**Document CWG-FHR-17/INF/5**
**18 January 2024**
**English only**

# Note by the secretariat

## PRESENTATION ON RESOURCE MOBILIZATION

### Purpose

This document was introduced in July 2023 at the 2023 ordinary session of the Council, and is presented here again at the request of Canada, in light of the very important discussions on Resource Mobilization that will take place during the CWG-FHR.

### Action required

This document is transmitted to the Council Working Group on Financial and Human Resources **for information**.

# Information Session for Councillors
# Resource Mobilization

C23 and beyond

July 12
12.30-13.15 CET

ITU COUNCIL GENEVA2023

Agenda

- **Background**
- **Current Situation Analysis**
- **Next Steps**

## Background and mandate

- ***PP22 (Dec 5) instructs the ITU SG to:*** *"*develop an ITU-wide resource mobilization strategy to address the need for additional funding to meet organizational priorities and present it to the Council for review and guidance on its implementation".

- ***PP22 (Dec 5) Instructs the ITU Council:*** *"*to examine programmes aimed at increasing revenues, enhancing efficiency in the use of financial resources and reducing the costs of ITU drawn up by the Secretary-General with the assistance of the Coordination Committee".

- At its ***2017 session, Council agreed*** to principles for Resource Mobilization. In these principles, Council agreed: "As ITU's primary source of revenues, the top priority for Resource Mobilization is assessed contributions from ITU's Member States".

- During ***Council 2023*****,** the preliminary Resource Mobilization strategy will be presented. The Boston Consulting Group (BCG) is supporting the Secretariat as an in-kind Knowledge Partner in this analysis. Based on Council 2023 feedback, the Secretariat will then refine and further develop the strategy to be presented at ***Council 2024***.

Agenda

- **Background**
- **Current Situation Analysis**
- **Next Steps**

## Revenue Trend (CHF)

Major categories mainly stable over time, but just drops/jumps in specific years = challenge for budgeting

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

*Figures in CHF millions*

# Summary of Current Situation & Trends

1. Member State units account for most of ITU revenues. They are stable. Will go up slightly in 2024 due to announced increases at PP22.

2. Sector Membership revenues also stable. Membership at highest level ever (~1000 entities), but NET growth coming mainly from lower fee categories – SMEs, Academia, exempted.

3. Cost recovery revenues relatively stable over time, but industry changes and fluctuations each year make budgeting difficult. Satellite filings being reviewed.

4. Extra-budgetary / voluntary contributions (including funds-in-trust for projects, other contributions and sponsorships) fluctuate from one year to the next. Not in regular budget. Activities implemented when VC funding is available.

BOSTON CONSULTING GROUP

# ITU Funding & Resource Mobilization Strategy Report Summary

## Info Session for C23

JULY '23

# Context

As a follow up to **PP 2022 (decision 5)** and building on the **Visioning Exercise Pillars I & II** and the **ITU Senior Management Retreat**,

BCG has been supporting ITU with the development of an ITU-wide **funding and resource mobilisation strategy** that draws on and articulates ITU's **value proposition and engagement model**

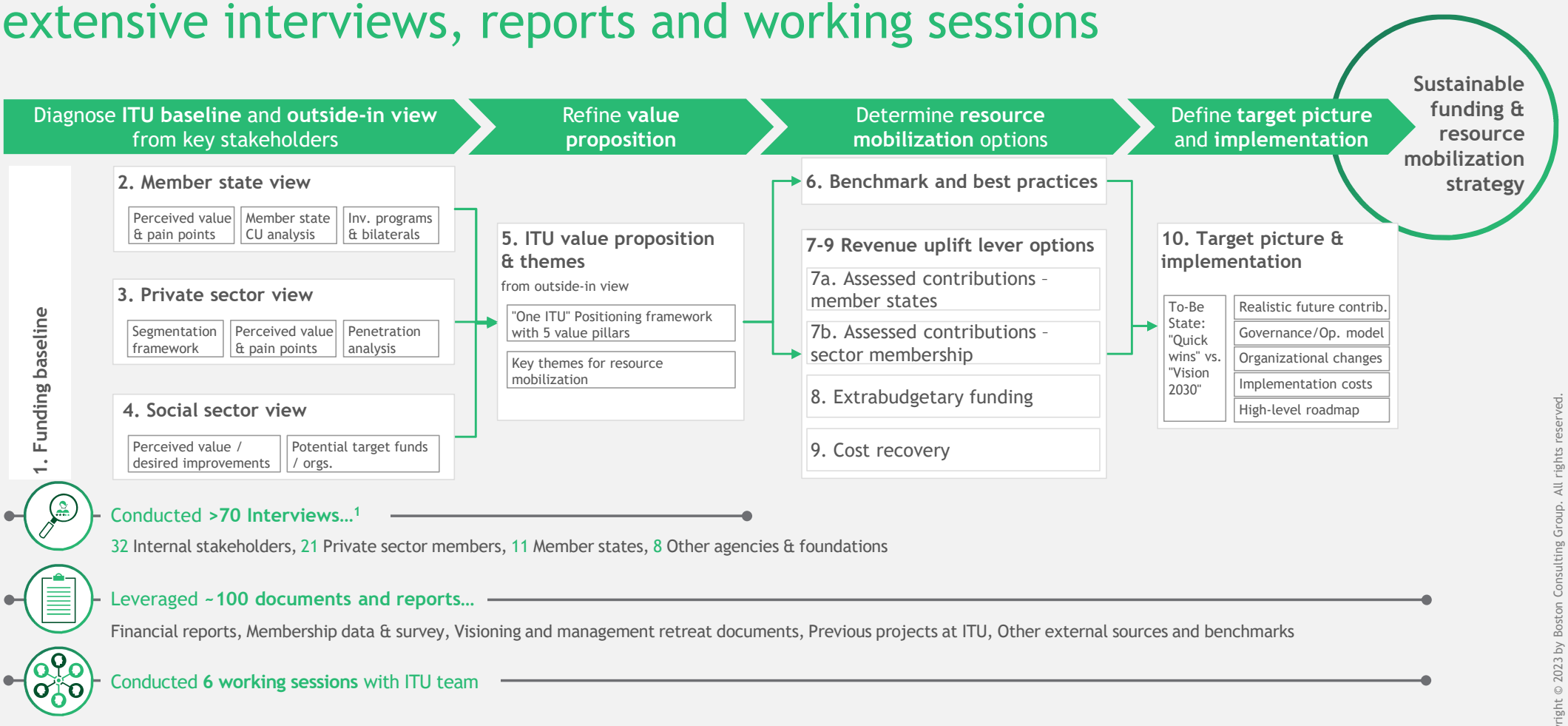
# BCG project outcomes

- Baseline ITU's funding requirements
- Segment private sector players
- Define ITU value prop. & positioning
- Model realistic contributions
- Define private sector engagement model
- Articulate requirements for success



Copyright © 2023 by Boston Consulting Group. All rights reserved.

# Process overview | Rigorous 10-step approach supported by extensive interviews, reports and working sessions




Conducted **>70 Interviews...**[1]

32 Internal stakeholders, 21 Private sector members, 11 Member states, 8 Other agencies & foundations

Leveraged **~100 documents and reports...**

Financial reports, Membership data & survey, Visioning and management retreat documents, Previous projects at ITU, Other external sources and benchmarks

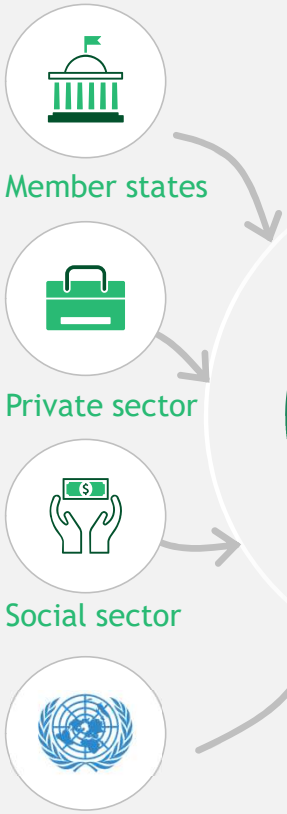
Conducted **6 working sessions** with ITU team

1. Interviews of stakeholders designed to gather anecdotal views from representative sample (across geographies, industries, and levels of development)



Copyright © 2023 by Boston Consulting Group. All rights reserved.

# Diagnosis | ITU's key stakeholders voice urgency for change and see potential for much greater impact




Outside-in view of ITU[1]

**Increased private sector engagement**

*The ITU is very comfortable waiting for private sector to join, but they should be **much more proactively engaging**, talking to operators, driving awareness, sharing lessons learned across the value chain - Member state*

**Better positioning, comms & reporting**

*To get more funding, ITU needs to **increase transparency, demonstrate clear impact and tell a better story** of its "humanitarian" mandate beyond telco - Foundation*

**Updated legacy structures & processes**

***Study groups should be shorter and hybrid** and **industry members should have a stronger voice** in decision-making - Sector member*

**Better data management & knowledge sharing**

*We know there's a lot of resources available, but it's **impossible to find**; also, the **capacity building offerings** need an overhaul - Member state*

**Coordinated account and resource mgmt.**

*First we **don't hear much** from ITU, then we get people from the same bureau contacting us and **competing for money** - how can we justify this to our management? - Sector member*

Overall,

- ITU is **at risk of losing some of its relevance within a competitive environment**
- **Legacy structures** limit ITU's value potential
- ITU is **missing opportunities** to play its unique role in the ecosystem

*Note: Much of feedback echoing outcomes of ITU Visioning Exercise and Management Retreat (Jan. 2023)*

1. 70+ interviews with stakeholders internally, member states, private sector, social sector and peer agencies, and 100+ documents and reports



Copyright © 2023 by Boston Consulting Group. All rights reserved.

# One ITU positioning framework | 5 value pillars & horizontal themes

Goals

Universal Connectivity

Sustainable Digital Transformation

*"To the public, private & social sectors, the ITU…*

Value Pillars

| 1. Creates a convening platform | 2. Shapes market policy & guides investment decisions | 3. Unlocks economies of scale via standardisation | 4. Provides trusted data & knowledge | 5. Orchestrates multi-stakeholder projects |
|---|---|---|---|---|
| Provide access at scale, facilitating policy shaping, dialogue, and partnerships for public and private members | Inform policies to develop markets/access, strategies & investments via resource mgmt., recommendations, standards, knowledge sharing, and thought leadership | Standardise policy to unlock economies of scale, (e.g., scale tech globally, allow interoperability) | Provide trusted, consistent, and neutral info via databases, thought leadership, data sharing, and capacity building | Orchestrate key projects via planning and engagement (gov, development banks, private sector, etc .) and scale existing /new partnerships |

Themes



Copyright © 2023 by Boston Consulting Group. All rights reserved.

# Products & services | 3 key resource mobilization levers identified

**A: Strengthen core membership offering** to lay the foundation for eventual fee structure changes

+

**B: Develop "One ITU Thematic Initiatives"** as add-on to membership, formalizing "extrabudgetary" contributions with multi-year commitments

+

**C: Monetize on standalone offerings** by reviewing cost recovery policy, or including in membership offerings

*Derived from project focus on private sector, but open to all members*



Copyright © 2023 by Boston Consulting Group. All rights reserved.

Agenda

- **Background**
- **Current Situation Analysis**
- **Next Steps**

## Next Steps

- Incorporate feedback and suggestions from Council
- Establish “OneITU” Resource Mobilization Taskforce to assess, coordinate, and explore initial pilot implementation of the resource mobilization strategy
- Propose final resource mobilization strategy and implementation status to C24

ITU COUNCIL
GENEVA2023

# Information Session on Resource Mobilization

# Questions & Answers