributions which are often earmarked for specific projects and initiatives. Emergency-related fundraising tends to account for a significant percentage of funds raised. These organizations have developed significant professional fundraising operations, seeking contributions from governments, the private sector, foundations, high-net-worth individuals, and the general public.

On the other hand, organizations such as ITU, the Universal Postal Union (UPU), the International Atomic Energy Agency (IAEA), the International Labour Organization (ILO), the International Maritime Organization (IMO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Meteorological Organization (WMO) generally rely primarily on assessed contributions to fund their operations and implement agreed programmes of work, in some cases supplemented by voluntary contributions for projects and special initiatives. The World Intellectual Property Organization (WIPO) stands out as having developed a business model that generates the vast majority of its revenues from its patent-related services.

Several United Nations agencies have had a recent budget increase, including the International Organization for Migration (IOM), the World Health Organization (WHO), UPU, and WMO.

**2.3** **Perception assessment of ITU from key stakeholders**

ITU and BCG collected feedback from stakeholders internally and externally, including from Member States, the private sector, civil society, and peer United Nations agencies, - in total over 70 interviews, and over 100 documents and reports analyzed. Several key learnings that came from this exercise, which also echo the outcomes of the Visioning Exercise and Senior Management Retreat, highlight key opportunity areas for increasing ITU’s value and impact:

* Position ITU as an organization that is fit-for-purpose, demonstrating impact;
* Increase private sector engagement;
* Update legacy structures and simplify processes;
* Structure data better and share knowledge;
* Enhance coordinated outreach with stakeholders.

**2.4** **Risk management**

As ITU reinforces its efforts to raise extra-budgetary funding, and increasingly from entities outside of its membership, it is essential that steps be taken to minimize risks and protect the reputation and neutrality of the Union. To this end, ITU has implemented policies and procedures to strengthen its risk management in relation to partnerships and fundraising, including through Service Order 20/03, ITU guidelines for event-related sponsorship, introduced in 2020 and, more recently, Service Order 22/12, ITU guidelines on due diligence for non-member private-sector entities, introduced in late 2022, which require ITU staff to screen any non-ITU Member entity before finalizing any formal agreement. This due diligence procedure responds to recommendations from the external and internal auditors and is based on best practices within the United Nations system that have been adapted to ITU’s situation.

Looking ahead, if ITU is to scale up voluntary contributions, it will be important to do so in a way that does not give excessive visibility or influence to a few major donors. While some donors may want ITU to align with their practices, it is essential that ITU follows its own rules and procedures when implementing donor-funded initiatives to ensure fairness and transparency and consistent implementation of instructions from governing bodies. Likewise, ITU will need to ensure that varied donor reporting requirements do not impose excessive administrative burden, especially if this cost is not fully covered by the project funding.

**2.5** **Way forward: Three main “areas of action”:**

The recommended strategy going forward is built upon three main areas of action: strengthen membership; leverage events, products, and services; and increase voluntary contributions. Each of these areas will be further developed and enhanced through coordinated efforts across the General Secretariat, the Bureaux and the field offices.

1. **Strengthen membership (~80% of ITU’s regular budget):**

During the CWG-FHR brainstorming session, Member States expressed an interest in making the case for an increase in ITU contributory units but sought the support of the secretariat in doing so. Members noted that greater transparency is key to strengthening trust, and they asked for a clear demonstration that the resources of the Union are being efficiently used (good governance and strong financial management) and that we are modernizing the secretariat (i.e. transformation).

Member States also noted that securing unit contributions, especially increases, is a challenge as this also involves finance ministries and foreign affairs. It is important to raise awareness of ITU and its impact among these ministries at the national level. One delegate noted that “the ones paying are not the ones participating in ITU”.

To help encourage Member States to maintain or increase their unit contributions, the following actions are recommended:

1. Secretariat to develop a more attractive presentation of its budget and unmet needs, clearly identifying funding gap(s), taking into account best practices in the UN system. This will include:
   1. An attractive, user-friendly web section linking the strategic plan and themes to the budget and expected outcomes/impact; and,
   2. New executive level briefing and promotional materials that delegates can use when making the case for ITU support within their national Administrations.

To strengthen Sector Member engagement and revenues, including industry and academia, the following actions are recommended:

1. Review Sector membership benefits and fees in consultation with the Sector Advisory Groups to ensure that benefits are in alignment with expectations, and that Sector membership continues to cover costs. Assess any risks related to potential changes in fees. Among others, consider benefits that would encourage existing Sector Members to have memberships across multiple Sectors and Associates to upgrade to full Sector membership;
2. Identify key non-member companies from under-represented parts of the digital ecosystem to join ITU;
3. Modernize study group methodologies and invest further in remote participation, supplementing physical participation, to support efficient engagement and return on investment for members, and to increase SME participation;
4. Organize national/regional industry outreach sessions together with Member States and Regional Telecommunication Organizations;
5. Conduct an analysis on the priorities of Sector Members to help align offerings with their interests; and
6. Consider new approaches to promote Sector Member engagement, including promotional material and marketing through digital platforms, and raise awareness in all sectors during major conferences.

To help strengthen overall member engagement, the following is recommended:

1. Implement new measures and systems to better coordinate account management and improve ITU-wide service to Member States, Sector Members, donors, etc. This includes addressing internal enablers as part of the transformation plan: IT systems, building staff capacity and skills, streamlining, and modernizing financial and administrative rules and processes, etc.

**B.** **Leverage events, products, and services (~20% of ITU’s regular budget).**

During the CWG-FHR Resource Mobilization brainstorming session, Member States asked the secretariat to review events, products, and services, including costs, revenues, and gaps to be addressed.

To help better leverage events, the following is recommended:

1. Assess ITU’s positioning in the evolving industry event marketplace within specific thematic communities to determine the most effective strategy, including identifying areas for investment and revenue potential; and,
2. Leverage major ITU events which have built communities of shared interest among ITU membership and partners to build a more comprehensive and higher-impact value proposition, including using such events as a platform for multi-stakeholder thematic initiatives.
3. Consider ways of modernizing event formats, including grouping certain themes together across events and reducing duration/number of sessions on-site, while taking advantage of new digital tools and platforms to expand participation and engagement.

To help better leverage products and services, the following is recommended:

1. Review ITU’s products and services (including publications, software, databases, etc.) to ensure that cost recovery and revenue generation methodologies reflect evolving technology and market conditions;
2. Analyse the performance and revenue potential of these products and services and consider potential enhancements as well as new products and services;
3. Consider internal lessons learned such as linking products/services to membership benefits, i.e. experience with ITU-T SG2 and numbering; and,
4. Consider external models from other UN bodies, including WIPO among others.

**C.**  **Increase Voluntary Contributions (Extra-budgetary funding):**

During the CWG-FHR Resource Mobilization brainstorming session, Member States asked the secretariat to clearly state why ITU is trying to raise additional funds. This will allow the Union to define clear objectives and then focus on priorities of members and donors, which are tailored to regional or national needs. And with this, they suggested that ITU needs to put together a specific value proposition highlighting its impact to present to donors.

To help increase voluntary contributions, the following is recommended:

1. The overall rationale for seeking voluntary contributions is to increase the capacity of the secretariat to address priority areas identified by Member States which cannot be fully realized through the regular budget. Specific objectives and required funding should be defined for each major priority area, such as regional initiatives, ITU building, projects, ITU-wide thematic initiatives, etc.
2. As part of a new value proposition for potential donors, develop and promote ITU-wide thematic initiatives with multi-year commitments to complement activities funded by the regular budget. To get started, ITU is pilot testing Green Digital Action and AI for Good thematic initiatives in 2024. See [Annex](#Annex) for details.
3. Strengthen ITU-wide coordination of outreach with partners and donors leveraging new systems to improve membership engagement;
4. Collaborate with Member States to reach out to new potential partners and donors, including other Ministries in the government and development agencies, as well as foundations. Also explore potential collaboration with development banks;
5. Strengthen capacity for fundraising and project implementation as part of the ITU’s transformation plan. This will help build confidence among donors and partners;
6. Encourage and recognize in-kind contributions from Member States and other partners, such as expert secondments, equipment, and services; and,
7. Explore increasing minimum thresholds for sponsorship/voluntary contributions to reflect the internal administrative/staff cost of acquisition.

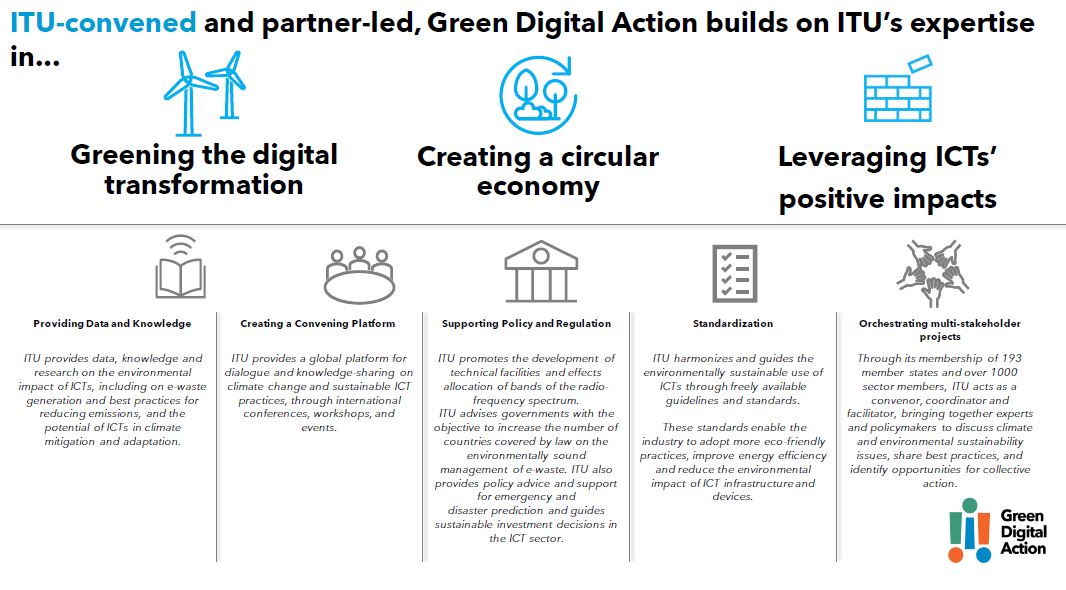
**3.** **Next steps and actions planned by the secretariat**

The Council is invited **to note** this document and provide feedback on the various proposed actions. The secretariat has established an internal ITU-wide resource mobilization task force to coordinate development and implementation of the resource mobilization strategy.

Annex

Thematic Initiatives: ITU-wide positioning framework

Based on the analysis highlighted in section 2.3, the ITU secretariat and BCG worked together to refine a theme-based ITU-wide positioning framework, in line with objectives of the ITU strategic plan to provide a coherent way of explaining ITU’s value proposition to potential partners or donors. The ITU-wide positioning framework builds on the already demonstrated capabilities of ITU. This framework is applied to the example of Green Digital Action in Table 2 below.

**Table 2. ITU-wide Theme-based Positioning Framework applied to Green Digital Action** 

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