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| itu_logo | World Telecommunication Standardization Assembly (WTSA‑16)Hammamet, 25 October - 3 November 2016 | CCITT/ITU-T 60th Anniversary logo |
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| PLENARY MEETING | Document 77-E |
|  | 2 November 2016 |
|  | Original: English |
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| Chairman of Committee 2 (Budget Control) |
| REPORT OF THE BUDGET CONTROL COMMITTEE (COMMITTEE 2) TO THE PLENARY MEETING |
|  |

# 1 Budget Control Committee

The Budget Control Committee held two meetings during the World Telecommunication Standardization Assembly (WTSA‑16) under the Chairmanship of Ms Weiling Xu (China, People’s Rep. of), assisted by Vice-Chairmen Mr Santiago Reyes-Borda (Canada) and Mr Dietmar Plesse (Germany), and considered the issues arising from its terms of reference.

# 2 Draft time management plan/List of proposals to be examined by WTSA/Terms of reference

The draft time management plan, the list of proposals to be examined and the terms of reference relative to Committee 2 were presented and approved (Documents [DT/3](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0003/en), [DT/1](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0001/en) and [DT/4](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0004/en)). The agenda of meetings of Committee 2 are in Documents [ADM4](http://www.itu.int/md/T13-WTSA.16-ADM-0004/en) and [ADM27](http://www.itu.int/md/T13-WTSA.16-ADM-0027/en).

# 3 Agreement between the Government of the Tunisian Republic and ITU

In accordance with Resolution 77 of the Plenipotentiary Conference (Rev. Busan, 2014), Resolution 5 of the Plenipotentiary Conference (Kyoto, 1994) and Resolution No. 83 (amended) of the ITU Council concerning the organization, financing and liquidation of the accounts of ITU conferences and meetings, the Government of the Tunisian Republic and ITU concluded an agreement concerning the holding, organization and financing of the World Telecommunication Standardization Assembly (WTSA‑16) and the holding, organization and financing of the Global Standardization Symposium of the International Telecommunication Union (GSS).

The Budget Control Committee took note of the agreement (Document [30](http://www.itu.int/md/T13-WTSA.16-C-0030/en)) and warmly thanked the Government of the Tunisian Republic for the excellent organization and facilities provided for the Assembly.

# 4 Financial responsibilities of conferences

The attention of Committee 2 was drawn to No. 115 of Article 18 of the Constitution of the International Telecommunication Union and to Nos 488 and 489 of Article 34 of the Convention of the International Telecommunication Union, concerning the financial responsibilities of conferences (Documents [33](http://www.itu.int/md/T13-WTSA.16-C-0033/en) and DT/[10](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0010/en)). After the meeting, Document DT/[10](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0010/en) was converted into Document [62](http://www.itu.int/md/T13-WTSA.16-C-0062/en).

# 5 Budget of the World Telecommunication Standardization Assembly (WTSA‑16)

At its 2015 session, the Council approved via Resolution 1375 the budget of the World Telecommunication Standardization Assembly (WTSA‑16) for the biennium 2016-2017, amounting to CHF 2 154 000, of which CHF 1 457 000 are foreseen for documentation.

The estimated expenditure of WTSA‑16 as at 31 October 2016, indicates an amount of 43 kCHF of unused appropriations excluding documentation costs. An excess of expenses of 23 kCHF is forecasted for the cost of documentation due to higher volumes than planned. Total costs including documentation are expected to be 20 kCHF below budget. (Document DT/[52](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0052/en) and Annex A to this report).

# 6 Contributions to the expenses of the World Telecommunication Standardization Assembly (WTSA‑16)

The Committee took note of the amount that non-exempted international organizations and Sector Members (other than ITU-T Members) would have to pay to defraying the expenses of the Conference (Document [32](http://www.itu.int/md/T13-WTSA.16-C-0032/en)).

As at 2 November 2016, no organizations or Sector Members that must share in defraying the expenses of the conference were registered.

# 7 Report on estimated financial needs up to WTSA-20 and ITU-T expenditure for the years 2012 to 2016

The report on estimated financial needs up to WTSA-20 and ITU-T expenditure for the years 2012 to 2016 (Document [29](http://www.itu.int/md/T13-WTSA.16-C-0029/en)) was presented. With regards to the financial needs for the period up to 2020, the Committee stressed the importance to optimize the use of resources of the Union. It was recalled that the 2016-2017 budget, approved by Council 2015 (Resolution 1375), and the Financial Plan for 2016-2019, approved by PP-14 (Decision 5), already set the framework of the expenses for 2016-2019. In addition to Document DT/[10](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0010/en), the Committee agreed that a note by the Chairman of the Committee 2 to the Chairmen of Committee 3, Committee 4 and Working Groups, be prepared (Document [63](http://www.itu.int/md/T13-WTSA.16-C-0063/en))

# 8 Financial implications of Decisions and Resolutions of the WTSA‑16

As at 31 October 2016, the Budget Control Committee has identified several areas that might have some financial impact (ref. Document DT/[53](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0053/en)). The document was discussed by Committee 2, which agreed to modify the title of Document DT/[53](http://www.itu.int/md/T13-WTSA.16-161025-TD-GEN-0053/en), to read as follows: Preliminary cost estimate of the Decisions and Resolutions of the World Telecommunications Standardization Assembly (WTSA‑16).

During the discussion regarding the financial impact on interpretation expenses that the revised Resolution 44 might have, the Committee 2 expressed its concerns about the large amount, and advised, if needed, to consider the most costly option (option 2) when preparing the 2018-2019 budget.

The Secretariat confirmed that the options discussed in the framework of revised Resolution 44, would still be within the ceiling of CHF 85 million for the years 2016-2019 as set out in PP‑14 Decision 5 (*decides* 1.2). A middle alternative comprised between the two proposed options could also be studied when preparing the 2018-2019 budget.

After its second meeting on Tuesday, 1 November, Committee 2 received additional requests to examine and provide its opinion on new and revised Resolutions that might have a financial impact (Documents [93](http://www.itu.int/md/T13-WTSA.16-C-0093/en), [96](http://www.itu.int/md/T13-WTSA.16-C-0096/en) and [100](http://www.itu.int/md/T13-WTSA.16-C-0100/en)).

The estimated financial impact is indicative and will be further reviewed by Council at its 2017 session when adopting the 2018-2019 budget. The Financial Plan 2016-2019, approved by PP‑14, already setting the framework of the expenses for 2016-2019, the Secretariat informed Committee 2 that it will be difficult to balance the 2018-2019 budget with these Decisions and Resolutions that require additional financial funding.

For 2017, TSB will endeavour to accommodate the new requirements within the approved 2016-2017 budget, although this may be challenging.

Annex B includes a summary table of the potential financial implications of Decisions and Resolutions of WTSA‑16, the cost assessment, as well as the list of Decisions and Resolutions of WTSA‑16 with potential financial implications.

In summary, the additional expenses identified in the various Decisions and Resolutions of WTSA‑16, are estimated between 1,342 kCHF and 1,628 kCHF for option 1, and between 2,602 kCHF to 3,788 kCHF for option 2 per biennium.

The Plenary meeting is requested to consider and approve this Report, which will then be forwarded by the Secretary-General, together with the Comments of the Plenary meeting, for submission to the 2017 session of Council.

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|  | Ms Weiling XU (China, People’s Rep. of)Chairman, Committee 2 |

Annexes: 2

**Annex A**

**BUDGET OF THE WORLD TELECOMMUNICATION
**STANDARDIZATION** ASSEMBLY (WTSA‑16)**

Status as at 31 October 2016

*Amounts in thousands of Swiss francs*

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| --- | --- | --- | --- | --- |
| Category of expenses | Budget | Actual expenses and commitments as at 31 October 2016 | Projected additional expenses until the end of the Assembly | Projected balance |
| Staff costs | 466 | 320 | 170 | -24 |
| Other staff costs | 31 | 2 | 1 | 28 |
| Travel on duty | 110 | 45 | 63 | 2 |
| Contractual services | 60 | 37 | 3 | 20 |
| Rental and maintenance | 10 | 0 | 0 | 10 |
| Material and supplies | 10 | 13 | 0 | -3 |
| Misc. expenses | 10 | 0 | 0 | 10 |
| **Sub-total Expenses** | **697** | **417** | **236** | **43** |
| Translation (5,790 pages) | 863 | 777 | 188 | -101 |
| Typing (5,790 pages) | 345 | 403 | 98 | -156 |
| Reprography (1,700,000 pages) | 249 | 0 | 15 | 234 |
| **Sub-total Documentation** | **1,457** | **1,180** | **300** | **-23** |
| **Total** | **2,154** | **1,597** | **537** | **20** |

**Annex B**

Potential Financial implications of Decisions and Resolutions
of the Assembly (WTSA-16)

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| --- | --- | --- |
| Resolution | Expense category | kCHF |
| Resolution 44 | Interpretation | Between 422 kCHF and 708 kCHF (option 1) or between 1,682 kCHF and 2,868 kCHF (option 2) per biennium |
| New Resolution [RCC-3] Studies concerning the protection of users of telecommunications/ICT services | Consulting | 40 kCHF per biennium |
| Resolution 77 | Workshops | 180 kCHF per biennium |
| New Resolution [APT-3] Standardization work in the ITU Telecommunication Standardization Sector for cloud based event data technology | Workshops | 60 kCHF per biennium |
| New Resolution [AFCP-2] promoting use of ICTs to Bridge the Financila Inclusion Gap | Staff, Consulting,Workshops/Seminars | 580 kCHF per biennium |
| New Resolution [APT-2]/[IAP-3] Enhancing the standardization of Internet of Things and Smart Cities & Communities for global development | Workshops | 60 kCHF |
| **Total with option 1 (Res. 44)** |  | **Between 1,342 kCHF and 1,628 kCHF per biennium** |
| **Total with option 2 (Res. 44)** |  | **Between 2,602 kCHF and 3,788 kCHF per biennium** |

COST ASSESSMENT

# Interpretation

Ref. Document [72](http://www.itu.int/md/T13-WTSA.16-C-0072/en) (Resolution 44, *resolves* 6: that interpretation shall be provided, based on the requests of participants, at the entire Plenary and Working Parties of Study Groups and the entire meeting of TSAG).

The ITU-T budget 2017 for interpretation is 313 kCHF.

One day of interpretation costs approximately:

* 12kCHF when interpretation is provided in 6 languages
* 9kCHF when interpretation is provided in 5 languages
* 7kCHF when interpretation is provided in 4 languages

Currently, interpretation is provided to the TSAG meeting during two days (Opening and Closing sessions). Should interpretation be provided for the entire meeting of TSAG, the additional expense would be around 36kCHF per TSAG meeting (for a TSAG meeting lasting 5 days), or 24kCHF per TSAG meeting (for a TSAG meeting lasting 4 days). By biennium, the financial impact will be between 72kCHF (3 TSAG meetings of 4 days) and 108kCHF (3 TSAG meetings of 5 days).

Option1

Currently interpretation is provided to Closing sessions of Study Groups. The provision of interpretation at the Plenaries of Study Groups (Opening and Closing sessions) and at stand-alone Working Parties (Opening and Closing sessions), would entail 25 additional days of interpretation. The financial impact can be estimated between 350 kCHF and 600 kCHF per biennium, depending on the number of languages requested.

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| Additional days of interpretation | Number of languages provided | Daily cost (in kCHF) | Additional expense per year (in kCHF) | Additional expense per biennium (in kCHF) |
| 25 | 6 | 12 | 300 | 600 |
| 25 | 5 | 9 | 225 | 450 |
| 25 | 4 | 7 | 175 | 350 |

Option 2

The provision of interpretation at the Plenaries of Study Groups (Opening and Closing sessions) and at the Plenaries of all Working Parties (Opening and Closing sessions), would entail 115 additional days of interpretation. The maximum financial impact can be estimated between 1,610kCHF and 2,760 kCHF per biennium, depending on the number of languages requested.

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| Additional days of interpretation | Number of languages provided | Daily cost (in kCHF) | Additional expense per year (in kCHF) | Additional expense per biennium (in kCHF) |
| 115 | 6 | 12 | 1,380 | 2,760 |
| 115 | 5 | 9 | 1,035 | 2,070 |
| 115 | 4 | 7 | 805 | 1,610 |

**Consulting**

Ref. New Resolution [RCC-3] and New Resolution [AFCP-2]

The implementation of the above will imply the hiring of experts under Special Service Agreements (SSA) contracts in connection with the development of reports and studies.

**Workshops/Seminars**

Ref. Resolution 77, New Resolution [APT-3], New Resolution [AFCP-2] and New Resolution [APT-2]/[IAP-3]

The organization of Workshops/Seminars entail ITU Staff Travel cost, Expert Travel cost in some cases, fellowships, rental of conference room and audiovisual equipment, for an estimated amount of 30 kCHF per Workshop/Seminar.

The following number of workshops per year are included in the estimated potential implications:

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| Resolution 77 | 3 |
| New Resolution [APT-3] | 1 |
| New Resolution [AFCP-2] | 3 |
| New Resolution [APT-2]/[IAP-3] | 1 |

**TSB Staff Resources**

Ref. New Resolution [AFCP-2]

The management of the platform for peer learning, dialogue and experience-sharing in digital financial services will require an additional post P2. The annual cost of this post amounts to 140 kCHF (280kCHF per biennium)

Decisions and Resolutions of the Assembly (WTSA-16) with potential financial implications

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| Resolution 44Document [72](http://www.itu.int/md/T13-WTSA.16-C-0072/en) | Bridging the standardization gap between developing and developed countries |
| a) Under *resolves* 2iii)*:* “assist developing countries on developing strategies in establishing national/international test laboratories for emerging technologies”. This is also repeated in Programme 2 of the Action Plan (Annex). b) Under *resolves* 6: “that interpretation shall be provided, based on the requests of participants, at the entire Plenary and Working Parties of Study Groups and the entire meeting of TSAG”.c) Under *instructs the TSB Director* 14: “to provide remote participation, where possible, for more ITU-T workshops, seminars and forums, encouraging more participation from developing countries;”d) Under *Action Plan Programme III*: “Provide guidance and supportive material to developing countries to assist them in developing and providing undergraduate and post graduate courses on standardization in their universities”. |
| New Resolution [RCC-3]Document [93](http://www.itu.int/md/T13-WTSA.16-C-0093/en) | Studies concerning the protection of users of telecommunication/ICT services |
| invites the Director of the Telecommunication Standardization Bureau 1 to assist the Director of the Telecommunication Development Bureau in implementation of the Resolution 196 (Busan, 2014) of the Plenipotentiary Conference;2 to strengthen relations with other standards development organizations (SDOs) involved in resolving issues of protection of telecommunication/ICT service users,  |

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| Resolution 77Document [93](http://www.itu.int/md/T13-WTSA.16-C-0093/en) | Enhancing the Standardization work in the ITU Telecommunication Standardization Sector for software-defined networking |
| instructs the Director of the Telecommunication Standardization Bureau1 to provide the necessary assistance with a view to expediting such efforts, in particular using any opportunity within the allocated budget to exchange opinions with the telecommunication/ICT industry including through the chief technology officer (CTO) meetings (under Resolution 68 (Rev. Dubai, 2012) of this assembly) and in particular to promote participation of the industry in SDN standardization work in ITU‑T;2 to conduct workshops, with other relevant organizations, for capacity building on SDN, so that the gap in technology adoption in developing countries may be bridged at the early stages of implementation of SDN-based networks, to organize the annual SDN&NFV workshop with Open Source solutions representation to share the SDN/NFV standard progress and real experience in the current carrier network, |

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| New Resolution [APT-3]Document [93](http://www.itu.int/md/T13-WTSA.16-C-0093/en) | Standardization work in the ITU Telecommunication Standardization Sector for cloud based event data technology |
| instructs the Director of the Telecommunication Standardization Bureau1 to provide necessary assistance to speed up the standardization work on cloud-based event data technology and to encourage participation and contributions from Member States particularly from developing countries;2 to organize a workshop(s) to collect requirements and input on this topic from a wide range of various stakeholders, |

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| New Resolution [AFCP-2]Document [100](http://www.itu.int/md/T13-WTSA.16-C-0100/en) | Promoting use of ICTs to Bridge the Financial Inclusion Gap |
| Under “instructs the Director of the Telecommunication Standardization Bureau, in collaboration with the Directors of the other Bureaux”2 to support the development of reports and best practices on digital financial inclusion, taking into consideration relevant studies, where clearly within the mandate of the Union and not duplicative of work that other SDOs and institutions are responsible for;3 to establish a platform or where possible, connect to those already existing, for peer learning, dialogue and experience-sharing in digital financial services among countries and regions, regulators from telecom and financial services sectors, industry experts and international and regional organizations;4 to organize workshops and seminars for ITU Membership in collaboration with other relevant SDOs and institutions with primary responsibility for financial services standards development, implementation and capacity building, to raise awareness and identify regulators particular needs and challenges in enhancing financial inclusion; |

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| New Resolution [APT-2]/[IAP-3]Document [100](http://www.itu.int/md/T13-WTSA.16-C-0100/en) | Enhancing the standardization of Internet of Things and Smart Cities & Communities for global development |
| Under “instructs the Director of the Telecommunication Standardization Bureau”2 to carry out, in collaboration with member states and cities, pilot projects in cities related to the SC&C KPI assessment activities, aimed at facilitating the deployment and implementation of the IoT and SC&C standards worldwide;Under *“instructs the Director of the Telecommunication Standardization Bureau, in collaboration with the Directors of the Telecommunication Development Bureau and the Radiocommunication Bureau”*1 to prepare reports considering, in particular, the needs of developing countries related to the studies of IoT and its applications, sensor networks, services and infrastructure;2 to continue disseminating ITU publications on IoT and SC&C, as well as organizing fora, seminars and workshops on the subject, taking into account the needs of developing countries, in particular, |

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