|  |  |
| --- | --- |
| **Agenda item: ADM 1** | **Document C25/9-E** |
| **16 May 2025** |
| **Original: English** |
|  |  |
| Report by the Secretary-General | |
| ANNUAL REVIEW OF REVENUE AND EXPENSES OF THE IMPLEMENTATION OF THE BUDGET 2025 | |
| **Purpose**  This document presents the key elements of the 2025 budget implementation, pursuant to No. 73 of the ITU Convention, which stipulates that an annual review of revenue and expenses shall be carried out by the Council.  **Action required by the Council**  The Council is invited to **note** this document.  **Relevant link(s) with the Strategic Plan**  The 2025 budget of the Union provides funding for the two goals and the five thematic priorities of the ITU.  **Financial implications**  The ITU management will take all necessary measures to ensure a sound and optimal implementation of the 2025 budget.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  *Council Resolution* [*1417*](https://www.itu.int/md/S23-CL-C-0115/en) *– Biennial budget of the International Telecommunication Union for 2024-2025); Decision* [*5 (Rev. Bucharest, 2022)*](https://www.itu.int/en/council/Documents/basic-texts-2023/DEC-005-E.pdf) *of the Plenipotentiary Conference* | |

# 1 Background

1.1 This document presents the key elements of the 2025 Budget implementation, pursuant to No. 73 of the ITU Convention, which stipulates that the Council shall carry out an annual review of revenue and expenses.

# 2. 2025 budget implementation forecasts

2.1 The Council adopted the 2024-2025 Budget of the Union at its 2023 ordinary session by Resolution 1417. The approved budget for 2025 amounts to KCHF 164 134, based on an annual contributory unit amount of CHF 318 000 for Member States.

2.2 The 2025 budget has been updated to reflect the deferment from 2024 to 2025 of three World Telecommunication Development Conference (WTDC-25) Regional Preparatory Meetings (Africa, CIS, and Europe) that were included in the 2024 budget for an amount of KCHF 203. The 2025 updated budget amounts to KCHF 164 337.

2.3 The four key factors currently known that will impact the 2025 budget implementation are:

– The reduction in cost recovery revenue from the processing of satellite network filings for an amount of MCHF 3.5.

– The increase, as compared to the budgeted amount, of the revenue from interest for an amount of MCHF 1.25.

– The efficiency savings for documentation production for an amount of MCHF 1.6.

– The savings from the second phase of the voluntary separation programme for an estimated amount of MCHF 1.3.

2.4 In the event that the secretariat is able to achieve significant savings in its implementation of the Budget for 2025, there are a number of key priorities which are not covered by the current regular budget that could be funded during the year:

– Regional presence review implementation costs.

– Transformational IT system and service upgrades and improvements, including data management improvements and AI adoption initiatives.

– Broadening of the Young Professionals Programme.

2.5 As of 6 May 2028 the anticipated 2025 budget implementation result is positive and stands at KCHF 511or 0.31% of the budget, as shown in Table 1.

An additional amount of KCHF 700, beyond the KCHF 750 already included in the budget, is anticipated to be paid to the building maintenance fund (see Table 3) to ensure sufficient funds for maintenance of the ITU buildings, especially as maintenance of Varembé building was generally not included in the budget for 2024-2025. As a further step to replenish the ICT-DF, any surplus Administrative and Operational Services (AOS) costs generated beyond the budgeted amount annually from 2024 onwards are earmarked to be channelled back to the ICT-DF Capital Account, with the primary purpose of such funds to support project implementation.

This 2025 budget implementation is mainly on account of higher forecasted for increase in interest rate gains on cash and cash equivalents, savings in operational expenses and recruitment delays. Further details are provided in Tables 1 to 4.

Table 1



Table 2 and Chart 1 provide the breakdown of expenses by Sector:

Table 2



Chart 1



Table 3 and Chart 2 provide the breakdown of revenue by source:

Table 3



Chart 2



Table 4 provides the breakdown of cost recovery revenue:

Table 4



\_\_\_\_\_\_\_\_\_\_\_\_\_\_