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|  | **Document CWG-FHR-21/22** |
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| **English only** |
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| Contribution by United States of America |
| STRENGTHENING RESULTS-BASED FINANCIAL MANAGEMENT OF THE ITU |
| **Purpose**This contribution calls for proposed ITU activities in support of the ITU Strategic Plan to meet the results-based financial and management goals of Resolution 151 (Rev. Bucharest, 2022), in order to strengthen fiscal responsibility, organizational transparency, and institutional accountability.**Action required**The Council Working Group on financial and human resources is invited to **consider** this document and **take appropriate action**. |

**Background & Discussion**

The United States commends the ITU for its strong commitment to strategic reforms that promote fiscal responsibility, organizational transparency, and institutional accountability.

Noting ITU progress on these objectives, the United States encourages the Union to continue seeking opportunities to further strengthen organizational management. The United States recognizes that ITU activities should be linked to strategic, financial and operational plans. With the start of a new strategic planning cycle, there is further opportunity for improving the ITU’s transparency and accountability and enhancing the ITU’s results-based financial and organizational management in line with Resolution 151 (Rev. Bucharest 2022) and the Terms of Reference for the CWG-FHR in Council Decision 563 (Modified 2023).

As the UN agency responsible for complex and diverse work towards digital connectivity, there is great demand on the ITU’s resources from members and partners. Given this breadth, ITU members, sectors, study groups and other related groups often suggest additional activities for the ITU, raising questions regarding the prioritization of resources including staff resources to address competing priorities. Such activities include Expert Groups, Advisory Bodies, and other Committees that operate outside of the ITU’s sector study groups. Regardless of the importance of the topics they address, these activities have significant financial and management implications that warrant greater attention from Council. Examples (non-exhaustive) include:

* In October 2024, the BDT’s Digital Innovation Board created another Experts Network and selectively issued invitations to join in March.
* In November 2024, the ITU, in partnership with the International Cable Protection Committee (ICPC), launched the International Advisory Body for Submarine Cable Resilience.

When considered in conjunction with an increase in ITU meetings and events overall, such new bodies and associated working groups create additional demands on ITU and members’ limited time and resources. Given competing demands for resources to support the implementation of ITU’s Strategic and Financial Plan and other conference outcomes, it is critical for ITU members to understand **how activities are proposed, vetted, prioritized, or established, and how they may be limited by the financing mechanisms in the ITU Constitution and Convention Article 28.**

Like other ITU meeting mechanisms (*e.g.*, Study Groups, Focus Groups, Joint Coordination Activities, etc.), there should be preexisting rules, policies, or procedures that govern the establishment or operation of these kinds of activities. Additionally, the ITU should continue to adhere to its robust rules of procedures established by its governing documents rather than creating ad hoc Terms of Reference developed on a case-by-case basis.

Moreover, even when externally funded, these activities still have cost implications that may require greater review and oversight. For example, the ITU often provides secretariat services, but it is unclear how ITU handles cost recovery and accounts for mission loss/opportunity cost for this staff time or reports on results or impact of these activities. The ITU could also consider implementing processes for vetting outside funding or participation in such groups. Otherwise, an over-reliance on externally funded initiatives risks cultivating an ethos of “pay to play” that runs counter to the ITU’s commitment to consensus-based decision making; in other words, sponsors with the ability to provide funding for such activities may have more influence over ITU projects and priorities.

As the ITU continues to face financial challenges, considers strengthening tools for prioritization of activities, and seeks opportunities for revenue generation, this proposal encourages standardized processes around review and approval of such activities and reporting on results and impact. This includes consideration of participation and financial assessments that will inform whether external funding is sufficient to justify directing limited resources towards certain activities and initiatives that involve limited participation or potentially partnership with non-dues-paying members of the ITU. Additional information would be welcomed from the ITU Secretariat regarding such activities and partnerships.

**Proposal**

The United States encourages the ITU to continue seeking opportunities to promote fiscal responsibility, organizational transparency, and institutional accountability while fulfilling its strategic mission**.**

We propose that CWG-FHR develop processes to help ensure that all proposed ITU activities in support of the ITU Strategic Plan further transparency and accountability and meet the results-based financial and management goals of Resolution 151 (Rev. Bucharest, 2022).

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