



Contribution by the secretariat

TOWARDS A RESOURCE MOBILIZATION STRATEGY TRENDS AND ANALYSIS

Purpose

At its October 2023 meeting, the Council Working Group on Financial and Human Resources noted document CWG-FHR-16/11 and requested additional analysis, which is presented in this document.

Action required

The Council Working Group on Finance and Human Resources is invited **to note** this document and **to consider launching a process** to review Sector Membership fees and benefits, as recommended on slide 7.

References

Council documents C23/62(Rev.1), C22/INF/13; CWG-FHR document CWG-FHR-16/11.

Towards a Resource Mobilization Strategy

Trends and analysis

CWG-FHR : 24-26 January 2024

Background and Mandate

- At its **2017 session, Council agreed** to principles for Resource Mobilization. In these principles, Council agreed: “As ITU’s primary source of revenues, the top priority for Resource Mobilization is assessed contributions from ITU’s Member States”.
- **PP-22 (Dec. 5) instructs the ITU SG to:** “develop an ITU-wide resource mobilization strategy to address the need for additional funding to meet organizational priorities and present it to the Council for review and guidance on its implementation”.
- **PP-22 (Dec. 5) Instructs the ITU Council:** “to examine programmes aimed at increasing revenues, enhancing efficiency in the use of financial resources and reducing the costs of ITU drawn up by the Secretary-General with the assistance of the Coordination Committee”.

Background and mandate continued...

- During Council 2023 in July, the secretariat presented document C23/62(Rev.1), which provided initial analysis and potential strategies regarding resource mobilization.
- Council noted Document C23/62(Rev.1) and invited the Secretary-General to report to CWG-FHR and to the Council on the refinement of the draft ITU-wide resource mobilization strategy and its implementation, as well as how ITU could leverage the outcomes of the ITU World Café (C22/INF/13) held in 2022.
- **CWG-FHR in October 2023 noted the document presented and requested additional analysis for the January 2024 meeting** as a last step towards presenting a strategy to Council at its June 2024 session.

Overview:

Current Revenue Situation & Trends

As reported in C23/62


- **Member State units account for most of ITU revenues.** About 70% regular budget. They are stable. Will go up approx. 3.6% in 2024 due to announced increases at PP-22.
- **Sector Membership revenues also stable.** About 10% of regular budget. Membership at highest level ever (~1,000 entities), but NET growth coming mainly from lower fee categories – SMEs, Academia and exempted.
- **Fluctuations in cost recovery revenues each year make budgeting difficult.** Satellite fillings are subject to the submissions of Administrations and to changes in the industry. About 10% of regular budget. Being reviewed. Some risks with digital transition of publications. Publications are about 10% of regular budget.
- **Extra-budgetary / voluntary contributions** (including funds-in-trust for projects, other contributions and sponsorships) **fluctuate from one year to the next.** Not in regular budget. Activities implemented when VC funding is available.

Revenue Trend (CHF) as reported C23/62

	2018	2019	2020	2021	2022
Member States	108.6	109.9	109.3	109.3	109.2
Sector membership	16.3	16.6	16.4	16.3	16.3
Publications	13.9	15.6	17.1	19.4	14.6
Satellite filings	19.1	12.1	13.6	11.2	10.2
Others (numbering, project support, ITU Telecom)	3.4	2.6	1	0.9	1.25
Voluntary contributions	13.8	14	10.8	19.9	12.8


Figures in CHF millions

Potential Resource Mobilization Strategies Going Forward As per C23/62



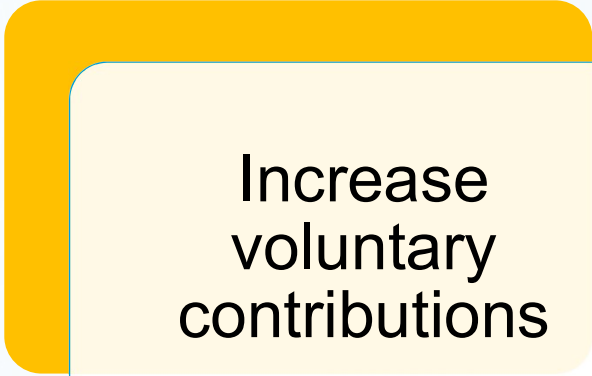
Strengthen
membership

1



Leverage events,
products and
services

2



Increase
voluntary
contributions

3

1

Strengthen membership :

To increase engagement and Member State unit contributions and Sector Membership fees and thus secure ITU's major regular budget revenue sources.

Member State Units

Improve efficiency and impactful delivery of strategic plan to encourage Member States to maintain or increase their unit contributions. Net increase of almost 4% in 2024 based on PP-22 announcements.

Action: Part of operational transformation plan

Sector Membership

Explore options to strengthen value proposition for Sector Membership, including benefits that would encourage existing Sector Members to have memberships across multiple Sectors and Associates to upgrade to full Sector membership

Recommended action for CWG-FHR:

Launch CWG-FHR process to review SM fees and benefits.

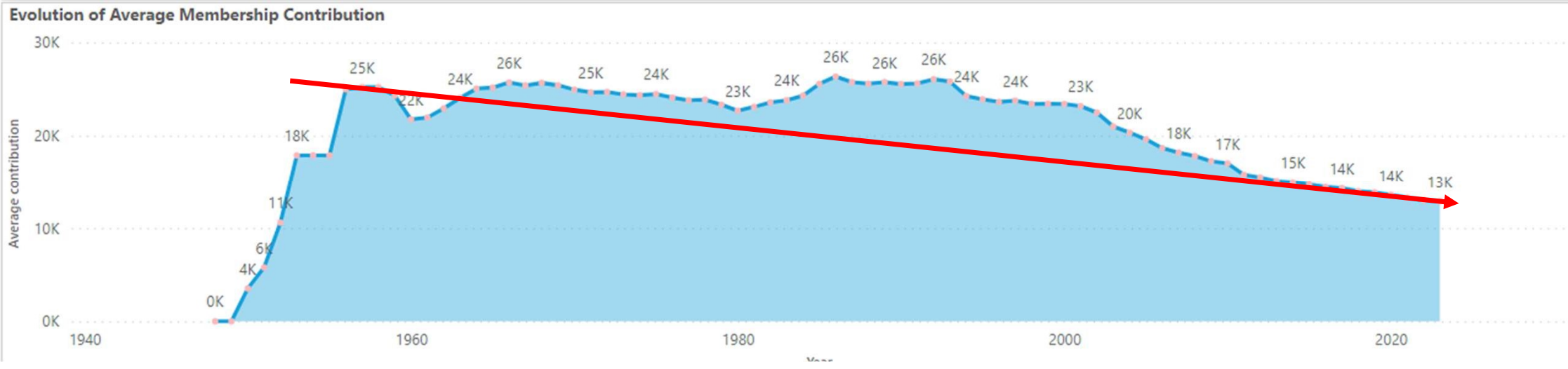
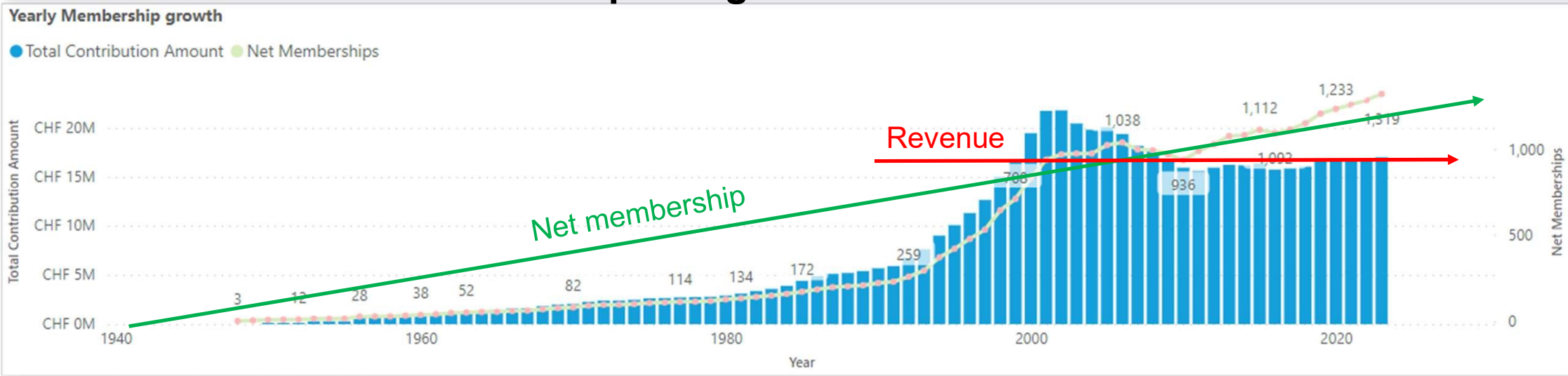
Enablers to improve Member services

Investing in internal enablers to improve coordination of outreach and quality of member services, including IT systems, website, meeting tools, building staff capacity and skills, streamlining and modernizing financial and administrative rules and processes, etc

Action: Part of operational transformation plan

Rationale for CWG-FHR review of Sector Membership Fees:

Sector Membership at highest level ever but revenues flat



2 Leverage events:

To strengthen impact and revenues.

AI4G

Approx CHF1M / year in sponsorships. Highest total, plus most private sector \$

Since covid, year-round activities beyond the summit.

Action:

2024 Sponsorship pkg out

SDG Digital

New event in 2023.

Raised 380K in sponsorships, mostly private sector.

500 in-room participants + 900 on LinkedIn

Action: 2024 Sponsorship pkg coming soon

WSIS Forum

3K+ Participants at event

Large community. Mostly MS funding.

Activities throughout the year.

Sponsorship CHF300-400K/ year.

Action: 2024 Sponsorship pkg coming soon

[+] Leveraging ITU events which have built communities helps reinforce ITU's value proposition. Examples above are attracting participants and sponsorship. Events can become foundation for thematic approach, eventually used to raise funds for projects.

[-] Today, sponsorship used to cover the costs of the event and still require support from staff covered by regular budget. Events are not yet generating profits.

2 Leverage products and services :

To cover costs and strengthen impact.

Satellite filings

Cost recovery.
About 10% of reg budget revs
Changing Market.

Action: Review underway

Numbering

Cost recovery.
Less than 1% of regular budget revenues
Potential with IoT but starting from low base so not large impact on overall revenues.
Most important impact has been on ITU-T SG 2 growth.

Action: Ongoing implementation

Publications

About 10% of regular budget revenues.
97%+ of total publication revenues from maritime.
Fluctuates with cycle of releases.
Most non-Maritime are free
Some hardcopy/DVDs + databases and software are sold.

Action: Digital transformation of maritime products underway.

2

International Numbering

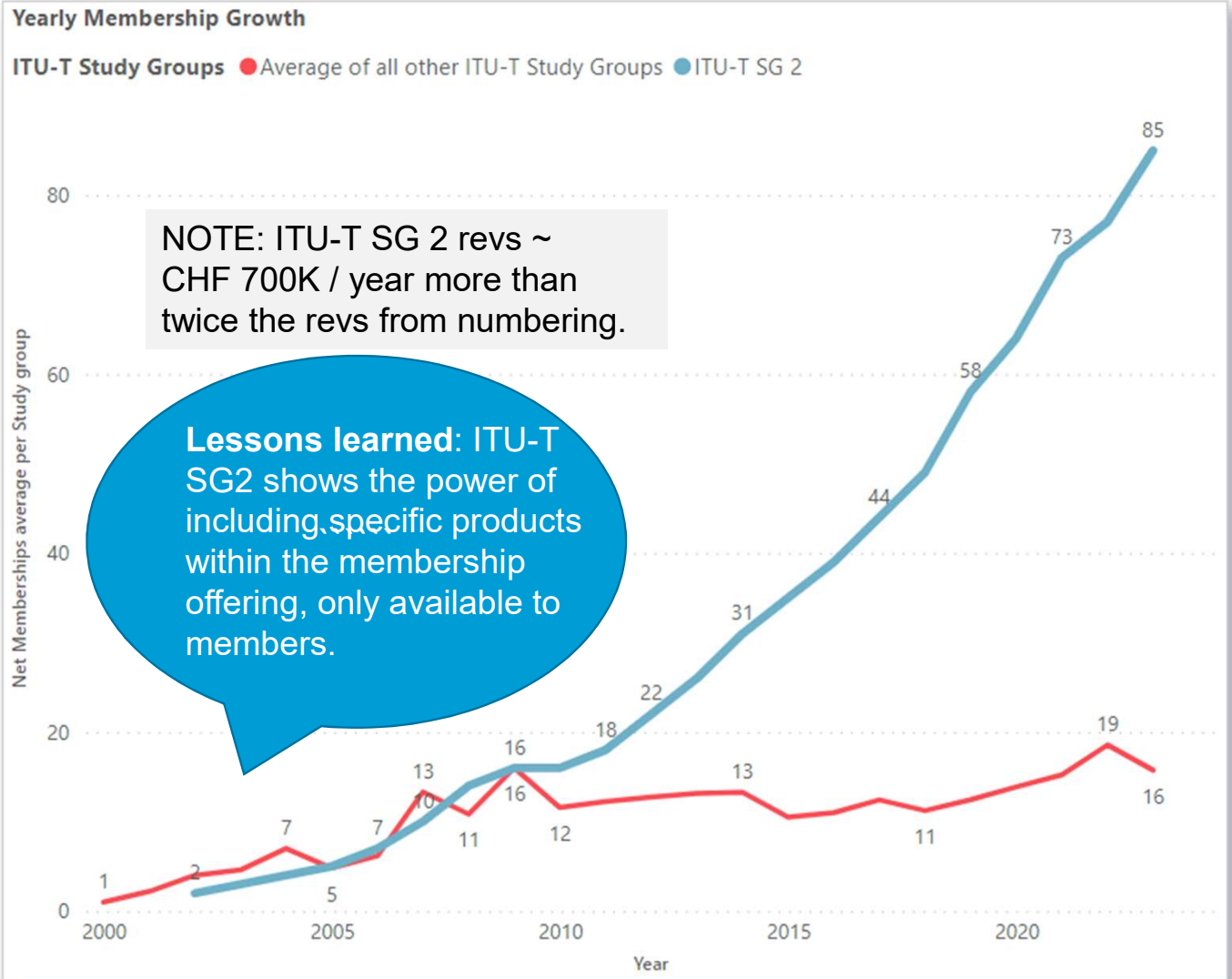
International numbering accounts for CHF 200-300K in annual revenues. Projected to be mainly stable.

[+] Council empowered the secretariat to remove rights for non-payment, which is helping with collection.

[+] Some international numbering resources require at least ITU-T SG2 associate status. This contributes to growth in ITU-T associates, and these entities retain their membership in order to keep the numbers. 90% joined for numbers.

[-] Could increase some of the fees for numbering, but starting from low base so would not have big overall revenue impact.

Demand for Int. Numbering Driving ITU-T SG 2 membership growth



3

Increase voluntary contributions :

Through enhanced ITU-wide coordination and improved operational capacity, value proposition and scale of offerings.*

Coordination, Policies, Processes

Improve ITU-wide coordination of outreach with Members, partners and donors by implementing modern policies, fit-for-purpose IT systems and business processes for outreach and donor reporting

Action: Part of operational transformation plan

Strengthen Project implementation capacity

Strengthen capacity for project implementation by addressing key internal impediments including HR and procurement processes and capacity

Action: Part of operational transformation plan

Scale-up initiatives

Develop and promote larger scale initiatives and attract larger voluntary contributions for multi-year commitments to complement activities funded by the regular budget. Includes exploring ITU-wide initiatives.

Action: Assess needs and areas to potentially scale. Thematic initiatives tied to Green Digital Action and AI show promise.

Potential for Fundraising

Research & internal consultations to date have highlighted the **potential to increase voluntary contributions**, especially from industry and foundations.

ITU has had some success in attracting extra-budgetary funding from Member States and other donors but at the same time, ITU's calls for such support have often fallen short of needs.

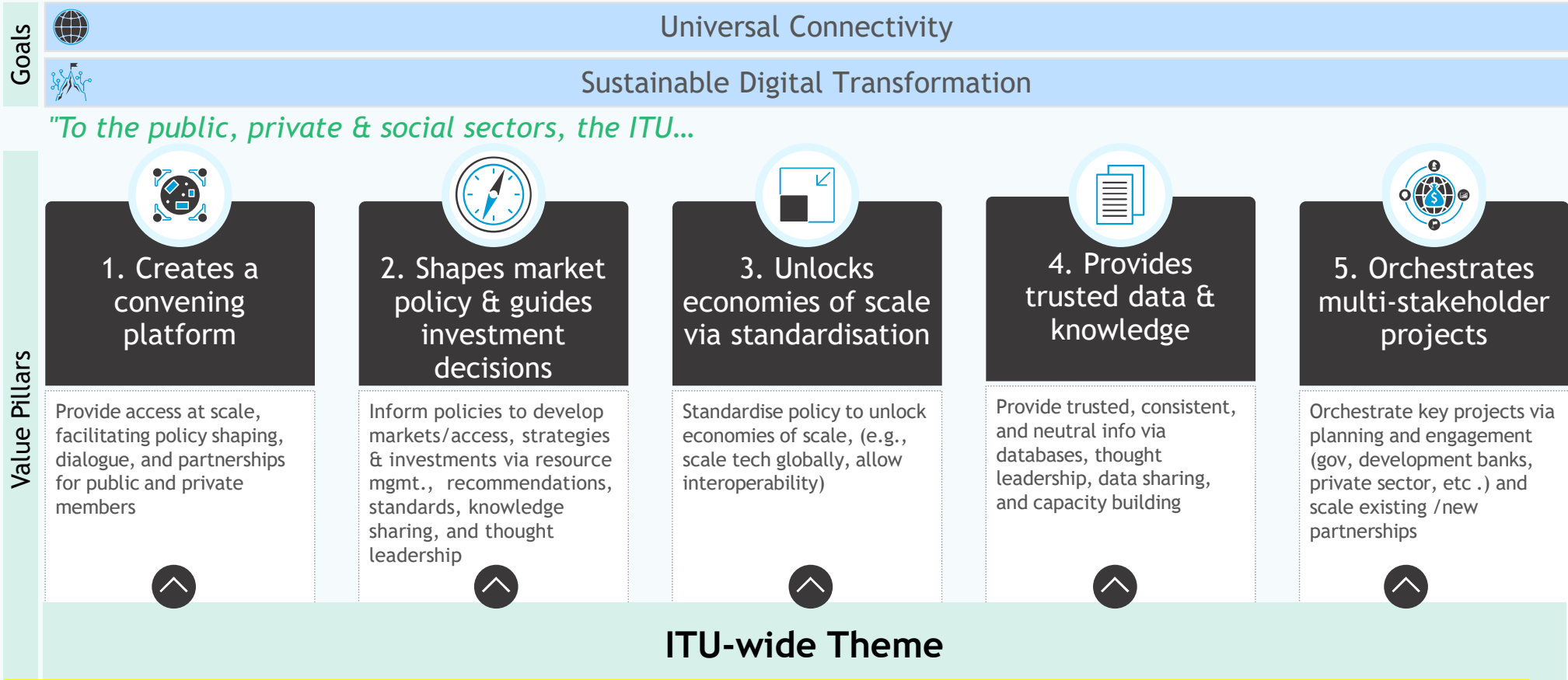
ITU has not built a significant, dedicated, coordinated fundraising function like some other UN agencies have done to generate consistent, larger-scale funding to complement the regular budget. While our needs and model are different, ITU could benefit from the experience of other UN agencies.

Questions raised during internal consultations so far:

1. What are our needs & ambitions for fundraising?
2. What would be required to achieve a more ambitious vision?
3. What are the most promising sources of funding for ITU?
4. Which themes have the most potential for fundraising?

Aiming for Scale: ITU-wide value pillars framework

For presenting ITU-wide thematic work to potential partners / funders



NOTE: Regular budget is used to fund core activities. Voluntary contributions could be used to scale up certain complementary activities

Aiming for Scale: Green Digital Action

Applying the ITU-wide Value Pillars Framework to ITU's climate and circular economy activities for presenting ITU-wide thematic work to potential partners / funders

Preliminary



Providing Data and Knowledge

ITU provides data, knowledge and research on the environmental impact of ICTs, including on e-waste generation and best practices for reducing emissions, and the potential of ICTs in climate mitigation and adaptation.



Creating a Convening Platform

ITU provides a global platform for dialogue and knowledge-sharing on climate change and sustainable ICT practices, through international conferences, workshops, and events.



Policy and Regulation

ITU supports the development of e-waste regulation and policies that promote the adoption of green ICT technologies that discourage environmentally harmful practices. ITU also provides policy advice and support for emergency and disaster prediction, and guides governments on making sustainable investment decisions in the ICT sector.



Standardisation

ITU plays a crucial role in developing technical standards/recommendations and guidelines for the ICT sector to improve energy efficiency and reduce the environmental impact of ICT infrastructure and devices. These standards enable the industry to adopt more eco-friendly practices.



Promotion of the development of technical facilities and their most efficient operation

ITU effects allocation of bands of the radio-frequency spectrum and any associated characteristics of satellites in order to support operation and development WMO Global Observing System. This text is mainly from ITU Constitution.



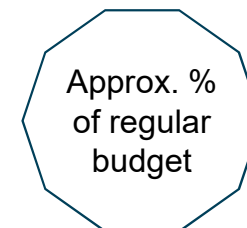
Orchestrating multi-stakeholder projects

ITU acts as a coordinator and facilitator, bringing together experts and policymakers to discuss climate and circular economy issues, share best practices, and identify opportunities for collective action. By creating partnerships and fostering collaboration, ITU promotes joint initiatives aimed at addressing climate challenges through innovative ICT solutions.

NOTE: Regular budget is used to fund core activities. Voluntary contributions could be used to scale up certain complementary activities

Summary of Actions in CWG-FHR doc for Jan 24

Legend:



1 **Member State Units** **70%**

Top Priority

Goal: Secure and Grow.
Successfully implement operational transformation to deliver on the strategic plan & improve services to members. Articulate needs for regular budget.

2 **Events**

Short-term goal = full cost recovery.
Longer term = raise funds to support projects.

1 **Sector Membership** **10%**

Goal: Secure & Grow.
Launch CWG-FHR review of benefits and fees to make proposals to Council and PP.

2 **Publications** **10%**

Stabilize.
Complete smooth digital transition for maritime publications. Most other digital content is already free.

2 **Satellite Filings** **10%**

Goal: Stabilize.
Complete review process and implement recommended changes.

3 **Voluntary contributions** **Extra-budgetary**

Scale. Needs?
Invest in enablers – policies, processes, IT systems, HR, PROC. Articulate needs for VCs. Determine goals and build the function. Test models to scale contributions.

Next Steps

1. Internal Preparations:

Incorporate CWG-FHR feedback + continued intersectoral coordination + implementation of pilot initiative(s)

2. Council 2024

Refine draft following CWG-FHR feedback and propose final resource mobilization strategy and implementation status