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| ANALYSIS OF IMPLICATION OF TRENDS IN THE ICT ENVIRONMENT IN STRATEGIC AND FINANCIAL PLANS DEVELOPMENT | |
| **Purpose**  Consider the analysis of implication of trends in the ICT environment in strategic and financial plans development.  **Action required**  The Council Working Group for strategic and financial plans 2028-2031 is invited to **consider** this document.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [*Resolution 71 (Rev. Bucharest, 2022)*](https://www.itu.int/en/council/Documents/basic-texts-2023/RES-071-E.pdf) *– Approved strategic plan for the Union for 2024-2027;* [*Decision 5 (Rev. Bucharest, 2022)*](https://www.itu.int/en/council/Documents/basic-texts-2023/DEC-005-E.pdf) *– Revenue and expenses for the Union for the period 2024-2027* | |

1. **Introduction**

This contribution tries to put forward non exhaustive analysis on key of implication of trends in the ICT environment in strategic and financial plans development.

This exercise is very important as the CWG SFP moves forward with the elaboration of the strategic and financial plans.

1. **Discussion**
   1. **External trends to the Union (Opportunities and threats for the Union)**
      1. **ICT Environment**

ITU operates in a fast-changing environment and faces competition, especially from the private sector, in several domains of its core activities. With regard to the industry, new business models have emerged for digital service providers, and increased competition is being observed, reducing margins of telecommunication revenues. This brings into question the types of regulations required, contrasting the regulatory environment for online services with the environment for traditional telecommunication services.

On the other hand, the digital divides still exist, posing threats for the Union in achieving its objectives. At least one-third of the world’s population is still offline (By the end of 2023, approximately 67 per cent of the world's population, or 5.4 billion people, were online; Despite progress, only 27 per cent of the population in low-income countries used the Internet in 2023, highlighting persistent challenges in bridging the digital divide). In low-income countries, Internet usage rose to 27 per cent in 2023 from 24 per cent in 2022, with 37 per cent of Africa's population online, indicating regional disparities. Affordability remains a challenge, especially in low-income economies. Globally, men are 5 per cent more likely to use the Internet than women, with more pronounced disparities in Africa and least-developed countries. : Broadband coverage is increasing but penetration remains low in many areas, limiting access to high-speed internet essential for economic growth and social development.

The rapid growth of ICTs and the increasingly digital world, create particular challenges and increasing concerns that the Union may support, within the mandate given by the membership: the environmental impact of increasing networks and devices connected; issues such as cyber-security, online privacy, and consumer protection; the impact on jobs; on growing inequalities; but also the ethical dimensions of the use of new digital technologies such as AI. Also, Challenges persist, particularly in bridging the digital gender gap and addressing e-waste and greenhouse gas emissions. In particular, ITU’s work could contribute in addressing rising energy consumption, greenhouse gas (GHG) emissions, and e-waste generation through the application of an environmental lens across its work.

Therefore, It is necessary for ITU to guide and support member states in navigating the data revolution, ensuring ethical and responsible use of data and AI for sustainable development.

* **Data Growth**: The global data volume is exploding, driven by IoT, 5G, and the increasing reliance on digital services.
* **AI Impact:** AI is transforming various sectors, from healthcare and education to finance and transportation, offering significant opportunities for economic growth and social progress.
* **Ethical Considerations:** Concerns around data privacy, security, and algorithmic bias are paramount. The ITU can play a vital role in guiding standards and best practices for ethical AI development and deployment.

In addition, ITU can contribute significantly to the development of smart cities and communities, the global IoT market is projected to grow significantly in the coming years, with applications ranging from smart homes and buildings to smart grids and transportation systems

* **Promoting interoperability:** Establishing standards for IoT devices and communication protocols to ensure seamless integration and data exchange.
* **Fostering innovation:** Supporting research and development in areas like 5G, edge computing, and AI/ML for smart city applications.
* **Addressing sustainability:** Promoting the use of ICTs to improve energy efficiency, reduce environmental impact, and enhance urban resilience.

Thus, the draft strategic plan should address key trends shaping the ICT landscape by focusing on bridging the digital divide, harnessing the power of data and AI and innovation. In this way, the ITU can play a crucial role in driving inclusive and equitable digital transformation.

1. **Digital Inclusion:** The plan should prioritize initiatives to address the digital divide, ensuring that all segments of society, including women, youth, the aged, and people with disabilities, have access to and benefit from ICTs.
2. **Cybersecurity:** With the increasing interconnectedness of systems, cybersecurity is paramount. The ITU should strengthen its efforts to promote cybersecurity best practices and build cyber resilience globally.
3. **Sustainability:** The environmental impact of ICTs should be carefully considered. The plan should promote the development of energy-efficient technologies and sustainable ICT infrastructure.
   * 1. **ICT Developments at the UN System**

The rapid advancement of digital technologies is transforming economic and social activities globally. In response, digital transformation has been considered as a top priority across the UN system, especially to support the achievement of the Sustainable Development Goals (SDGs). Notably, the UN Secretary-General’s strategies and priorities are increasingly focused on digital and cyber-security issues, the number of resolutions on digital technologies in the UN General Assembly and other UN entities has grown, while many UN entities have launched digital transformation strategies and initiatives for their programmes, funds and internal processes.

These evolutions in the UN system may create parallel work-streams and related inefficiencies across UN entities whose work overlaps with ITU’s mandate in areas of telecommunications/ICTs, such as universal connectivity. They may also hinder ITU’s value added in supporting digital transformation across its membership. However, these developments can also create opportunities to enhance ITU’s unique role as a leading organization in the telecommunication/ICT landscape. In particular, ITU can collaborate and participate across UN agencies’ workstreams, to increase synergies, knowledge-sharing and generate new and increased funding, as well as support for telecommunication/ICTs initiatives at global, regional and local levels. Among the notable areas where ITU collaborates with other UN Agencies includes the World Summit on the Information Society (WSIS), Summit of the Future, Smart sustainable cities, Global Digital Compact and Artificial Intelligence.

**The digital agenda has continued to expand in the entire UN system and thus ITU Need to be in a leading role position.** **Thus, strategic directions are further needed in this area within the new Strategic and Financial Plan (SFP).**

* 1. **Internal trends to the Union (non-exhaustive)**

1. The **current ITU 2024 – 2027 Strategic Framework** has relatively changed in comparison to the previous ones. A flat cross-layer of “high level” thematic priorities was introduced, where predefined objectives for the General secretariat and the sectors were in previous strategic framework. As an example, the thematic priority related to ITU-T mandate is not defining clearly the mandate of the ITU-T. Therefore, it is important to review the effectiveness, of the current strategic framework, in order to envision the next one.
2. The **ITU Transformation** is an ambitious project for the Union that spans across many areas such as; Financial, Human Resources & IT matters. It is important that next strategy reflect how this transformation is fulfilling the ITU Strategy. This can also include the linkage with the Financial & Operational plans.
3. The **Financial situation** of the Union needs high attention and consideration. Although the efforts in financial resources mobilization, further efforts need to be done. Therefore, it is important for the next ITU Strategy to consider the financial situation of the Union. The analysis can also consider the current Financial Regulations and financial rules, and the efforts with IPSAS compliance.
4. The **regional presence** needs further to be considered in the ITU Strategic plan, with predefined objectives. This has been discussed in the preparation of the 2024 – 2027 ITU Strategy and should deserve additional and detailed consideration in the preparation of the next ITU strategy.
5. The **oversight Unit** was implemented, with a charter being approved by ITU Council, that Unit encompasses an Audit, Investigation and Evaluation functions. The oversight Unit is a true enabler in the implementation of the next strategy. This must include the consideration of the Ethics office.
6. **Human Resources** related matters are of high importance, this includes staff Council and staff representatives, are key enabler of the next ITU strategy. The rise of non-regular staff in ITU was observed.
7. **ITU-T is undergoing a study groups restructuring.** Although this is sector’ matter, it has to find its place within an entire Union’s strategy.The ITU-T is also looking how to **engage industry** into its Study groups, the matter of **stakeholders engagement** need to be considered from a holistic approach in the next ITU Strategy.
8. **Conclusion**

By incorporating the suggestions in this contribution, the ITU can enrich the development of Strategic and Financial Plan 2028 – 2031. Thus, we recommend that the ITU CWG-SFP consider this proposal as an input to the ITU Strategic Plan.

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