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|  | **Document CWG-FHR-17/24** |
| **23 February 2024** |
| **English only** |
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| CHAIR OF THE COUNCIL WORKING GROUP ON FINANCIAL AND HUMAN RESOURCES |
| SUMMARY REPORT OF THE SEVENTEENTH MEETING |

The Council Working Group on Financial and Human Resources is chaired by Ms. Vernita D. Harris, (United States of America) assisted by five Vice-Chairs as follows:

Ms Seynabou Seck Cisse (Senegal)

Mr Ronaldo Moura (Brazil)

Ms Noha Gaafar (Egypt)

Mr Daniel Caruso (Australia)

Mr Szabolcs Szentleleky (Hungary)

**1 Opening remarks and approval of the revised Agenda
(Document** [**[CWG-FHR-17/1](https://www.itu.int/md/S22-CWGFHR15-C-0001/en)**](https://www.itu.int/md/S24-CWGFHR17-C-0001/en) **[(Rev.3))](https://www.itu.int/md/S22-CWGFHR15-C-0001/en)**

 **Opening remarks by the Chair**

1.1 The Chair, Ms. Vernita D. Harris (United States of America) welcomed the delegates and acknowledged the presence of Ms. Doreen Bogdan-Martin, Secretary-General, Mr. Tomas Lamanauskas, Deputy Secretary-General, Mr. Mario Maniewicz, BR Director, Mr. Cosmas Zavazava, BDT Director, and Mr. Seizo Onoe, TSB Director.

 **Welcome remarks by the Secretary-General**

1.2 The Secretary-General, Ms. Doreen Bogdan-Martin anticipated a significant year for ITU, highlighting the group's vital role in ITU's progress for 2024. The focus is on enhancing transparency, accountability, and good governance, with advancements in resource mobilization and new building initiatives. Emphasis is placed on strong financial management, data-driven decision making, and staff well-being. The External Auditor's report is cited as a transformative catalyst, with the establishment of the Internal Oversight and Transformation Units and the ongoing acquisition of talent. The upcoming Senior Management Retreat aims to boost inter-sectoral collaboration, and the ITU is nearing a membership milestone of 1000 unique Sector Members. The success of the 'Partner to Connect' initiative is noted for its global impact. The Secretary-General urged embracing transformation for a sustainable, equitable digital future, highlighting the importance of addressing the digital divide affecting a third of humanity.

1.3 The Russian Federation asked for additional Member State contributors to be included on the titles of Documents [CWG-FHR-17/15](https://www.itu.int/md/S24-CWGFHR17-C-0015/en), [CWG-FHR-17/16](https://www.itu.int/md/S24-CWGFHR17-C-0016/en), [CWG-FHR-17/17](https://www.itu.int/md/S24-CWGFHR17-C-0017/en), [CWG-FHR-17/18](https://www.itu.int/md/S24-CWGFHR17-C-0018/en) as listed under Agenda Items 6a, 17, 10c, and 10a, respectively (note: under Revision 3 of the Agenda, these Agenda Items 6a, 18, 10b, and 10a, respectively). China also asked to be able to continue discussions on contributions from the October 2023 CWG-FHR meeting related to Agenda Items 9 (strengthening regional presence) and 10a (proposal of an oversight charter). The Chair stated that the Agenda would be updated to reflect other Members of the multi-country contribution and that the information from all contributions related to the Oversight Unit discussions during the October 2023 CWG-FHR meetings has been merged into a DL and will be reviewed as a single document during this meeting.

1.4 Without further comments or questions, the **Agenda** was **approved**.

**2 Statement by the Staff Council**

2.1 The Chair of the ITU Staff Council, Mr. Onder Cetinkaya, provided a statement by the Staff Council for the record and the Chair noted that the statement would be included in the CWG-FHR Summary Report (below) and posted on the ITU website as an Information Document ([CWG-FHR-17/INF/6](file:///C%3A%5CUsers%5CAppelTE%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5CKL9AWKSL%5CCWG-FHR-17%5CINF%5C6)):

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| **ITU STAFF COUNCIL STATEMENT – CWG on FHR, 24 January 2024**Honourable Councillors, Esteemed representatives of ITU Member States, Secretary-General, and Elected OfficialsDear ITU Colleagues,I am grateful for this opportunity to represent the voice of ITU Staff Council and to echo the sentiments and aspirations of our staff, united in our dedication to our collective mission. Our conversation today revolves around pivotal decisions that will shape the future of the Union. In the spirit of shared responsibility, I would like to offer a few reflections for your consideration.Dear Councillors, Regarding the new ITU building project, we recognize the importance of optimizing the use of our financial resources, which are, for the most part, contributions from Member States. It is with this understanding that we approach this project. We need to be conscious in our commitment to a project of this magnitude which will be paid back for many years to come. Recognizing the need for secure, ergonomic, and adaptable workspaces within available financial means, a careful re-consideration of the current design appears necessary. As presented in document [**CWG-FHR-17/4**](https://www.itu.int/md/S24-CWGFHR17-C-0004/en)**,** a second viable option is now on the table and that merits our Councillors’ thoughtful elaboration. From Staff’s point of view, the ideal design is the one that is practical and flexible enough to cater to the current and future needs of Member States, ITU management, and ITU staff members. Most importantly, the cost of the new building needs to match the existing financial resources, and not jeopardise the financial stability of the Union. We, hence, count on your wise judgement in moving forward with the option of your choosing after careful elaboration amongst those presented to you during this Council Working Group meeting. In terms of the interim business continuity arrangements during the construction phase, we recognize the importance of finding risk-based solutions that are efficient, least disruptive, and considerate of staff working conditions. The temporary measures should be designed to minimize any disruptions in our operations. Leveraging other available premises in Geneva, we trust that our headquarters can continue to be the central hub for meetings in the interim period.Dear Councillors, On the topic of organizational transformation and ongoing internal change initiatives, ITU staff remains committed to play a central role. We will keep advocating for transparent and clear consultative processes that incorporate diverse perspectives for the transformation of the Union. We believe staff’s views and contribution will build a momentum towards process improvement and enhanced service delivery to ITU Members. Throughout this transformation process, staff also expects better opportunities for career development, career planning and growth - critical areas which have not been effectively addressed for a long time. Dear Councillors,The last topic I would like to touch upon today relates to the implementation of ICSC decisions. We, ITU staff, are grateful for the Council's wise decisions on this matter during the last session and we appreciate the Management's commitment to fulfilling its duty of care in compliance with the Union's contractual obligations. We recognize that this period is a transition, and it is managed in coordination with the ICSC, member states, and sister UN agencies. The anticipated 12-month review by the ICSC will be a critical step towards hopefully aligning post-adjustment levels across all UN agencies for smoother implementation. Our heartfelt thanks go to our member states and ITU Senior Management for allowing us this transition period, thereby safeguarding our welfare. This decision was a reaffirmation of the mutual trust between staff, management, and membership. We believe that such decisions strengthen institutional trust and reinforce our organization's unity and resilience.Dear Councillors, As you deliberate the path forward for ITU, we thank you for considering the collective voice of staff. We strongly believe that open dialogue and collaboration are key to discovering solutions that preserve ITU’s financial stability and uphold our commitment to ITU membership.You can count on us! Please count on our dedication to serving you, our commitment to the mandate of the Union and our understanding of the raison d’etre of this organisation.I thank you all for your attention.Delivered on 24 January 2024, during the session of CWG on FHR, by Mr Onder CetinkayaPresident of the ITU Staff Council |

**3 Human Resources**

 **Human Resources Reporting and Statistics (Document** [**CWG-FHR-17/INF/1**](https://www.itu.int/md/S24-CWGFHR17-INF-0001/en)**)**

 **Geographical Distribution at ITU (Document** [**CWG-FHR-17/INF/2**](https://www.itu.int/md/S24-CWGFHR17-INF-0002/en)**)**

3.1 The secretariat introduced Document [CWG-FHR-17/INF/1](https://www.itu.int/md/S24-CWGFHR17-INF-0001/en) and made a demonstration of the ITU Human Resources [Live Dashboard](https://app.powerbi.com/view?r=eyJrIjoiNTNlMzVkYmItZWE5ZC00NTMwLTk2ZTgtZjJiM2IxZmJjY2UyIiwidCI6IjIzZTQ2NGQ3LTA0ZTYtNGI4Ny05MTNjLTI0YmQ4OTIxOWZkMyIsImMiOjl9), which showcases a comprehensive overview of key people statistics including an overview of ITU’s workforce. The dashboard keeps up-to-date figures related to ITU staff, geographical distribution, gender, partnerships, and recruitment, powered by Microsoft Power BI. Information is updated daily through a data feed from the SAP HR data warehouse. Even if Document [CWG-FHR-17/INF/2](https://www.itu.int/md/S24-CWGFHR17-INF-0002/en) was not presented, the notion of Geographical Distribution at ITU was mentioned at the presentation and demonstration, specifically viewing the new dashboard feature on page 7, has a link to “Further details about member states’ presence” at ITU. From a total of 193 Member States, 99 Member States are present in the Professional and higher categories staff at the Union. The number of staff at ITU by country is broken down by the four sectors, which gives transparency for the Member States.

3.2 Following the presentation by the secretariat, the Secretary-General noted that the HR Team is always available to provide further analysis or answers to any questions. The dashboard is being used to help guide the selection process for new hires, and geographical and gender diversity are being taken very seriously by ITU leadership. Higher-level positions in ITU are still occupied by mostly men and the average age of the ITU workforce is 45. Leadership is committed to attracting and retaining youth to shepherd in the next generation of ITU experts.

3.3 Several delegates expressed appreciation for the dashboard and emphasized the importance of fair representation across the regions, achieving gender and age diversity, and consideration of information being used to help with the hiring/selection process. Some members asked if more information and clarification into recruitment and the recruiting processes (e.g., number of vacancies per year, external vs. internal posts) could be included on the dashboard. Some delegates also expressed concern about the reassignment of posts from internal to external candidates, noting that it could work against efforts to achieve geographical diversity and also asked if it would be possible to include consideration of the People Strategy and staff surveys in future meetings on this topic. One delegate asked if the Staff Regulations and Rules had been updated. Another delegate asked about the English translation of the Staff Regulations and Rules. One delegate expressed appreciation on the focus on youth engagement, and asked at what stage at the recruitment process should a Member State sponsor a candidate. One delegate asked about the updated People Strategy and Human Resources Strategic Plan according to Resolution 48. One delegate mentioned that they had sponsored JPOs for several years and asked about the number of internal and external positions each year. One delegate a

3.4 The secretariat responded to questions noting:

 - ITU does not accept Member States to “sponsor” a candidate for any ITU vacancy, may it be short term, fixed term or SSA.

 - The Secretary-General proposed a document from HRMD on the various contractual arrangement to clarify on “sponsor” positions, such as JPO, loan, Funds-in-trust (FIT)/secondments, sponsored interns.

 - Appreciated the contribution to support JPOs.

 - Positions per year can be seen on page 11 on the live ITU Human Resources Dashboard.

 - In 2023, instead of a People Strategy for four years, it was decided to create an HR Transformation Plan 2023-2025, which is part of the ITU Transformation Plan.

 - The ITU Human Resources Dashboard will be updated with information on number of internal and external vacancies each year.

 3.5 The Secretary-General then added that a Staff Survey will be conducted this year and can be included as part of future discussions. She also emphasized that the hiring process for open international positions is very transparent and cannot be influenced by Member States. She further highlighted other kinds of hiring methods of the ITU, such as Junior Professional Officers (JPO) and Secondments, and an open process for selecting experts for specific projects. One Member State encouraged the use of the JPO program, noting that it is an excellent tool for bringing younger professionals to the ITU.

3.6 With no more requests for the floor, the Chair closed out discussions on this topic.

**4 Finance**

 **2023 and 2024 budget implementation forecasts report on the implementation of efficiency measures for 2023 and 2024 (Document** [**CWG-FHR-17/2**](https://www.itu.int/md/S24-CWGFHR17-C-0002/en)**)**

4.1 The secretariat presented Document [CWG-FHR-17/2](https://www.itu.int/md/S24-CWGFHR17-C-0002/en), which is a report on the budget implementation for 2023 and 2024, as well as the efficiency measures implemented according to Annex 2 to Decision 5 (Rev. Bucharest, 2022).

4.2 In the financial overview, the following key factors and outcomes have been highlighted:

* The non-recovery costs of TELECOM in 2023, resulted in a deficit of CHF 1.5 million.
* A notable decrease in cost recovery revenue from satellite network filings, led to a shortfall of CHF 8 million.
* The reduction of the 5 per cent vacancy rate across all ITU positions, which were initially budgeted at a 95 per cent rate, created a financial impact of CHF 6.2 million.
* The increment in salary scales for G staff in October 2022 and adjustments in pensionable remunerations, caused an unexpected additional expense of CHF 2.7 million for the 2023 budget.
* A significant rise in electricity costs, approximately CHF 1 million, which was not included in the 2023 budget projections.
* Effective financial management strategies initiated from October 2022 have counteracted these financial strains, resulting in a favourable outcome of CHF 267,000 for the 2023 budget, thus preventing the forecasted deficit.
* The 2024 budget will be affected by the reintroduction of cost recovery for satellite network filings and a 1.5 per cent increase in the salary scale for G staff, estimated to be around CHF 0.8 million. Despite these, the preliminary forecast for the 2024 budget shows a favourable balance of CHF 19 million.
* The document contains tables outlining the tentative plans and budget allocations for 2023 and 2024, inclusive of the latest status on the execution of efficiency measures as decided.

4.3 The secretariat addressed several queries from the delegates:

* **Universal budget approach**: The Union's budget is universal, with no revenue devoted specifically to any sector, ensuring equal distribution across all sectors.
* **Change in Vacancy Rate Policy**: Initially, posts were budgeted at a 95 per cent rate due to a 5 per cent post vacancy rate. However, the new management has eliminated the 5 per cent vacancy rate.
* **Adjustments in Budget Allocation**: For the 2022-2023 Budget, there was a revenue of CHF 1.5 million for TELECOM events. This will be absent in the 2024-2025 Budget.
* **BR’s financial stability**: The Radio Communications Bureau has achieved savings for 2023, no cuts are planned for BR budget 2024-2025. Efforts are being made to ensure full cost recovery in alignment with Resolution 91 (Rev. Guadalajara, 2010).
* **Tariff revision for satellite network filings**: Satellite network filings issues arise from tariffs not reflecting the real cost of processing. An expert group has been reactivated to revise these tariffs.
* **WRC post-conference work financial planning**: Post-conference work for the WRC-23 is not included in the forecast for the 2024 budget, management is considering using the savings from voluntary separation.
* Concerns regarding risk factors for the 2023 exercise have been significantly reduced, with the current outlook projecting a positive financial result.

4.4 The BR Director emphasized the BR's role as a major revenue generator for the Union, mainly through satellite network filings and mandatory commercial publications, with the revenue benefiting the entire Union but the costs borne by the BR. This financial structure means that increased revenue benefits the entire ITU, potentially improving resource allocation for the BR, but a revenue decrease affects the entire organization, including the BR. The Director emphasized the challenge of handling the financial impact to support the WRC-23's decisions, estimated at about CHF 12 million over four years. He also warned of the risks involved in reallocating resources to support the work of WRC-23 decisions, and how such staff relocation could impact the operations of satellite network filings. Further details on the financial implications of the WRC-23 decisions are reflected in Document [CWG-FHR-17/2](https://www.itu.int/md/S24-CWGFHR17-C-0002/en).

4.5 The Deputy Secretary-General emphasized the importance of securing funds to support the work of WRC-23 decisions and properly handling any deficits in satellite network filings. He highlighted the need to account for all costs in bureau operations, including typically overlooked areas such as Human Resources and IT Services. The Deputy Secretary-General advocated for a comprehensive financial planning strategy and discussed working with External Auditors to implement a results-oriented management approach. This strategy aims to ensure thorough funding across all activities of the Union.

4.6 As concluded by the Chair, delegates **took note** of the document.

**5 In-kind contributions guidelines**

 **Member States to further review Document** [**CWG-FHR-16/2**](https://www.itu.int/md/S23-CWGFHR16-C-0002/en) **and provide final contributions for the January 2024 CWG-FHR meeting**

5.1 The secretariat presented Document [CWG-FHR-16/2](https://www.itu.int/md/S23-CWGFHR16-C-0002/en), initially introduced at the last meeting of the CWG-FHR. This document is a follow-up to the Russian Federation's 2021 contribution (Document 12/15) and outlines proposed guidelines for in-kind contributions. The secretariat had prepared these guidelines, incorporating feedback from the Russian Federation, other international organizations, an External Auditor, and IMAC members.

5.2 The document was revised and presented as [CWG-FHR-16/2](https://www.itu.int/md/S23-CWGFHR16-C-0002/en) at the last CWG-FHR meeting, alongside a survey of best practices on in-kind contributions from other organizations. Despite encouragement for further discussion and requests for Member States' comments and proposals on the draft guidelines, no contributions were received for the current session of CWG-FHR.

5.3 The secretariat invited delegates to consider the proposals in [CWG-FHR-16/2](https://www.itu.int/md/S23-CWGFHR16-C-0002/en) and make a recommendation for the next Council Session in June 2024. The secretariat also plans to modify Annex 2 to the Financial Regulations and Financial Rules to include these guidelines, pending approval.

5.4 During the Q&A, the Chair expressed that the absence of submissions from Member States on the draft guidelines implied agreement with the presented guidelines.

**Recommendation**: The Chair announced that, given this understanding, the guidelines for in-kind contributions were **approved** and that the financial implications to the regulations would be discussed on Friday, 26 January 2024.

**6 Towards a resource mobilization strategy - Trends and analysis
 (Document** [**CWG-FHR 17/3**](https://www.itu.int/md/S24-CWGFHR17-C-0003/en)**)**

 **Contribution from Ghana - Towards a resource mobilization strategy-trends and analysis (Document** [**CWG-FHR-17/21**](https://www.itu.int/md/S24-CWGFHR17-C-0021/en)**)**

 **Presentation on resource mobilization (Document**[**CWG-FHR-17/INF/5**](https://www.itu.int/md/S24-CWGFHR17-INF-0005/en)**)**

6.1 The secretariat presented slides on the resource mobilization strategy in development, including trends and analysis, and in response to questions raised during the last CWG-FHR session. The secretariat highlighted the main pillars of the strategy, including strengthening membership, leveraging events, products and services and increasing voluntary contributions. While Sector Membership is at its highest level ever, with increased diversity representing the evolving ICT ecosystem, revenues remain flat due to growth mainly among lower fee-paying categories, including associates, academia, SMEs and exempted international and regional organizations. The average fee contribution for Sector Members has declined from CHF 26,0000 to CHF 13,000 a year. In this context, the secretariat recommended that Sector Membership fees and benefits be reviewed.

6.2 The presentation also showed that by requiring ITU-T membership to access numbering resources has led to a significant increase in ITU-T SG 2 membership and related revenues, and that this demonstrates the potential of linking other products and services to sector membership. The secretariat highlighted the risk of revenue loss as publications transition from physical to digital formats, as physical formats are generally provided on a paid basis where most digital formats are free. The secretariat also highlighted the need to scale voluntary contributions and noted a new ITU wide thematic approach to position ITU vis-à-vis donors and partners when seeking support. The secretariat concluded the presentation by offering to meet with interested Members for a brainstorming session/lunch the following day (Thursday, January 25) to further explore ideas that would support a strong Strategy.

6.3 The Delegate from Ghana introduced Document [CWG-FHR-17/21](https://www.itu.int/md/S24-CWGFHR17-C-0021/en) in response to Document [CWG-FHR 17/3](https://www.itu.int/md/S24-CWGFHR17-C-0003/en) inviting CWG-FHR to note its Document and consider launching a process to review Sector Membership fees and benefits. The Document notes concerns that increases in Sector Membership fees (which account for only 10 percent for the entire financial contribution to ITU – less than publication) could result in a decline in Sector Membership, especially by SMEs. The objective of including Industry, Academia, Research, and SMEs is not to generate revenue, but to increase participation and knowledge sharing. Rather than considering increased sector membership fees only, the ITU secretariat should analyze the costs to ITU by each member to determine the cost recovery contributions to match their privileges. Similar to Member States using radio and numbering resources as their main streams of revenue mobilization, the ITU should consider improved revenue mobilization from satellite, other radio, and numbering resources. The ITU secretariat should analyze whether the current sector membership fees cover the cost shared by each Sector Member in their involvement in ITU activities. The approach is to ensure that contributions from Sector Members cover the shared cost. The ITU should also consider the increase in Voluntary Contributions as a potential revenue source as well as how the ITU can be financed from radio and numbering resources determined through meetings, assemblies, and conferences.

6.4 Many delegates intervened with questions and comments. As an overall comment, one delegate recommended that the strategy include broader stakeholder engagement to build support and KPIs to guide implementation.

6.5 Regarding strengthening membership, one delegate expressed discomfort including unit contributions in the strategy, as this is the prevue of Member States. The secretariat responded that this is included only from the perspective of emphasizing that this is the main source of revenue of the Union and ITU is in a process of transformation to meet the evolving needs of Member States.

6.6 Regarding sector membership, several delegates emphasized that one should not view Sector Members only as a revenue source but rather recognize the significant expertise and contributions that members bring to study groups and conferences. The secretariat echoed this sentiment, replying that the evolution and diversification of ITU sector membership is essential to ensuring that outcomes of ITU reflect the changing ecosystem. Several delegates suggested that the efforts in ITU-T and ITU-D on industry engagement be reflected in the strategy and be taken into account as part of a coordinated approach across ITU. Several delegations expressed interest in seeing more statistics and trends in deeper detail about the various categories of membership. The secretariat welcomed this request and committed to providing additional information. Several delegates noted that any review of sector membership should carefully consider risks of increasing fees, and to ensure that fees and benefits be considered together.  It was recommended that a review of sector membership fees and benefits should include a consultation process with existing Sector Members, Associates and Academia.

6.7 Under the products and services pillar, some asked that the strategy consider revenue generation versus cost recovery and expressed an interest in exploring further the revenue risk related to the transition from physical to digital publications. Some also expressed an interest in exploring further potential from numbering resources. More broadly, it was suggested that ITU analyse whether or not costs were being fully covered by existing cost recovery policies.

6.8 As for voluntary contributions, one delegate noted that the strategy should consider the risk due to potential reliance on a small group of donors. Some delegates asked if the secretariat was working with development banks. The Secretary-General and the BDT Director confirmed that this was the case, highlighting some challenges and cooperation underway. The Secretary-General also highlighted that efforts are underway to improve account management and coordination of outreach to external partners, responding to demand for a clear ITU-wide offering and engagement. She added that the secretariat is interested in working closely with Member States to engage their national development agencies. The BDT Director confirmed that ITU is engaging with multiple stakeholders in the development sector (24M USD last year). ITU is also engaging with many development banks and the sources of funding will be presented at T-DAG.

6.9 The Chair thanked delegates for their interventions and encouraged them to participate in the brainstorming session planned for the following day to continue the discussions. Results of the session have been summarized below:

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| **Debrief on RM Brainstorming**More than 50 delegates participated in a brainstorming session to help shape the resource mobilization strategy. Participants contributed many constructive and creative ideas. It was organized around the three main areas of the strategy: strengthening membership, leveraging products and services and increasing voluntary contributions.Some of the ideas included:* To help support increased unit contributions, Member States are interested in greater transparency and a clear demonstration that the resources of the Union are being efficiently used and that we are modernizing the secretariat (i.e., transformation). Several noted that securing unit contributions, especially increases, is a challenge as this also involves finance ministries and foreign affairs who are concerned with contributions to all UN system. They said it was important that ITU and its impact is better understood by these ministries.
* Members explored ways of engaging industry, including modernizing study group methodologies, engaging more players outside of ICT, investing further in remote participation (especially to increase SME participation), and providing greater visibility, value and additional benefits to those who belong to all sectors.
* Regarding products and services, it was recommended that ITU review cost recovery methodology, policies and their implementation to see if we are still covering our costs as the environment has evolved. Examples included publications and numbering. Some delegates suggested exploring the potential of replicating the model used by ITU-T on numbering. Some ITU events need to be modernized to meet the expectations of members and a fast-changing environment. Some also highlighted that we should also look at other organizations like WIPO and how they monetize their products and services.
* To increase voluntary contributions, members asked the question, why are we trying to raise additional funds? It’s important to have clear objectives and then focus on priorities of members and donors, which are tailored to regional or national needs. Emphasize longer term engagement and scaled up funding to support ITU initiatives. Foundations were seen as having high potential, as were development agencies and banks. ITU needs to put together a specific value proposition highlighting its impact to present to donors. Participants also recommended learning from the experience of pledging platforms, like P2C and others, and exploring how to turn these pledges into concrete funding opportunities at the country level.

The full report is available [here](https://www.itu.int/md/S24-CWGFHR17-INF-0009/en). Building on the brainstorming session, the secretariat will set up an online group to keep members engaged in the months leading to Council 24, continuing to seek feedback and ideas. |

**6a Review of the list of exempted entities**

 **Contribution from the Russian Federation, Armenia (Republic of), Belarus (Republic of), Kyrgyz Republic, Tajikistan (Republic of), and Uzbekistan (Republic of)- Proposal for the revision of Council Resolution 925 "Financial conditions for the participation of the United Nations, the Specialized agencies and other international organizations in the conferences, assemblies and meetings of the ITU (Documents**[**CWG-FHR-17/15**](https://www.itu.int/md/S24-CWGFHR17-C-0015/en) **(Rev.1) (Updating** [**CWG-FHR-16/18**](https://www.itu.int/md/S23-CWGFHR16-C-0018/en) **with track changes))**

6.10 The Chair noted that at the October 2023 CWG-FHR meeting this document was presented but it did not include track changes. A new document was to be presented with track changes for discussion at this meeting, but that [CWG-FHR-17/15](https://www.itu.int/md/S24-CWGFHR17-C-0015/en) as presented does not appear to include those track changes. The Russian Federation requested the secretariat to show the document with the changes as an edited mark-up (Track Changes), after that the document presented on the screen for consideration by the meetings was presented correctly, that is, with all changes made and shown.

6.11 The Russian Federation noted that its contribution is related to what CWG-FHR reviewed under Agenda Item 6 of this meeting. Reconsideration of this resolution is based on efforts to increase the value and significance of ITU in the eyes of industry. Furthermore, the exemptions from deferring the expenditure of ITU conferences, assemblies, and meetings, while they are sources of revenue/income for ITU, if organizations are exempted from payments, that is lost income. On the actual text of the resolution, the RF proposes revisions on the criteria for exempting organizations, or not, within the Union.

6.12 Member States asked for clarification of the rationale underlying the great number of proposed changes to this Resolution and whether these changes are being introduced to modify the guidelines or add more instructions to the secretariat on how to evaluate the different exemption proposals. As this is not a time sensitive issue, it was suggested that the Russian Federation re-submit this contribution later with a clear definition of how this related to the guidelines and tighten the text – will take time for unclear value in movement of our work. One Member supported Russia’s efforts to review the criteria under this resolution since it goes back to 2017 and suggested that a future CWG-FHR could review the definition of “reciprocity” and reporting on the practices of exempting entities.

6.13 The Russian Federation responded that the large number of proposed changes takes time to make amendments, and that with regard to the term “reciprocity,” it is difficult to come up with the correct wording when it comes to the diversity of organizations and different interests. The Russian Federation also considers a large number of points in the CV that relate to this Resolution. Amendments and references to decisions taken, as well as clarifications to the text, are included in the contribution. The fact is that different procedures lead to the decision on whether to exempt an organization from payment or not. When exempted, revenue is lost. The amendments are for greater clarification and transparency.

6.14 The Chair suggested that while there are still some points to be clarified, the document can be made part of the summary report and included as part of the brainstorming lunch discussion on Resource Mobilization scheduled for January 25.

**Recommendation:** Noting that this is the second meeting at which the Russian Federation has introduced this topic, CWG-FHR **invites** the secretariat to perform a study on how other UN agencies define “reciprocity” and provide a document, together with the results of that study, on how the secretariat has encountered issues in implementation of the 2017 guidelines, taking into account the edits that have been proposed by the Russian Federation in this contribution on Resolution 925. CWG-FHR also invites the secretariat to assess the impact of implementing some or all of the changes proposed in this contribution and how much revenue they could provide for the ITU. This information is request for review in the Fall 2024 CWG-FHR meeting. Member States are also **invited** to provide further contributions on this matter.

**7 Progress report on the Union’s headquarters premises project
 (Documents**[**CWG-FHR-17/4**](https://www.itu.int/md/S24-CWGFHR17-C-0004/en) **(Rev.1) and CWG-FHR-17/**[**DL**](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0003/en)**/3 (Rev.1))**

 **Oral presentation from the MSAG Chair**

 **Contribution from Saudi Arabia (Kingdom of), Algeria (People's Democratic Republic of), Bahrain (Kingdom of), China (People’s Republic of), Egypt (Arab Republic of), United Arab Emirates, Russian Federation, Kuwait (State of), Morocco (Kingdom of), Uganda, South Africa (Republic of), and Tunisia - ITU Headquarters Project (Document**[**CWG-FHR-17/13**](https://www.itu.int/md/S24-CWGFHR17-C-0013/en) **(Rev.1))**

 **Contribution from Saudi Arabia (Kingdom of), Algeria (People's Democratic Republic of), Bahrain (Kingdom of), China (People’s Republic of), Egypt (Arab Republic of), United Arab Emirates, Russian Federation, Kuwait (State of), Morocco (Kingdom of), Uganda, South Africa (Republic of), and Tunisia – Sponsorships for the headquarters premises project (Document**[**CWG-FHR-17/14**](https://www.itu.int/md/S24-CWGFHR17-C-0014/en) **(Rev.1))**

 **Contribution from the Russian Federation - Premises of the new ITU headquarters building that cannot be subject to descoping and the requirements for them are deteriorated (Document** [**CWG-FHR-17/19**](https://www.itu.int/md/S24-CWGFHR17-C-0019/en)**)**

 **Contribution from the Russian Federation - Issues and questions for discussion related to the HQ’s project (Document** [**CWG-FHR-17/23**](https://www.itu.int/md/S24-CWGFHR17-C-0023/en)**)**

7.1 After a brief introduction from the Chair, the Secretary-General provided opening remarks, noting the previous work of the CWG-FHR, and the decision of the Council to proceed with a new building. The Secretary-General stressed that either option must most effectively and efficiently result in a new ITU building “fit for purpose,” now and in the future.

7.2 The MSAG Chair provided an oral report, describing the outcomes of the December 2023 MSAG meeting. The MSAG chair noted that ITU regulations prohibit the Union from committing to a general contractor if funding sources are not secure. The MSAG Chair urged the CWG-FHR to provide clear guidance to the Council to inform a decision on a way forward, and also noted that further delay will have a detrimental effect on the Union, including risks of inflation, permitting, and expiration of funding options.

7.3 The Deputy Secretary-General introduced the report of the secretariat set out in [CWG-FHR-17/4Rev1](https://www.itu.int/md/S24-CWGFHR17-C-0004/en), which provides information and outcome of actions requested at the Additional session of Council. The Deputy Secretary-General noted the Council identified two main options. The first option is to continue with the current design for a new headquarters premises, requiring an increase of CHF 57M to the budget. The second option is to consider an alternative project to address the aging Varembé building while remaining within the financial constraints set by [Decision 619](https://www.itu.int/md/S21-CL-C-0099/en). The Deputy Secretary-General acknowledged the risks and challenges with both options and concluded by stating the secretariat’s preference for Option 2 because of the greater certainties related to costs and the flexibility it provided in terms of design.

7.4 The secretariat provided a presentation of the updated report, focused on the two options, both informed by budget constraints, as described by the Swiss government in a letter found in [CWG-FHR-17/4Rev1](https://www.itu.int/md/S24-CWGFHR17-C-0004/en), Annex A. Within the report and presentation, the secretariat also addressed the nine recommendations from the ADM chair ([C23-ADD/9-E](https://www.itu.int/md/S23-C23ADD-C-0009/en) ) and endorsed by the Council.

7.5 Saudi Arabia introduced two multi-country proposals ([CWG-FHR-17/13](https://www.itu.int/md/S24-CWGFHR17-C-0013/en) and [CWG-FHR-17/14](https://www.itu.int/md/S24-CWGFHR17-C-0014/en)). The first proposal advocated for Option 1, and specifically outlines aspects to consider in bridging, including finances, operational impacts, sponsorships, and ITU requirements. The second proposal addressed sponsorship for the headquarters premises project, and specifically urged reinstating the original package of sponsorships with updated information about what elements are still available to be sponsored.

7.6 The Russian Federation introduced two proposals ([CWG-FHR-17/19](https://www.itu.int/md/S24-CWGFHR17-C-0019/en) and [CWG-FHR-17/23](https://www.itu.int/md/S24-CWGFHR17-C-0023/en)). The first proposal invited the CWG-FHR to provide recommendations to the Secretary-General, MSAG and the Council on the need to maintain the previously agreed upon key requirements and parameters of the building and premises of the future ITU headquarters, which can only be improved. The second proposal raised a number of issues and technical questions related to the headquarters premises project, including whether a discounted cash-flow analysis had been conducted and the need for additional funding to finance renovations on the Tower.

7.7 Several member states expressed concerns that the financial information provided by the secretariat was insufficient, noting that in option 2, the cost projections for a Tower renovation were not included. Moreover, additional member states focused on multiple issues related to the disposition of the tower, a sponsorship structure, and the applicability of previous ITU resolutions on the recommendations that the CWG-FHR may provide to the Council, noting that the CWG-FHR must stay within the bounds of ITU resolutions.

7.8 Several member states stressed the need to trust the discernment and judgment of the secretariat as elected leaders and administrators. Excessively scrutinizing the work of the secretariat could hinder its ability to execute its duly elected roles and responsibilities on behalf of member states. Other member states expressed concerns regarding the financial burden that the building project would leave for the future of the ITU. Finally, while risks were acknowledged in both options, several member states recognized that pursuing option 1 would further delay continuing progress and potentially expose the Union to additional costs due to the parameters.

7.9 The Chair acknowledged the aforementioned concerns and established an ad hoc group to deliberate and propose a single recommendation to the Council for the building project. The ad hoc group was unable to reach an agreement on one option, and instead presented the CWG-FHR with modifications of the two options. Given the output from the ad hoc group, the chair provided the recommendation below. Several Member states expressed discontent with this recommendation, noting that it was delivered without consultation with Member states participating in CWG-FHR. Conversely, Member states that supported the proposed way forward provided by Chair CWG-FHR noted that said way forward accurately captured the substance of the deliberations on the subject and progressed the conversation forward towards the next phase. Moreover, several Member states offered suggestions to the below recommendation, and those recommendations were noted by Chair CWG-FHR in order to aid in the decision-making process during the extraordinary June 2024 CWG-FHR.

**Recommendation**: As the ad hoc group was unable to reach consensus on a way forward for the ITU HQ premises project, CWG-FHR will convene on June 3, 2024, prior to Council, to arrive at a recommendation on this matter. Accordingly, ahead of the next meeting of CWG-FHR, and consistent with the letter from the Swiss government in its December 18, 2023 letter to the ITU, Resolution 212 (Rev. Bucharest, 2022), and other relevant guidance, CWG-FHR **requests** the secretariat to pursue the following steps regarding the ITU’s headquarters premises project ([CWG-FHR-17/DL5](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0005/en)):

* Consistent with previous council and PP-22 mandates, the secretariat is requested to provide an additional option of a “an alternative reassessed project,” which shall include accurate data regarding project delivery, potential contractors, and a cost estimate based on current market price.
* The “alternative reassessed project” shall include new conference rooms, office space, and essential facilities.
* The “alternative reassessed project” shall not include considerations involving the Tower.
* Based on the report on sponsorship possibilities introduced at Council 2018 (Document C18/47-E, section 4) the secretariat should seek to identify additional sponsors for the remaining elements available for sponsorship.
* This request should not be interpreted as an obligation to secure sponsorships by 4 June 2024 nor as a substitution for seeking an additional loan.
* Invite Member-States to make additional voluntary contributions for the implementation of the project, which does not constitute sponsorship.
* Continue to update the repository of questions and answers to keep Member States up to date.
* Collaborate with MSAG to strengthen expert guidance to the secretariat to this process.
* Consult on the Council’s decision on the matter with all ITU Member-States in line with CV/79.

**8 Report on establishing a governance structure for cyber security, IT and data/information (Document**[**CWG-FHR-17/5**](https://www.itu.int/md/S24-CWGFHR17-C-0005/en)**)**

8.1 The secretariat introduced Document [CWG-FHR-17/5](https://www.itu.int/md/S24-CWGFHR17-C-0005/en) concerning the establishment of governance structure for cyber security, IT and Data/information. The document proposes a comprehensive governance framework, responding to the IMAC recommendations regarding the need for a resilient governance structure for IT, cybersecurity and data, leveraging existing committees like the ICTC, with representatives from the General Secretariat and three Bureaus. This proposed structure distinctly separates governance and operations for IT, cybersecurity, and data. Governance sets strategic goals, direction, and policies, while operations implement and execute activities to achieve these goals.

**Discussion Points:**

8.2 There was positive feedback from several delegates regarding this contribution. One delegate stressed the importance of separating cyber security and data governance from operations as this will create a secure environment and ensure integrity, compliance and improved trust from Member States.

8.3 Delegates also welcomed the idea of leveraging existing committees like the ICTC. Another delegate raised the concerns about financial implications required to update the IT systems and potential linkage to new building and whether there is a solid approach within this committee to identify additional financial resources.

8.4 Another delegate raised questions regarding the current security posture of ITU comparing to other UN agencies and status of field offices and whether the field offices were included in the assessment.

8.5 Several delegates wanted more clarification on the financial implications and if CWG-FHR will be consulted on the elaboration of the IT strategy, hoping that the implementation of this strategy will not depend on the new building.

8.6 One delegate asked that the new terms of reference for the ICTC should be presented to next Council session and to present the IT strategy and related KPI, including the ERP project.

8.7 Delegates also asked about the outsourcing strategy and suggested that this topic should be a permanent item on the agenda due to its criticality. One delegate stressed that the document needs more work and wanted clarification whether this new governance structure will need additional financial resources, diagrams of all units of ITU when it comes to this work on cyber security and data.

8.8 Several delegates supported the terms of reference for the ICTC, its structure and its work plan because it is a very sensitive piece of work. Another delegate also asked about clarification regarding outsourcing strategy.

8.9 There was a need for clarification regarding the compliance dashboard. One delegate welcomed the proposal and greeted the fact that there is a continuity to the work which was started during the last session.

8.10 The responsiveness of the IMAC’s call for the governance structure was appreciated as well as the reference to JIU. One delegate stressed that further updates on this topic for the upcoming sessions would be useful.

**Answers from the secretariat:**

8.11 At this stage, there was no financial implication to this proposal. It is just a way to improve the working methods of the Union through a better governance. However, since the ICTC will be tasked to oversee the development of IT strategy, it is only at that stage that financial implications could be assessed. To a question from a delegate, the secretariat stated that the latest report from UNICC had shown that ITU is keeping good score regarding its security posture, and that the cyber security of field offices is considered as important as the Headquarter one. For the terms of reference of ICTC, the secretariat pointed out that it is available in the web site but an update of the terms of reference will need to be considered to include the topics that had been discussed during the present CWG-FHR meeting.

8.12 Concerning outsourcing, the secretariat mentioned that it had to be dealt with more broadly, within the IT strategy. The Deputy Secretary-General mentioned that during the last meeting, there was a discussion about the transformation roadmap and that the topics are not linked to the new building.

**Recommendation:** The Council is invited to **note** this report. The Chair requested that the ICTC terms of reference be shared during the next session of the Council, including potential updates. Furthermore, an information document on IT/cyber security and data strategy, including financial implications and timeline for implementation, should be submitted to that session.

**9 Strengthening the Regional Presence (Resolution 25 (Rev. Bucharest, 2022)) – Criteria for Establishing Future Area Offices (Document** [**CWG-FHR-16/10**](https://www.itu.int/md/S23-CWGFHR16-C-0010/en)**)**

9.1 The ITU Council in its 2023 session tasked CWG-FHR with recommending explicit criteria to guide future deliberations on establishing regional and area offices for the decision at the next Council session.

9.2 In this document ([CWG-FHR-16/10](https://www.itu.int/md/S23-CWGFHR16-C-0010/en)), the secretariat outlined possible criteria which could guide future deliberations on expansions to ITU’s regional presence, for consideration by CWG-FHR.

9.3 Council would then be requested to consider proposals from the secretariat to cover the relevant area based on the following:

1. Number of countries to be covered.
2. Assessment of country needs.
3. Available financial and human resources.
4. Expressions of Interest from Member States in the area to host ITU’s presence.

The secretariat emphasized that these criteria would allow both the ITU and a potential host nation to approach the establishment of a new office in a strategic manner to ensure that any new office would benefit the needs of the host nation, the region, and the ITU.

9.4 Some Member states motioned for the report to be forwarded to council for approval while others expected additional information from the advisory committee, coordination with other ITU sectors, and enhanced overall fidelity in the document. It was noted that the proposed criteria should be measurable and that it should incorporate the role of regional organizations. After further general discussions on the topic, it was decided that the CWG-FHR would send a Liaison Statement to TDAG and to the Inter-Sector Coordination Group (ISCG) this week, asking the advisory group and ISCG to review and provide any feedback to the next meeting of Council.

9.5 The topic will also be discussed at TDAG and the outcomes submitted to Council.

**Recommendation**: The Council is invited to **consider** the draft criteria package for the establishment of future area offices for approval.

**10a Proposal of an oversight charter (Documents**[**CWG-FHR-16/14**](https://www.itu.int/md/S23-CWGFHR16-C-0014/en)**)**

 **Contribution from the Russian Federation, Kyrgyz Republic, Tajikistan (Republic of), and Uzbekistan (Republic of) - The proposal of an oversight charter (Document**[**CWG-FHR-17/18**](https://www.itu.int/md/S24-CWGFHR17-C-0018/en) **(Rev.1))**

 **IMAC review of ITU internal Oversight Unit Charter (Document**[**CWG-FHR-17/22**](https://www.itu.int/md/S24-CWGFHR17-C-0022/en)**)**

10.1 The Chair stated that the documents under this Agenda Item had been reviewed at the CWG-FHR meeting in October 2023 and that contributions presented at that time have since been combined into a single DL, which will be reviewed later. Meanwhile, the Russian Federation was invited to introduce its additional contribution for this meeting on this topic. At the end of this discussion, a DL will be produced containing on the prior contributions in addition to the Russian Federation’s contribution.

10.2 The Council Member from the Russian Federation introduced Document [CWG-FHR-17/18](https://www.itu.int/md/S24-CWGFHR17-C-0018/en) (Rev.1), a joint contribution on behalf of the Russian Federation, Kyrgyzstan, Tajikistan, and Uzbekistan, including amendments to a previously published contribution by a group of countries on the draft Oversight Charter. The Council Member from the Russian Federation proposed the following; (1) to exclude direct references of conclusions and recommendations by the JIU, (2) ensure genuine independence of the Oversight Unit and ensure participation of the Council in appointing a Chief of the Oversight Unit, (3) to consider including procedures for dismissing the Chief of the Oversight Unit, (4) to ensure the most comprehensive review of the oversight of the organization and relevant expectations by Member States, the Oversight Charter should reflect the structure of an annual report, and (5) define the formal path for cooperation between internal and external auditors to avoid duplication of work.

10.3 Following the Russian Federation’s presentation, the Chair invited the IMAC representative to present Document [CWG-FHR-17/22](https://www.itu.int/md/S24-CWGFHR17-C-0022/en).

10.4 The IMAC representative presented Document [CWG-FHR-17/22](https://www.itu.int/md/S24-CWGFHR17-C-0022/en), which included some preliminary suggestions and comments by the IMAC on the draft Oversight Charter. The IMAC representative noted several key points to consider, (1) to ensure a clear distinction between the practices of internal audit investigation and evaluation, (2) the importance of improved authority independence and addressing conflict of interest within the Oversight Unit, (3) how to handle allegations of misconduct against the Secretary-General, other elected officials, the Chief of the Oversight Unit and staff of the Oversight Unit, (4) a need to update and align the role and responsibility of the Ethics Office in relation to the Oversight Unit, and (5) to have the Oversight Charter final draft peer reviewed by an oversight office of another organization. The IMAC representative expressed compliments of IMAC to the secretariat for the ongoing efforts on the charter, the preparation of the charter, but also on the establishment of the Oversight Unit.

10.5 One delegate stated that the charter should be clear cut and that the duty of the Council and duty of the Secretary-General should remain separate. The delegate continued by stating that there is a limit to the degree of changes and modification that should go into drafting the Oversight Charter and suggested a short disclaimer at the beginning of the charter which would state what is not expected of the Oversight Unit to be discussed in a smaller group.

10.6 Another delegate noted several observations on the draft document; (1) it is up to the Secretary-General to exercise her right, for the nomination and appointment of the Chief of the Oversight Unit, without any further involvement or consideration by the Council, (2) importance of having a clear distinction between the internal audit function and the investigation function, particularly as it relates to any a conflict of interest, (3) clarification of the role of the Ethics Office as it relates to the Oversight Unit, and (4) clarification as to the extent to which Council would be entitled to access any confidential information associated with any investigation that may have been triggered as a result of a complaint made to the Ethics Office.

10.7One delegate highlighted the importance for a clear distinction between the different functions of the Oversight Unit, especially for the investigation function noting legal ramifications and importance not to compromise any evidence.

10.8 Another delegate noted that for the Evaluation function of the Oversight Unit the charter should be amended to reflect the two-year plan to be based more of a medium / long term, and in order to avoid any overlap of evaluation activities among the three sectors, the Oversight Charter should limit evaluation activities to the General Secretariat.

10.9 A delegate thanked the IMAC and the Russian Federation for their contributions and noted that it would be important for the review of the charter to present a single document including both contributions.

10.10 It was highlighted by one delegate the need to ensuring that there are provisions for oversight and investigation procedures for all personnel of the ITU and clarifying the role of the Ethics Office. The delegate expressed concern over some of the proposed edits to the draft charter which could render the Oversight Unit ineffective due to micromanagement and noted a need to discuss the proposed edits in detail to reach a viable consensus document.

10.11 One delegate expressed agreement with the comments made by another delegate regarding the Evaluation function activities and requested clarification regarding the Chief of Oversight reporting to the Council for transparency and whether this has been reflected in the draft charter.

10.12 The Chair thanked the delegates and noted that the questions posed would be shared with the drafting group. The Chair stated that the draft charter that is to be adopted must be consistent with the Constitution and Convention and current resolutions/decisions of Council. The Chair noted that all contributions received had now been compiled by the secretariat and posted as a DL document. The Chair stated that the new Oversight Charter would be presented to Council in June for approval.

10.13 The secretariat clarified that the draft charter includes all of the contributions received to date, including the comments that were made by the IMAC, as well as benchmark information from other UN agencies. The secretariat also stated that a clear distinction between the three functions is already included in the draft charter, but that this can be expanded on and clarified that the appointment of the Chief of Oversight, and related staff is the prerogative of the Secretary-General, in line with the Convention, Constitution and Staff Regulations and Staff Rules.

10.14 One delegate requested confirmation regarding the drafting group and whether various questions still unanswered would be clarified during that discussion to which the Chair affirmed that clarifications would be made at the ad hoc meeting and that a DL document (DL/1) is posted with all contributions merged into one document.

10.15 Another delegate stated that he had shared a proposed text of disclaimer to be added to the draft charter, to which the Chair replied that it would be shared with the Chair of the drafting group.

10.16 One delegate requested clarification regarding whether the Oversight Unit would report to the Council.

10.17 The Chair stated that clarification would be sought and shared during the drafting group meeting, however the Oversight Unit reporting line would need to be consistent with the Constitution and Convention and decisions of the Council.

**Proposal of an oversight charter (based on Ad-hoc meeting, Document** [**CWG-FHR-17/DL/4**](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0004/en)**)**

10.18 The Chair of the ad-hoc Charter drafting group introduced Document [CWG-FHR-17/DL/4](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0004/en), which includes edited contributions added during the drafting group session based on Document [CWG-FHR-17/DL-1](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0001/en). The Chair of the Ad-hoc drafting group noted that the whole document was not yet reviewed in the time allocated for this purpose. He noted that there were three square brackets indicated for further discussion within the document related to Articles 7 , 9 and 10.

10.19 The Chair noted that whilst the entire document was not yet reveiwed by the ad-hoc group, Council already approved the oversight charter but tasked the CWG-FHR to develop the terms of reference of the charter for its operations which should be based on the documents that were submitted to Council and also be based on the Constitution and Convention. The Chair requested a correspondence group be set up by the secretariat by creation of a website, based on Document [CWG-FHR-17/DL/4](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0004/en).

10.20 One delegate noted that Council has approved the Oversight Unit, but if the charter is not approved, then the Oversight Unit cannot exist or do its job. Secondly, the duty, responsibility and authority of the Secretary-General is governed by the Constitution and Convention, and appointment of the Chief of the Oversight Unit should remain with the Secretary-General, and not with the Council. The delegate further expressed concern that if the Charter is not approved at the next Council, this would prohibit the Oversight Unit from functioning properly. The delegate suggested that rather than a correspondence group continue with the current drafted charter and utilize an annex for any issues that have not been agreed on so far, to send to Council.

10.21 Another delegate suggested that Document [CWG-FHR-17/DL/4](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0004/en) be shared as current after addressing the three points in square brackets and also suggested that additional benchmarking be added to Articles 42 and 43 of the draft charter. The delegate noted the importance of having the draft charter approved, and expressed support to work by correspondence in order to finalize the draft charter for Council’s next session.

10.22 One delegate noted questions raised over the drafting of the oversight charter should be quickly dispensed with, and that proposals in conflict with the legal instruments or with Council decisions must be avoided. The delegate continued by expressing agreement with another delegate in proposing to submit the draft document as it is currently to Council and avoid any delays, but expressed support in doing extra review by correspondence.

10.23 Another delegate expressed agreement with other delegates and noted that the Council decision for the CWG-FHR to address the draft charter was intended in order to deliver the Charter at the next session of Council.

10.24 One delegate also expressed agreement with the other delegates and reiterated the need to deliver on the mandate to prepare the Oversight Unit Charter, however cautioned not to rush the process and continue to work meticulously in the correspondence group.

10.25 A delegate stated that the three functions of the Oversight Unit must be defined specifically and noted that the majority of UN organizations have a specific audit office and proposed to take into account differences in ITU’s operations specifically related to the Constitution and Convention.

10.26 The Chair requested the secretariat to prepare an information paper on what other UN organizations have utilized with their oversight charters and functions. The Chair stated that the intention is to submit a clean document with only the three points in brackets so as to get to a final agreement on the text, with the goal to submit the charter at Council 2024. The Chair requested that the Chair of the ad-hoc drafting group manage the correspondence group.

10.27 One delegate requested clarification as to the next steps, whether the correspondence group will continue and finish reviewing the draft charter document, or whether the document would be shared to Council.

10.28 Another delegate expressed importance to forward the agreed text of the draft charter to Council, and requested clarification as to what the tasks of the correspondence group would be.

10.29 The Chair stated that the reasoning for the correspondence group is to prepare for a one day CWG-FHR meeting before Council’s next session in order to submit the Charter at Council, and to send as much as possible consensus documents agreed upon during the CWG-FHR meeting.

10.30 A delegate requested clarification on who would be at attendance at this one day CWG-FHR meeting prior to the Council Session, to which the Chair noted would be open to the same stakeholders in attendance at the current CWG-FHR and to all Member States. The Chair stated that remote participation for the Monday 3 June 2024 meeting of the CWG-FHR would be available and that all issues would be agreed in advance upon via the correspondence discussions.

10.31 One delegate stated that the Convention Article 87 is clear on the role of the Secretary-General in appointing staff of the secretariat in accordance with the PP established by the Council. The appointment of the Chief of the Oversight Unit is subject to competitive processes and the Council would need to provide consent in line with best practices.

10.32 Another delegate reiterated the suggestion to address the points in the square brackets of the draft charter, and send the rest of the text to the secretariat to finalize as an alternate version to be looked at next Council session. The delegate confirmed discussions during the ad-hoc drafting group that appointment of the Chief of the Oversight Unit is not contingent on the endorsement or approval of Council as per the legal instruments of the Union.

10.33 One delegate suggested again to provide the draft charter in a clean version to Council, and for the correspondence group to deal with the issues which were not resolved, to be addressed and finalized prior to the one day CWG-FHR meeting prior to Council’s next session.

**Recommendation**: The Chair clarified that Document [CWG-FHR-17/DL/4](https://www.itu.int/md/S24-CWGFHR17-240124-DL-0004/en) is the basis for the Correspondence Group that should also address the three square brackets and pages 27 through to 31. The work of the correspondence group will be sent to the CWG-FHR for discussion at its Monday 3 June 2024 meeting before the Council.

**10b Contribution by the Russian Federation, Armenia (Republic of), Belarus (Republic of), Kyrgyz Republic, Tajikistan (Republic of), and Uzbekistan (Republic of) - Draft decision "on the equal representation of regions in the independent management advisory committee (IMAC)" (Document**[**CWG-FHR-17/17**](https://www.itu.int/md/S24-CWGFHR17-C-0017/en) **(Rev.1))**

10.34 The Russian Federation introduced Document [CWG-FHR-17/17](https://www.itu.int/md/S24-CWGFHR17-C-0017/en) on behalf of the Russian Federation, Armenia, Belarus, Kyrgyzstan, Tajikistan, and Uzbekistan. The document cites the need for more transparency in the process that has been used for the selection of IMAC candidates, noting in particular that the this process’s result contradicts the requirement that IMAC have all the six regions’ representatives. Instead, the vacant CIS post was given to the Europe region. This contradicts the requirement under Resolution 162 regarding the need to ensure equal representation of the six regions and, as far as possible, to avoid having more than one representative of each region in the IMAC. This contribution proposes consideration of the draft decision on the equal representation of regions in the IMAC to achieve transparency and equal geographical representation for consideration and approval of candidates by the Council.

10.35 During the discussions, several delegates thanked the initiators of the multi-country proposal but are not supporting the proposal based on arguments regarding the need of not duplicating the work of the Council with those of the Selection Panel, recalling the lack of agreement in the PP-22 to make mandatory the equal representation of the regions and the risk for politicizing the IMAC, highlighted that the proposed decision is acting against Resolution 162 (Rev. Bucharest, 2022), that there is an objective matrix of criteria, very complex, for the selection including gender parity, qualification, geographical distribution and all should be considered. Their opinion was that there is no path forward from this contribution where the consensus can be reached, an alternative being to work on the ToRs for IMAC and Resolution 162 (Rev. Bucharest, 2022) to be discussed at the next plenipotentiary conference.

10.36 Other delegates appreciated the initiators of this contribution and the text proposed stressing that equal representation is very important for the improvement of the governance in ITU.

10.37 After extensive discussion, the Chair noted that there appears to be no resolution at this time due to a fundamental difference between what is being proposed in this contribution and what is being said in some of the interventions. The Member States were unable to arrive at consensus on the contribution and, at the request of the Russian Federation, the following Member States are noted in this report as having expressed varying levels of support for equal representation in the Union’s work, in particular the selection of candidates for certain bodies: The Russian Federation, South Africa, Saudi Arabia, China, Mexico, and Brazil.

**Recommendation**: While Member States were unable to arrive at resolution on this topic, the Chair **invites** Member States to work together to better understand what is being asked in this contribution in order to have more direct and productive discussions in the future.

**11 Implementation of Resolution 167 (Rev. Bucharest, 2022) of the Plenipotentiary Conference from 2024 and beyond (Document**[**CWG-FHR-17/INF/4**](https://www.itu.int/md/S24-CWGFHR17-INF-0004/en)**)**

11.1 Council 2023 concluded that remote participation is an invaluable tool for Member States and instructed the Secretary-General to prepare a roadmap for the harmonization and the development of facilities and capabilities to organize and conduct fully virtual meetings and physical meetings with remote participation by electronic means for the meetings of the Union, for submission to the 2024 session of the Council. The secretariat introduced this contribution (Document [CWG-FHR-17/INF/4](https://www.itu.int/md/S24-CWGFHR17-INF-0004/en)) on draft guidelines for remote participation in ITU to broach a further, more developed conversation on the matter at the CWG-FHR. The report was transferred to CWG-FHR for information only.

11.2 Several delegates acknowledged that thanks to remote participation, there is an increase in diversity in participation to ITU meetings and significantly reduces the cost for Member States to participate in ITU meetings. However, this raises the question on the rights of remote participants.

11.3 Delegates commented that there is the need to clarify the rights of Remote Participants and pointed out that this rights issue becomes even more challenging when it is the Chair who is remote. It is unclear what rights a remote Chair should have in managing meetings remotely. Issues such as voting rights, coordination, procedures for treaty-making and non-treaty-making meetings need to be clarified. There is a distinction between allowing participation from rights of the participants in conferences. Delegates expressed the need to achieve harmonization across the three bureaux and General Secretariat.

11.4 Some delegates pointed out that they had studied the documents referenced in the information document which they considered as good technical guidelines. What is required now are guidelines on meeting procedures and clarification on the legal rights of remote participants. Understanding in advance the difference in legal rights of onsite versus remote participants in different types of meetings allows Member States to decide in advance whether to attend remotely or onsite.

11.5 It was pointed out that the ITU-T Sector makes extensive use of remote participation and had provided technical and time schedule recommendations, etc. What is missing are guidelines on remote participation rules and decision making involving remote participants.

11.6 One delegate pointed out that in case of emergency situations, it is worth considering that even decision-making meetings could be fully remote. Costs for Member States attending ITU meetings should also be considered.

11.7 Another delegate recommended that ITU Leadership bring this issue to the intersectoral coordination group (Intersectoral coordination framework: [CWG-FHR-17/INF/3](https://www.itu.int/md/S24-CWGFHR17-INF-0003/en)) to ensure coordination and deconfliction while procedural guidelines are developed for participation and any necessary participation restrictions.

11.8 A delegate noted the progress in the harmonization of the technical solutions and recognized that the ITU had made the necessary business continuity plan for virtual meetings, but would like the ITU to provide more information on the IT perspective, progress in harmonizing the IT software, IT governance on IT structure, business continuity aspect to be included in the report; and also report on the financial aspects of the implementation of Resolution 167. Another delegate commented that the last report suggested the implementation of Resolution 167 would be based on contributions and that the ITU should develop these principles.

11.9 The meeting decided that ITU should lead the preparation of the draft guidelines, with active participation from representatives of Member States, for submission to the next Council session. There was also the suggestion that ITU should consult with other UN organizations on how they manage the rights of remote participants and prepare an information document for submission to the next Council session.

**Recommendations:** The secretariat is asked to **contact** other UN organizations to investigate how they manage the rights of remote participants for decision-making or legally binding meetings and **reflect** the replies in an information document to be submitted to the next Council session. The secretariat is also asked to **draft and submit** to the next Council session a document on the draft procedural and legal guidelines on managing virtual meetings and physical meetings with remote participation, addressing the legal rights of remote participants and remote Chairs.

**12 Contribution from China (People’s Republic of), South Africa (Republic of), Algeria (People's Democratic Republic of), and Cuba (Republic of) - Proposal of establishing guidelines for cooperation with third-party which may have substantial financial and/or strategic implications (Document**[**CWG-FHR-17/20 (Rev.1)**](https://www.itu.int/md/S24-CWGFHR17-C-0020/en)**)**

12.1 The delegate from China presented the contribution on behalf of the countries who co-authored the document. They noted that ITU has cooperated with third parties in several important areas in recent years. Third parties can bring about professional knowledge and skills from one side but may also have financial and/or strategic implications for the Union. In addition, it is unclear whether there are other approaches to cooperate with third parties. If these activities have financial and/or strategic implications, ITU Council should consider establishing guidelines to mitigate potential risks: access, compliance, strategic, and reputational.

12.2 Several delegations noted that ITU has used consultants for many years and were concerned that new guidelines would unduly limit the scope of the secretariat to access outside expertise. Several said that they support having the secretariat prepare a report on the use of consultants, covering existing policies and practices for procurement and use of consultants. One delegate added that an annual report on procurement including KPIs would be beneficial.

12.3 The Secretary-General noted that ITU has used consultants for many years, going back to the Maitland report and beyond. And in accordance with Document 35 and Resolution 71, the secretariat routinely reports its patronships and arrangements with consultants and all third-party entities and will be fully transparent in all its partnerships with consultants. Consulting firms can provide fresh perspectives and these insights have been shared with governing bodies, including in areas such as operational transformation, strategy, regional presence, and financial management among others.  Consultants advise, but decisions are made by ITU management or the governing bodies, as appropriate.

**Recommendation**: The Chair concluded the discussion by asking the secretariat to **report** on the use of consulting firms to the next session of the CWG-FHR (referencing Resolution 71 (Rev. Bucharest, 2022)), including information on how other UN bodies use consulting firms and any best practices that could be considered for the ITU.

**13** **Status update on transformation (Document**[**CWG-FHR-17/6**](https://www.itu.int/md/S24-CWGFHR17-C-0006/en)**)**

13.1 The secretariat presented Document [CWG-FHR-17/6](https://www.itu.int/md/S24-CWGFHR17-C-0006/en), noting that “transformation” has been a recurring theme and is being driven by the secretariat. The main objective is to ensure optimal use of ITU services and projects carried out by the ITU. It was emphasized that “transformation” in this context does not mean changing the organizational structure of the ITU; but instead means improving upon the structure and methods already place to further improve the quality-of-service delivery to the Member States.

13.2 The secretariat’s presentation included an overview of how transformation is being implemented, noting that improvements are being coordinated across all bureaus of the ITU. Other improvements highlighted include Transformation Resources (execution of the roadmap, communications about the transformation process); Transformation Group (collaboration across the ITU on all transformation activities, staff empowerment as part of the process); Human Resources Management Department (people culture services will be built into the Transformation Roadmap); Financial Resources Management Department (task force within that department has been established to ensure improvements are coordinated across the ITU); Information Systems; and Change Makers (statements on the role of the secretariat—define initiatives, stakeholder engagement plan, and reporting plan).

13.3 Several questions and requests for clarification were received from the floor, and responded to by the acting Chief of Transformation, and the Secretary-General.

13.4 Delegates expressed support for the transformation process and noted that it is critical to ITU success and looked forward to receiving the roadmap. The Secretary-General thanked the delegates for their encouragement and noted the support received from Great Britain through funding of a Junior Professional Officer (JPO) for the Transformation Team.

13.5 One delegate questioned the use of new terms such as “transformation” and cautioned that it is necessary to have clear definitions of terms, and to ensure consistency of the initiative with the Constitution and Convention which established the role of the General Secretariat very clearly. The delegate requested confirmation that the transformation process would not change these roles and responsibilities. The Chief of Transformation noted the need for clarity, reiterated that transformation referred to improvement of services and conformed that there is no change in the roles of the General Secretariat or any other part of ITU, but improvement in the quality of the work done. It was also requested that the document be provided in a word format, rather than a presentation. The Chief of Transformation noted that the document is being presented at a very early stage of the transformation and for that reason a presentation was used, however this would be prepared.

13.6 A few delegates questioned why the roadmap would be presented directly to Council in June, rather than coming first to CWG-FHR so that a more detailed analysis could be done before Council. Several delegates also requested confirmation that the roadmap would contain clear KPIs to ensure that the process was measurable. The acting Chief of Transformation noted that the decision of Council was to present the roadmap to Council and that in any event it would not have been possible to prepare it for the CWG-FHR. The acting Chief of Transformation also confirmed that that the roadmap would include KPIs for the work that needed to be carried out to ensure the ability of Council to assess the success of the process.

13.7 One delegate asked about the issues of SSA recruitment, and requested confirmation that this would be addressed as part of the transformation. In this regard, the delegate also noted that the process outlined for the roadmap referred specifically to the transformation for the Bureaus, and enquired about the extent to which coordination was happening between the General Secretariat and the Bureaus. The acting Chief of Transformation noted that the SSA recruitment was already being addressed in the Transformation Group and that collaboration and alignment between the General Secretariat and the Bureaus are being pursued through the Change Makers initiative, the Management Coordination Group, the Coordination Committee and the Transformation Group.

13.8 One delegate requested an update on the status of the recruitment process for the Chief of Transformation, to which the Secretary-General responded that the process was well underway with over 340 applications having been received.

13.9 A delegate noted the references to flexible working arrangements for staff and wondered the extent to which this might impact plans for the new building. The acting Chief of Transformation responded that this would of course be considered in overall plans.

13.10 Closing the discussion, a delegate expressed support for the transformation and noted that it should be done diligently, constructively, and gently, noting the need to bring colleagues along with the process rather than being forceful. He noted that KPIs could be applied only to impact and outcomes, not to unity which was key to success.

**14** **Report on the implementation of the Resolution 217: ITU’s business continuity management for the period 2023–2026 (Document**[**CWG-FHR-17/7**](https://www.itu.int/md/S24-CWGFHR17-C-0007/en)**)**

14.1 The ITU/IS/SSRD ORMS Coordinator introduced Document [CWG-FHR-17/7](https://www.itu.int/md/S24-CWGFHR17-C-0007/en) on the implementation of Resolution 217 (Bucharest, 2022). This resolution adopted during PP-22, informed the Union’s business continuity strategy and related plans for the period 2023-2026. The presentation recalled that the strategy and related plans revolve around four workstreams requiring flexibility facing changing circumstances and exigencies, including the new building construction. Ultimately, the presentation recalled the potential impact of lack of financial sustainability available funding in the ITU’s Operational Plan and the building construction.

14.2 Several delegates expressed their appetite for more detailed risk assessments, impact analysis and more detailed continuity plans while acknowledging the fact that the uncertainty concerning the upcoming building’s timeline is delaying their finalization. Additionally, a Member State noted that strategies and plans are needed to ensure continuity. Resolution 217 instructs the Secretary-General to develop strategic plans to this end in an urgent manner. The secretariat responded that more detailed plans will be provided before the 2024 Council Session.

14.3 The Chair qualified the new building project as a pre-requisite to the finalization of the requested documents. The Chair also mentioned that should the two options discussed on the way forward for the building during the ad hoc CWG-FHR do not allow further decisions, then she would have to propose in the report a third option, i.e., the cancellation of the project.

**Recommendation**: The Chair noted the Member States’ comments and asked the secretariat to **provide** an interim plan/strategy that is consistent with Resolution 217 at the Fall 2024 CWG-FHR meeting. The Chair also noted that until a decision is reached on the Headquarters Premises Project, a plan/strategy cannot be developed.

**15** **Status report on implementation of Council Decisions 600 and 601 (UIFN, IIN) (Document**[**CWG-FHR-17/8**](https://www.itu.int/md/S24-CWGFHR17-C-0008/en)**)**

15.1 The secretariat introduced Document [CWG-FHR-17/8](https://www.itu.int/md/S24-CWGFHR17-C-0008/en), which summarizes the status of implementation of Council Decisions 600 and 601 and outlines the “next steps” in the process. This contribution presents updated information to Document [C21/47](https://www.itu.int/md/S21-CL-C-0047/en), which was presented to and reviewed at the 2021 session of the Virtual consultation of councillors.

15.2 For Council Decision 600, the secretariat has taken action to remove non-reachable UIFN service providers in Annex A from the list of UIFN service providers (<https://www.itu.int/en/ITU-T/inr/unum/Pages/uifn-service-provider.aspx>) considering that no notifications of updated contacts have been received from Member States since Council 2019. Invoices for UIFN attendance fees have been sent out annually since 2018. As of October 31, 2023, the outstanding UIFN attendance fee for 2018-2022 totals 77,600 CHF. 72 percent of this amount is owed by a single service provider. Annex B lists the entities for which TSB has a valid contact, that have been billed for 2018-2022 and have not paid their bills to date. The SG2 advice approved at the fourteenth meeting of CWG-FHR (Document [CWG-FHR-14/12](https://www.itu.int/md/S21-CWGFHR14-C-0012/en), [C22/50](https://www.itu.int/md/S22-CL-C-0050/en)) has mostly implemented for the cases in the table except for few in 2022. The secretariat will start to remove the service providers in the table and write off the corresponding debts.

15.3 Regarding Council Decision 601, preparation of IIN invoices is in process. ITU FRMD will issue IIN invoices in the first semester of 2024. As of October 31, 2023, there is a total of 898 IIN records kept in the ITU database. Among them, the contact details for 385 IIN records are outdated and have been marked as “contact-not-reachable” in the ITU database.

15.4 As to the revenue from UIFN and IIN, for the year 2022, the revenue from UIFN is 236,200 CHF, including both one-off fee and annual attendance fee. For 2023, a forecast revenue for UIFN is approximately 190,000 CHF, also including both on-off fee and annual attendance fee. Newly registered IINs were around 20 per year, representing a revenue of approximately 5,000 CHF. In general, 200,000 CHF would be considered a reasonable annual revenue per year.

15.5 The secretariat expressed sincere thanks to the Member States who have kindly provided their assistance in implementation of Decisions 600 and 601, and thanked the Council, CWG-FHR and ITU-T SG2 for their advice and recommendations.

**Recommendation**: The Council is invited to **take note** of this document.

**16** **Update on the progress of website harmonization
 (Documents**[**CWG-LANG-14/INF/1**](https://www.itu.int/md/S24-RCLCWGLANG14-INF-0001/en) **and** [**CWG-LANG/14/4**](https://www.itu.int/md/S24-RCLCWGLANG14-C-0004/en)**)**

16.1 On behalf of the Chair of CWG-LANG, the Vice-Chair of CWG-LANG presented a summary of the discussions on website harmonization at the 14th meeting of CWG-LANG on 23 January 2024. The secretariat had presented CWG-LANG-14/INF/1 to that meeting, answering specific queries on the website and updating on website harmonization. The Russian Federation had then presented CWG-LANG-14/4, requesting further improvements to the work reported including ITU search engine optimization; increased harmonization of common features on the sector web pages; easier access to the CCT website; closer monitoring of webpages with machine translation; and coordination with the ISCG.

16.2 Member States at CWG-LANG strongly supported the need to improve the search engine in a cost-effective way, including assessing new search engine providers or considering external engines where viable. The secretariat stressed that improving search functionality was a priority. Member States additionally requested improved visibility and access to the CCT website in line with Study Groups, greater availability of web pages, documents and publications in all languages, and the use of web platforms and survey tools that could be equally accessed by all Member States. The Chair of CWG-LANG requested the secretariat to provide a roadmap with concrete dates on milestones to be reached in website improvement leading up to PP-26, in addition to a listing of all website issues raised with status updates and budgetary implications, and an email address for any further comments from interested Member States.

16.3 One Member State had several suggestions for the Working Group: 1) Regarding Number Seven (Provide Direct Access to the CWG websites from the main Council Website) in Document [CWG-LANG-14/INF/1](https://www.itu.int/md/S24-RCLCWGLANG14-INF-0001/en), it was suggested that further improvements could be made to access CWG websites from the Council’s main page by creating direct links under “About” on the menu. 2) Develop a “Home” link on the ITU Council website for the ITU main page. 3) Harmonize the “About” menus on the ITU and Council website. Create a single page so that “about ITU” on the Council website takes the user to the same “about ITU” on the ITU webpage rather than having to click through two different pages to get to that page. Finally, a roadmap about the harmonization was mentioned and that it would be nice to have a timeline for that roadmap.

16.4 As there were no additional comments, the Chair closed this Agenda Item.

**17 Revised Resolution 1338 - Information and Communication Technologies Development Fund (ICT-DF) (Document**[**CWG-FHR-17/9**](https://www.itu.int/md/S24-CWGFHR17-C-0009/en)**)**

17.1 The secretariat presented document [CWG-FHR-17/9](https://www.itu.int/md/S24-CWGFHR17-C-0009/en), which is a report on the proposed amendment to Resolution 1338. This amendment follows a proposal from the Russian Federation during the last Working Group meeting. The main focus of this proposal is to address the deteriorating state of financing, especially concerning developing states.

17.2 The secretariat recommends adopting this amendment to Resolution 1338, which would enable diversification of funding for projects and the deletion of Resolution 11 from the Plenipotentiary Conference text. The Council Working Group expresses its readiness to further explore this document and discuss it with the council in June 2024.

17.3 The BDT Director addressed various points in response to questions from different delegates:

* **Resource mobilization**: Raised 24 million Swiss francs since last year. This increase is credited to targeted projects meeting specific country needs and clear returns for donors.
* **Connect initiative**: Conducted five regional development forums, focusing on partnerships and commitment between entities and member states. The initiative is progressing well, with one more forum scheduled in the CIS region.
* **Project differentiation:** Explained the distinctions between global, national, and regional projects. Examples include a global connectivity project funded by the EU and national projects like those funded by Brazil.
* **Financial strategy**: Aims to allocate 7-7.5% of project expenses to the ICT Development Fund for better resource utilization.
* **Membership engagement**: Intensifying efforts to convert non-members to members and increase existing member involvement for better resource support.

17.4 The Chair, acknowledging the absence of additional questions, recorded the comments to be incorporated into the report.

**18** **Proposed amendments to the Financial Regulations and Financial Rules – Edition 2018 (Document** [**CWG-FHR-17/10**](https://www.itu.int/md/S24-CWGFHR17-C-0010/en)**)**

 **Contribution by the Russian Federation, Armenia (Republic of), Belarus (Republic of), Kyrgyz Republic, and Tajikistan (Republic of) - Proposed amendments to the Financial Regulations and Financial Rules - Edition 2018 (Document**[**CWG-FHR-17/16**](https://www.itu.int/md/S24-CWGFHR17-C-0016/en) **(Rev.1))**

18.1 The secretariat introduced Document [CWG-FHR-17/10](https://www.itu.int/md/S24-CWGFHR17-C-0010/en), Proposed Amendments to the Financial Regulations and Financial Rules – 2018 Edition (FRFR). This contribution presents the ITU secretariat’s proposed changes (and the rationale for these changes) to the FRFR. The objective is to update the rules, which hasn’t been done for quite some time; to improve financial management; enhance transparency and accountability; improve risk management; and build credibility with ITU stakeholders. These proposed amendments have been made in consultation with the Chief, FRMD; the IMAC; CoCo; and the ITU Secretary-General and Deputy Secretary-General. They integrate best practices across the UN and include the recommendations provided by the External Auditor in the report that has been briefed under Agenda Item 4 above.

18.2 The Chair proposed that her report could contain a recommendation to Council 2024 that Annex 2 of the Financial Regulations and Financial Rules may be modified in order to be aligned with the guidelines of the in-kind contributions.

18.3 These amendment/revisions are considered necessary:

* To update the financial regulations to streamline the management of Voluntary Contributions and trust funds.
* To ensure that VC and FIT are processed in the same manner. This will reduce costs, increase efficiency of the current process, and streamline how revenue should be recorded in ITU.
1. **Article 1 – Internal Functions of ITU:** There was a divided opinion among delegates regarding the proposal to move internal functions of the ITU to the Financial Rules. Some delegates raised concerns about this move, while others did not oppose the change.
2. **Article 11 – Introduction of 'Withholding Account':** The proposal to introduce a 'withholding account' was principally agreed upon by several delegates. However, there was a request for further clarity regarding its operation and a suggestion to potentially rename this function.
3. **Article 15 – Liquidity Assets of the Union:** Although delegates accepted the changes proposed under Article 15, they expressed a desire to retain the text related to debtor and creditor management.
4. **Article 16 – Investment of Funds:** There was a general consensus among delegates on the proposed changes regarding the changes to this article.
5. **Article 18 – Accounts and Financial Statements:** The proposed text to strengthen language around International Public Sector Accounting Standards (IPSAS), detail the functional currency of the ITU as the Swiss Franc, and include timelines for the preparation and submission of the Financial Statements to the External Auditors was generally accepted.
6. **Article 19 – Introduction of Fund Accounting:** The introduction of fund accounting prompted questions from delegates regarding its impact on the Regular Budget operations of the ITU.
7. **Article 29 - Internal control and internal audit:** With the 2023 decision by Council to create the ITU Oversight Unit, there is a need to update Article 29 of the Financial Regulations to harmonize terminology. The new proposals reflect the outcome of the Council 2023 deliberations as to the creation of an ITU Oversight Unit. The proposed amendments are to be read in conjunction with the proposed Internal Oversight Charter also discussed at the 16th meeting of the Council Working Group on Financial and Human Resources although the charter will contain the details of the role and functioning of the ITU Oversight Unit whilst Article 29 is at the higher level without a need to provide details. The Chair proposed that her report could contain a recommendation to Council 2024 that Article 29 may be modified in order to be aligned with the creation of the ITU Oversight Unit.

18.4 After the secretariat presentation, The Russian Federation presented Document [CWG-FHR-17/16](https://www.itu.int/md/S24-CWGFHR17-C-0016/en) (Rev.1) on behalf of Russia, Armenia, Belarus, Kyrgyzstan, and Tajikistan. This contribution proposes refraining from moving paragraphs 4 and 5 from Article 1 from the Financial Regulations to the Financial Rules (as proposed in Document [CWG-FHR-17/10](https://www.itu.int/md/S24-CWGFHR17-C-0010/en), as the latter are adopted by the Secretary-General whereas the former are adopted by the Council. If paragraphs 4 and 5 of Article 1 are moved to the Financial Rules, the entire control system and accountability of the ITU will be called into question as Member States will lose the opportunity to exercise control and establish terms and conditions for ITU procurement. This could set a negative precedent for the entire UN system.

18.5 The Chair proposed going through the proposed updates paragraph-by-paragraph. Several Member States asked if the External Auditor had a chance to review these proposed changes and if ongoing discussions regarding the external audit are reflected in these proposed updates. One Member State noted that each regulation should be followed by specific rules that detail the operational aspect of the implementation of such regulations. The External Auditor responded that once management has a definitive set of proposals for changes, the External Auditor would be happy to respond to those proposed changes. It is not the External Auditor’s job to endorse or contribute to the ITU’s processes and policies; merely to respond to the final set of proposed changes in light of best practices.

**Recommendation**: In light of the Member States’ comments and the constructive discussions that followed, the Chair proposed the following path forward for this Agenda Item: 1) Recommend Council **approve** proposed updates to Article 29 of the FRFR (which is out of date). 2) Recommend Council **approve** updates to Annex 2 (in-kind contributions), which have already been reviewed by IMAC and the External Auditor. 3) Request that the secretariat **develop** a correspondence page for Member States to discuss all other proposed updates to the FRFR so that these additional proposed updates can be addressed at the next CWG-FHR meeting.

**19 MoUs/Agreements reported to Council (Document**[**CWG-FHR-17/11**](https://www.itu.int/md/S24-CWGFHR17-C-0011/en)**)**

19.1 The secretariat presented the document noting that following the guidance of the plenipotentiary conference, the secretariat presents MOUs / agreements that have substantial financial and/or strategic implications for Council’s pre-approval, as well as a report on other MOUs.

19.2 If the activities and commitments covered by a given MOU/agreement fall within existing instructions from Member States, then the Secretary-General does not seek pre-approval from Council. The secretariat has also been reporting on other MOUs which may be of particular interest. Following the guidance of Council 2023, the secretariat is currently developing a new dashboard and internal processes to support improved reporting for Council. This new dashboard will be ready for Council 2024. A prototype was shared with the CWG-FHR.

19.3 Several delegates intervened and expressed their thanks for the increased transparency, including the clarification of the criteria used by the secretariat and the new dashboard in development. One delegate appreciated that the new dashboard would include all relevant agreements, recognizing that the full agreements would not be included but that members could request more information about specific agreements of interest. One delegate asked if the bureaux directors can sign agreements on behalf of ITU and if they do, is this coordinated and who is ultimately responsible? The Secretary-General replied that directors do sign agreements related to the work of their respective bureau, under authority delegated by the Secretary-General.

19.4 The chair asked that each MOU / agreement in the new dashboard makes reference to the relevant provision of the strategic plan.

**20** **Report of the Budget Control Committee of the World Radiocommunication Conference (WRC-23) (Document**[**CWG-FHR-17/12**](https://www.itu.int/md/S24-CWGFHR17-C-0012/en)**)**

20.1 The secretariat introduced Document [CWG-FHR-17/12](https://www.itu.int/md/S24-CWGFHR17-C-0012/en),“*Report of the Budget Control Committee of the World Radiocommunication Conference (WRC-23)*”, which is contained in [Document 460 (Rev. 1)](https://www.itu.int/md/R23-WRC23-C-0460/en) of that conference. Following No. 74 of the *General Rules of Conferences, Assemblies and Meetings of the Union*, this Budget Control Committee Report, which was considered and approved by the WRC-23 Plenary Meeting, will be submitted by the Secretary-General to the 2024 Council session.  This report was presented to the CWG-FHR for its information and noting.

20.2 The Budget Control Committee reported that the budget for WRC-23, which was approved by the 2021 Council session, was MCHF 5.181 and that the total expenses of the conference were MCHF 4.482. As such, the WRC-23 generated a savings to the Union’s 2023 budget of KCHF 699. A Member State participating in the WRC-23 recommended that these savings be used towards implementing the results of the conference.

20.3 In its report, the Budget Control Committee also identified those WRC-23 decisions that had financial implications for the Union. These costs, which include both one-time and recurrent annual costs over the period from 2024 – 2027, were estimated to total approximately MCHF 12.5.   Specifically, these costs are for either the software developments required for updating the BR systems used for processing space or terrestrial network filings or for the additional meeting and related support costs of ITU-R’s preparatory work for specific topics on the agenda of the 2027 World Radiocommunication Conference (WRC-27).  Annex 2 of the Budget Control Committee Report provides the details of how those estimates were derived.

20.4 A delegate was interested in receiving a more detailed presentation of the budgetary implications of WRC-23 decisions, specifically to have the total costs presented for each year from 2024 – 2027. This would facilitate the work of Council 2024 when considering this report and developing a Council Resolution for the biennial budgets covering those years. The secretariat confirmed that, along with the Budget Control Committee Report, further information would be provided to the Councillors on which years the additional funds are required.  The Radiocommunication Bureau will also work with the Secretary-General and Deputy Secretary-General to identify potential sources of funding to be proposed to the Council.  Another delegate expressed its appreciation, and gratitude for the amazing work of the BR and secretariat for the organization of the RA-23, WRC-23, and CPM27-1 and additionally its appreciation, gratitude, and admiration to the United Arab Emirates for their excellent hosting of those conferences.

20.5 The Director BR highlighted the successes of WRC-23, and also noted the challenges, including the financial implications, associated with implementation of the decisions of the Conference. The BR will need to carefully consider this in the context of the regulatory framework that needs to be developed for these decisions to start functioning as part of the treaty. This year the BR will focus on preparing the Final Acts of the Conference as well as the revised radio regulations. Tools will also need to be developed enabling the Members to bring the decisions into force. The BR will document this information in greater detail regarding annual and recurring costs as per the request of several Member States.

**21 External Auditor update**

 **External Auditor’s report on ITU’s 2023 Financial Statements
 (Document**[**CWG-FHR-17/INF/7**](https://www.itu.int/md/S24-CWGFHR17-INF-0007/en)**) and Financial Operating Report for the Financial Year 2022 (Document**[**CWG-FHR-17/INF/8**](https://www.itu.int/md/S24-CWGFHR17-INF-0008/en)**)**

21.1 On behalf of the Controller and the Auditor General of the United Kingdom, the ITU’s External Auditor presented Report by the Secretariat, Document [CWG-FHR-17/INF/7](https://www.itu.int/md/S24-CWGFHR17-INF-0007/en), External Auditor’s Report on the ITU’s 2022 Financial Statements. The responsibility for maintaining proper accounting records and effective internal control environment and for the preparation of financial statements which fairly present in accordance with ITU’s financial regulations solely sits with the Secretary-General. The External Auditor’s responsibility is to audit those financial statements in accordance with international standards on auditing and confirm that the transactions comply with the authorities that govern them. At the July 2023 Council Session, the External Auditor reported that the Union’s financial statements had not been properly reported in accordance with International Public Sector Accounting Standards (IPSAS), which the Union, under its own financial regulations, has determined are the Union’s mechanism for financial reporting. In October 2023, the External Auditor further reported on management’s progress in resolving significant areas of misstatement and non-compliance. After extensive further efforts from management and the audit team, the annual financial operating report and financial statements for 2022 (found here: [CWG-FHR-17/INF/8](https://www.itu.int/md/S24-CWGFHR17-INF-0008/en)) met the requirements for the Externa Auditor to confirm that they fairly presented the ITU’s financial performance and position as of December 31, 2022.

21.2 In the auditor's report, several key points were emphasized:

* 2022 financial statements of ITU now accurately reflect financial status after significant adjustments.
* Improvements in the presentation and structure of the 2023 financial statements are acknowledged as necessary by the management.
* A qualified audit opinion was issued due to irregularities, notably CHF 211,000 of unauthorized expenditure.
* Recommendations include enhancing investment strategies, engaging external expertise for policy development, and refining debt and budget management.
* Focus is suggested on medical cost data and assumptions, given their impact on ITU's financial health.
* A review is advised for the recent changes in medical insurance provision and their financial implications.
* ITU management is actively revising financial regulations, with audit feedback to be incorporated in 2023.
* Appreciation is extended to the Secretary-General and team for their efforts in resolving audit challenges and advancing ITU's financial management.
	1. The Secretary-General supported the auditor's report, stressing the accuracy and compliance of ITU's financial statements, ensured by a specialized task force for IPSAS compliance. The termination of ex gratia payments was mentioned as a measure for better financial governance. ITU's commitment to sustainable resource management and strategic financial planning was highlighted. Additionally, the Secretary-General recognized the importance of implementing recommendations to advance financial reporting and management.

21.4 The External Auditor addressed various points in response to questions from different delegates:

* **Possible material errors:** Clarified unqualified opinion despite material errors. Emphasized improvements in financial statements from 2023 to the present.
* **Investment policy review:** Specific recommendations were provided for reviewing the investment policy to align with best practices. However, they cannot set policies, only provide observations and suggestions.
* **General audit and future plans**: Reassured delegates of their extensive comments on internal control, HQ project, and compliance in the previous year. They plan to examine project management in 2023 and HR in the subsequent year, aligning with ITU's transformation.

21.5 The Secretary-General expressed gratitude to the External Auditor for clarifying error-related issues and recognizing corrective efforts. Highlighted the inclusion of management comments in the document for each recommendation and the progress of a roadmap and implementation plan. Assured that all recommendations are integrated into the compliance dashboard.

21.6 As concluded by the Chair, delegates took note of the document.

**22 Other business**

22.1 Delegates expressed their gratitude for the leadership of the Chair and the contributions of the ITU secretariat. Suggestions for improvements from the delegates included:

* Highlighted the need for improved scheduling to avoid overlaps with other important meetings, which would facilitate better sectoral collaboration. This point was underscored by mentioning the absence of the TSB Director due to a concurrent meeting.
* Emphasized the importance of accuracy in document references, with a specific request for consistency with the latest resolutions.

22.2 The Secretary-General thanked participants for their hard work and constructive debates over three days, highlighting the leadership of the Chair and vice-chairs. Acknowledging the discussions on critical issues like ITU building oversight, financial management, and the ITU's cyber posture, the speaker also appreciated the engagement tools and the transformation roadmap's support.

**23 Next meeting**

23.1 The Chair closed the meeting by thanking the Secretary-General and all participants for their valuable contributions. The Chair noted that the next meeting is scheduled for 3 June 2024.

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