

Review of ITU's Regional presence

Presentation to TDAG

26 March 2020



Agenda

- 1 Terms of Reference and approach for the review
- 2 Outline of key findings from the current state assessment
- 3 Outline of options for the future regional model

At their meeting in June 2019 the ITU Council agreed on Terms of Reference (ToRs) for an external review of ITU's regional presence

5 goals, 12 elements to take into account,
15 functional requirements, 6 expected deliverables

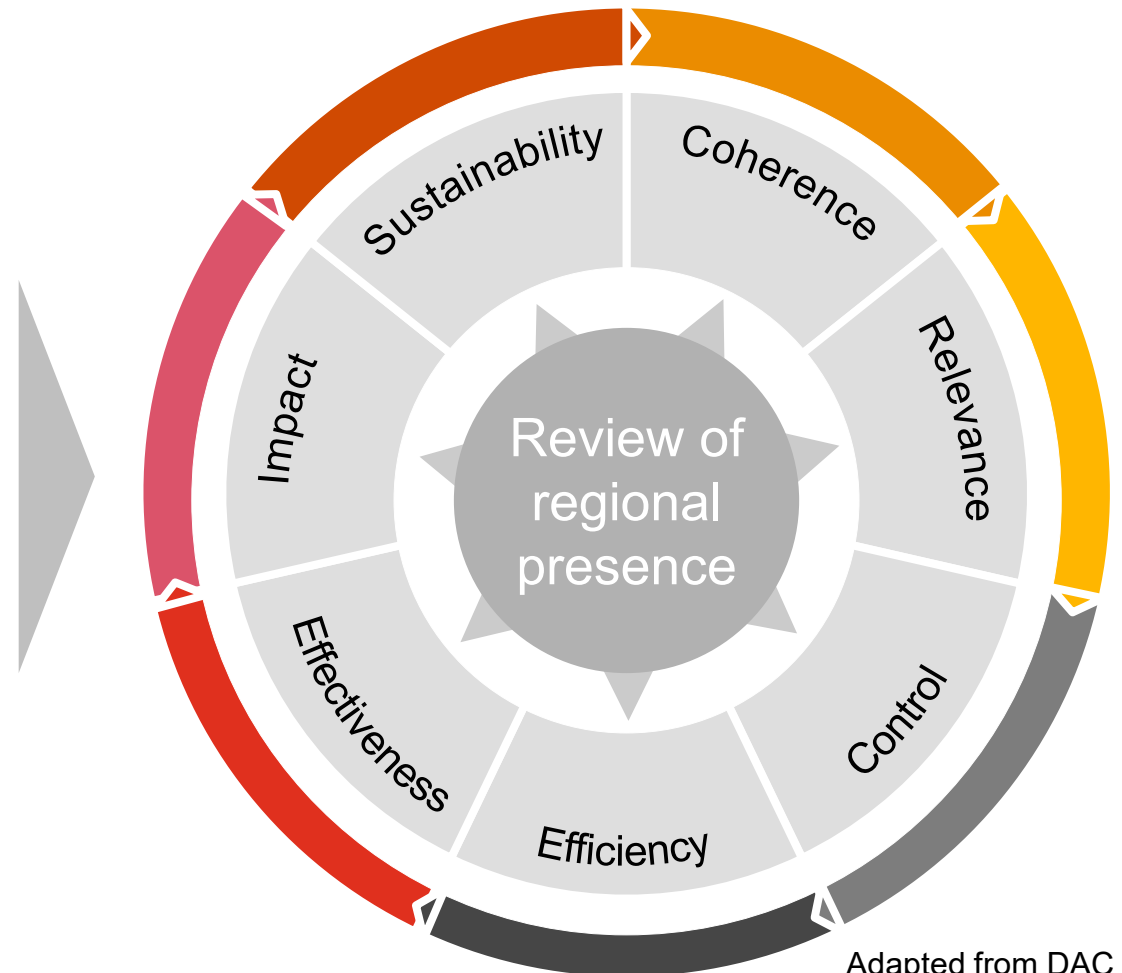
6
C19/25(Rev.2)-E
APPENDIX
Review of ITU's Regional Presence – Terms of Reference

1. Purpose:
ITU intends to conduct a review of the organization's regional presence, in accordance to the requirements and provisions of Resolution 25 (Rev. Dubai, 2018).
From this perspective it is crucial to assess whether the organization and functioning of field offices is contributing substantially towards bringing ITU institutional activities closer to its membership.
The goal of this review is to develop and implement an action plan that will allow:

- a) to be able to measure the performance of a Regional Office (RO) under the new set of rules;
- b) to develop an effective Risk Management (ERM) process, including the risk assessment (RA) of the activities carried out at the RO level;
- c) to develop instruments that facilitate effective coordination between Headquarters and ROs;
- d) to ensure that the ROs comply with the rules and procedures issued by Headquarters relating to financial management, projects and procurement;
- e) to ensure the proper implementation of all the recommendations of the Internal Auditor, the External Auditor and the ITU Independent Management Advisory Committee (IMAC), in particular those related to the lack of internal controls identified in the recent fraud case.

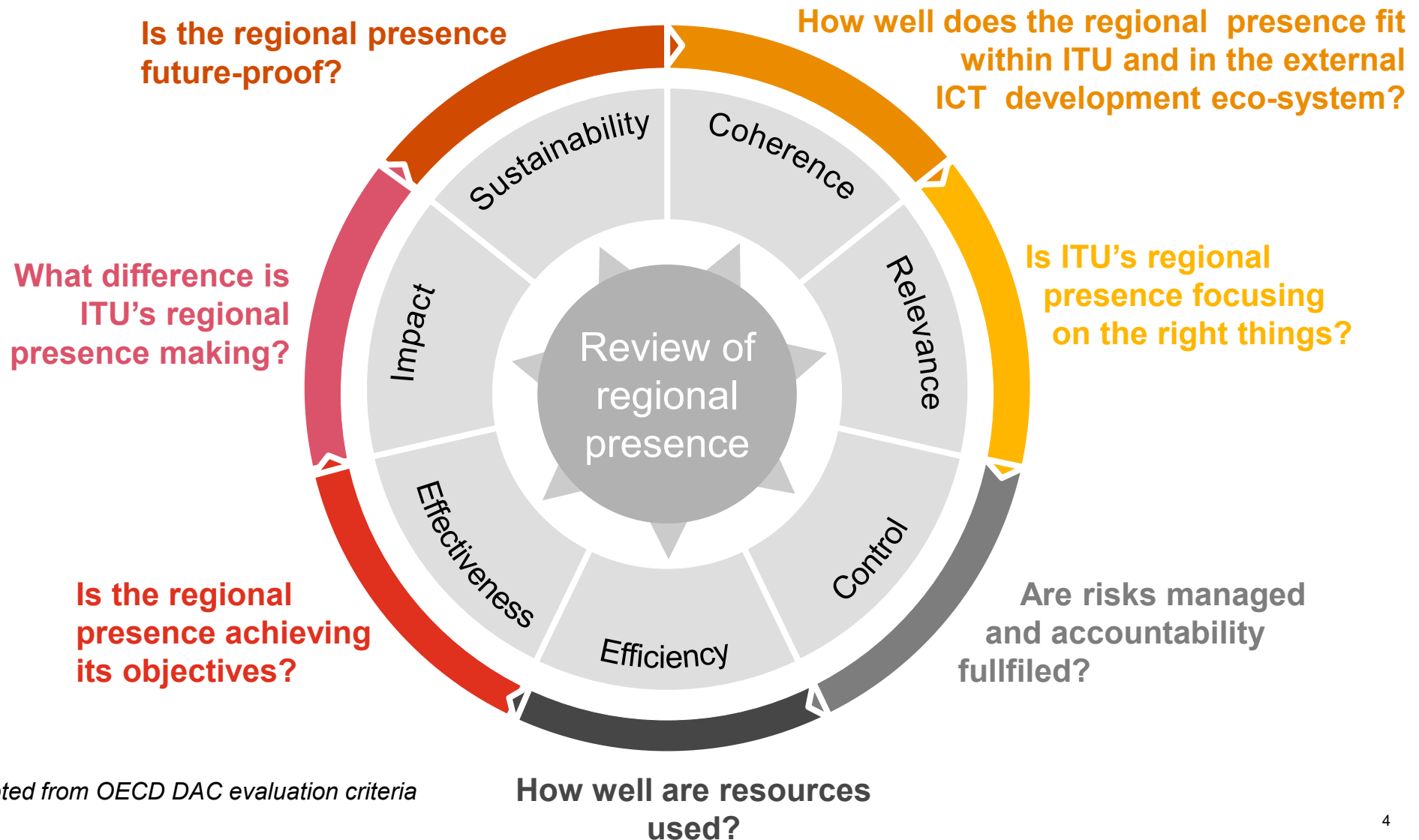
The review should take into consideration of the following elements:

- a) the extent of fulfilment of the provisions of Resolution 25 (Rev. Dubai, 2018) by the Telecommunication Development Bureau, the General Secretariat, and the other two Bureaux, as appropriate;
- b) all the recommendations of the External Auditor, the Internal Auditor and IMAC, providing advice on the need for substantially improved management oversight and internal control in the light of the weaknesses revealed by the recent fraud case in a regional office; and especially the need to establish a culture of transparency and collaboration leading to stronger individual management responsibility and effective accountability;
- c) how further decentralization could ensure greater efficiency at lower cost, taking into consideration accountability and transparency;



Adapted from DAC
evaluation criteria

The terms of reference called for a comprehensive review of ITU's regional performance against clear criteria



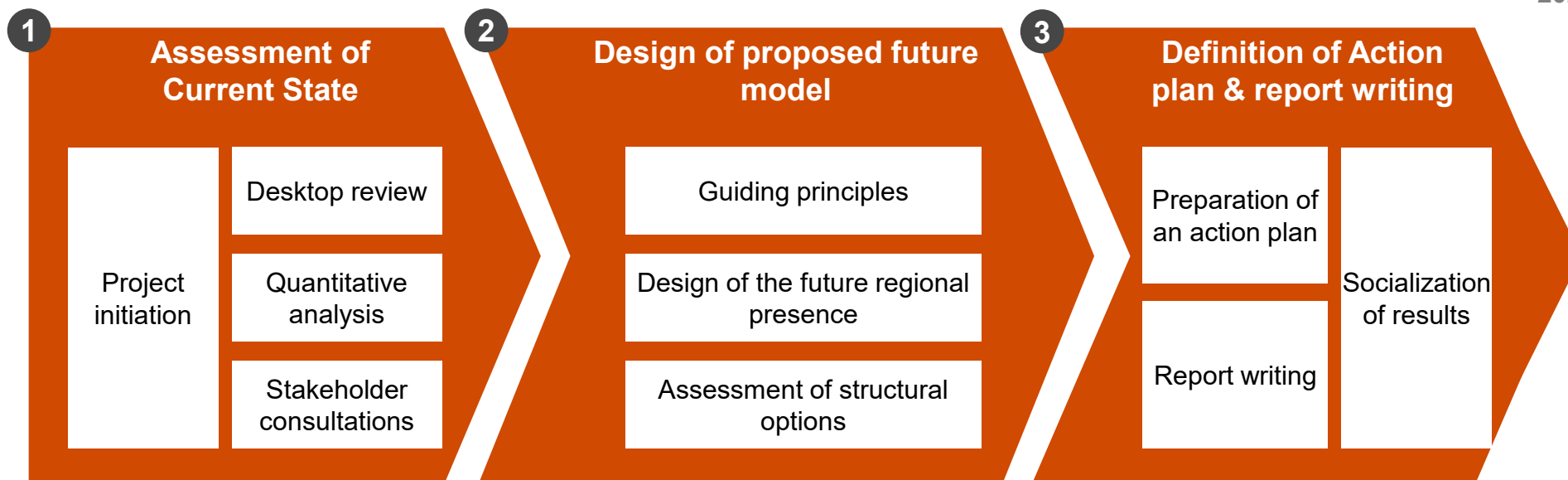
Adapted from OECD DAC evaluation criteria

PwC

The independent review followed a structured, three-step process

01 November
2019

Council
2020



Work realized to date

Desktop review: >100 documents shared by ITU and reviewed

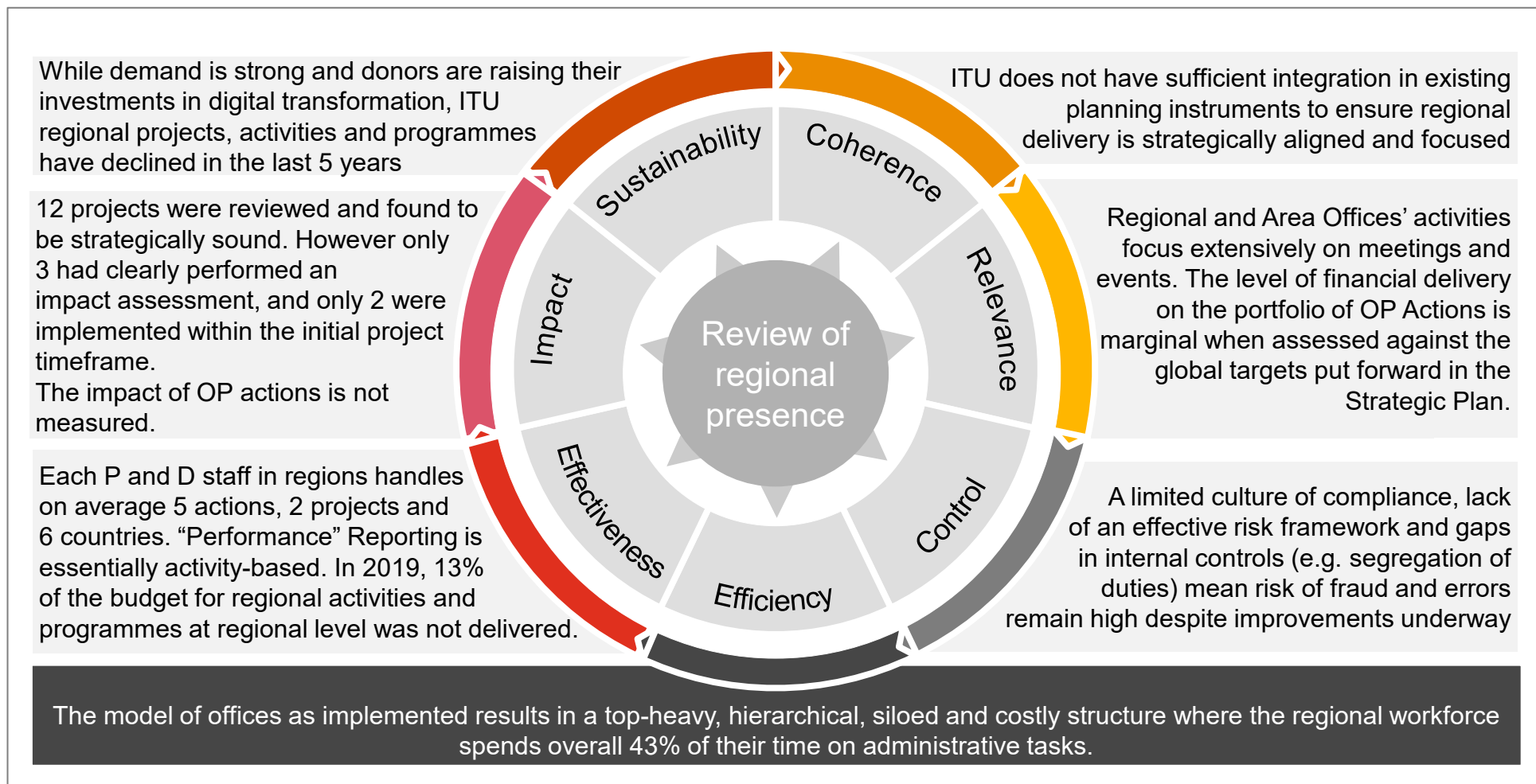
Consultation:

- >100 internal and external stakeholders interviewed including ITU staff
- Collection of written contributions from ITU Members through an on-line questionnaire (25 answers)
- Briefing to ITU Coordination Committee
- Meetings with CWG-FHR and Geneva Group (Jan/February 2020)

Quantitative analysis:

- Survey of regional staff and of a selected pool of ITU staff working in BR, TSB and GS (total 105 answers)
- Time allocation of regional staff on activities, programmes and ITU sectors
- Financial and HR data modelling
- Review of sample of 12 projects

Overall there is a need to reposition and organise ITU's regional presence so it can better support its Members in a dynamic ICT environment



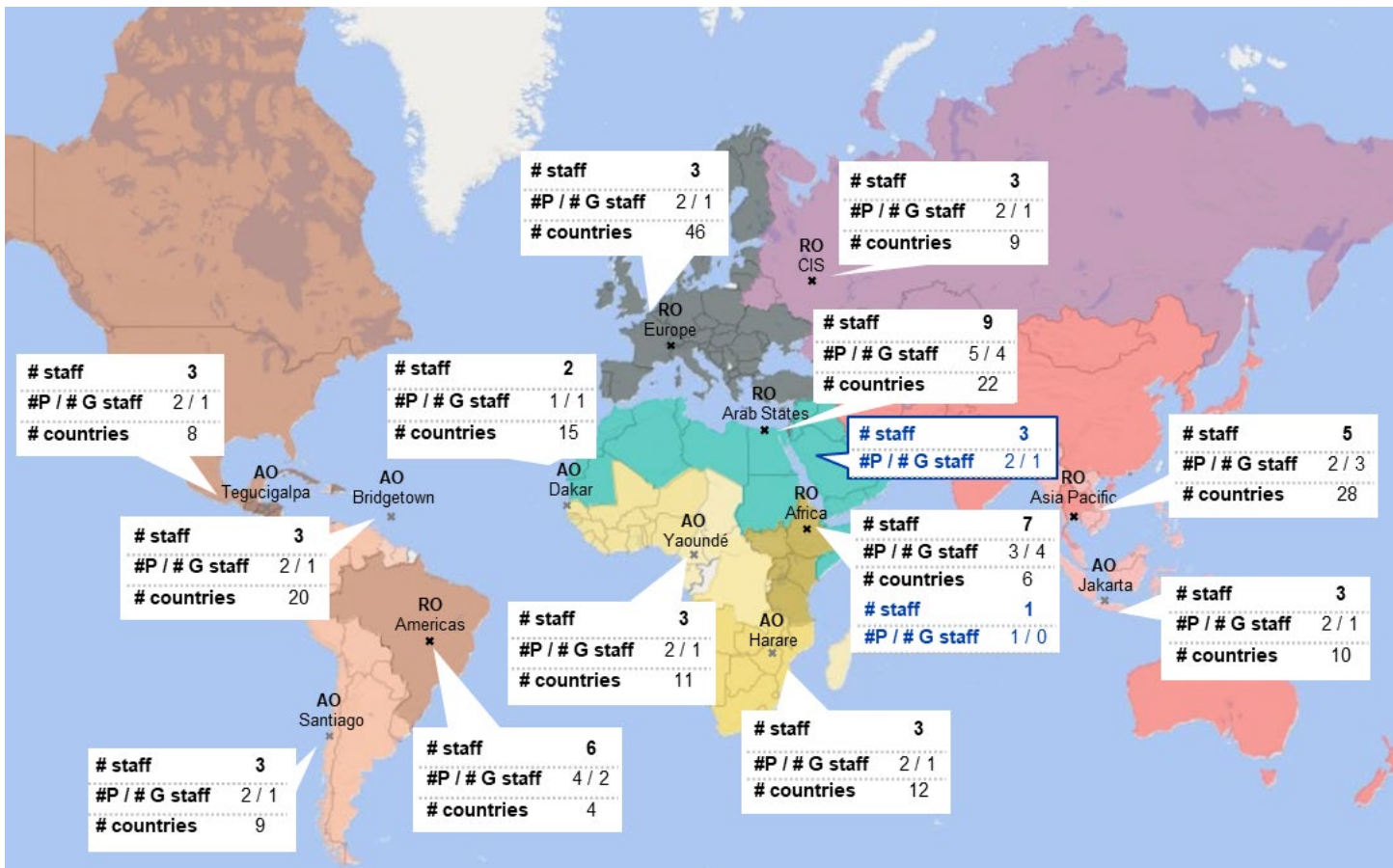
These findings have been repeatedly identified in past reviews to limited effect. Addressing them will require a deliberate, coordinated and programme-managed transformation.

The small size of offices and scale of geographical coverage make the current operating model inefficient



Key facts

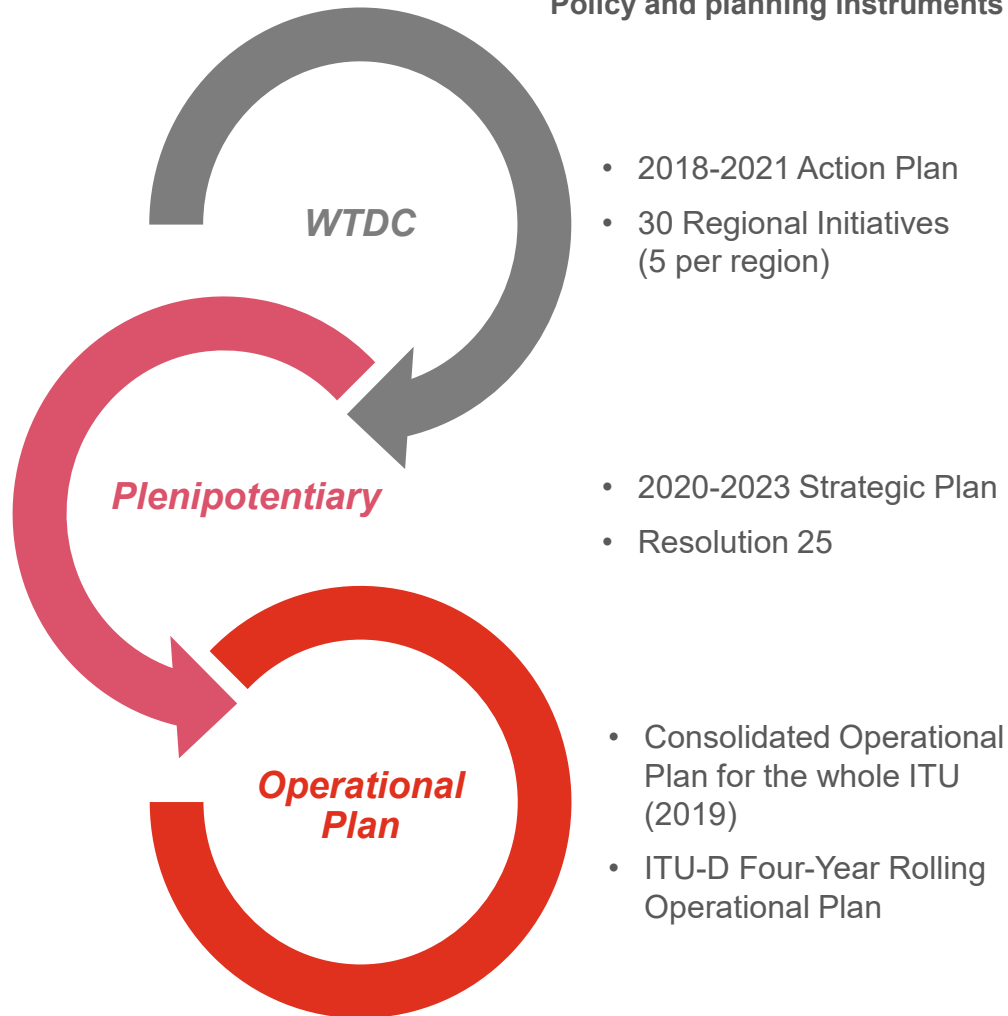
- 13 offices, representing less than 10% of ITU's overall expenses in 2019
- 57 staffs in RO & AO with 3 to 9 staffs per office
- 4 management layers in the Field Operations Coordination Department (DDR)
- On average 1 supervisor for 4 supervisees
- 31% of grade D and P5, and 40% of G-Staff
- Each P and D staff in regions handles on average 5 actions, 2 projects and 6 countries
- RO Directors spent about 48% of their working days travelling in 2019
- No financial commitment above 1500 CHF petty cash ceiling
- 8-15 months for a recruitment



ITU does not have sufficient integration in existing planning instruments to ensure strategic alignment and focus



Policy and planning instruments



- **The Strategic Plan does not make any reference to the role of the regional presence**
 - Global targets are not explicitly broken down into a subset of targets attributable to specific teams
 - Targets do not relate to performance indicators in the Operational Plan nor the Regional Initiatives
- **The ITU Operational Plan does not detail how regional activities should be carried out**
 - No clear target set per region
 - The results targeted by Regional Initiatives are not explicitly linked to the BDT outputs
 - The plan provides a breakdown of human resources allocated to each objective but no financial commitment
 - No prioritization of countries for UNCT engagement
 - Monitoring of Performance Indicators in the OP is impossible (e.g. >50 KPIs for objective 1, no baseline/target)
 - No reference to the management of risks in regions

The current operating model challenges the ability of ITU's regional presence to focus on the right things



Overall, actions conducted at the regional level imply a heavy focus on meetings and events. In 2019, 52% of OP actions related to events, conferences and trainings



ITU's regional presence does not fully enable local access to the expertise of the whole ITU. Staff in RO/AO spend on average only 13 % of their time on activities relevant to other ITU Sectors.



P staff and above in RO/AO mostly have the profile of "ICT generalists". The top ranking skills are writing/reporting (70%), communication (70%) and leadership and management (69%), which are generalist skills as opposed to more technical skills in the field of telecommunications and ICTs.



The implementation of the Operational Plan is highly focused on the delivery of unplanned assistance. P-staff spend 31% of the time they dedicate to OP implementation on ad hoc assistance.



ITU is perceived as a technical agency, not necessarily as a development actor. This limits its ability to set-up new partnerships, engage in global initiatives and collaborate with regional stakeholders.

A more consistent approach to results-based management will strengthen the effectiveness of the regional presence



Key facts

- 13% of the budget allocated to OP activities and programs at regional level was not delivered in 2019
- The average project budget is KCHF72 and OP action budget is KCHF14 (2019)
- Over the last 20 years, the level of BDT project expenditure dropped by 83%
- P staff do not spend more than 15% of their time on a single cluster of thematic priorities



Limited drive for impact – before the introduction of a RBM Framework*, work planning has been set against an annual list of activities. There is no monitoring & evaluation plan and synergies are not fully exploited across regions



Roles and responsibilities at regional level for the definition of projects and programs at scale are not clear



Resource requirements are not assessed against predetermined objectives – hence resource mobilization targets are not formulated

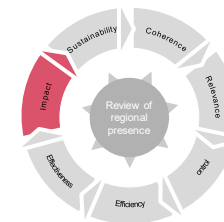


The portfolio of OP actions and projects is managed differently according to the source of funding



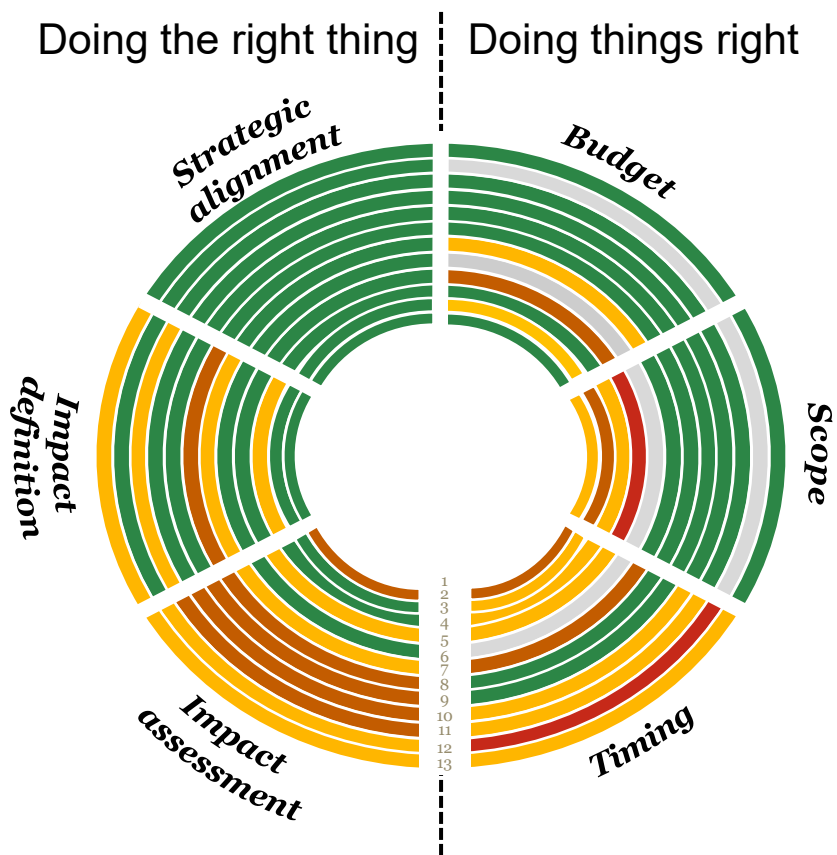
Individual P-staff currently pursue too many priorities and manage activities with a limited budget in the light of the global targets set in the Strategic Plan

The impact of project and OP actions should be more systematically evaluated



Qualitative review of 12 projects, 2019

Clear / In line	Not fully clear or in line	Not clear / not in line	Major shortcomings
-----------------	----------------------------	-------------------------	--------------------



Key findings

- 12 projects were reviewed and found to be strategically sound. Projects were clearly aligned with the SDGs and BDT strategic framework; they presented clear deliverables,
- However:
 - Only 3 had clearly performed an impact assessment, and only 7 had defined the impact upfront
 - Only 2 were in line with initial project timeframe, mainly due to external factors or national political reasons
- The impact of OP actions is not measured.

Source: Individual interviews with project managers, PwC analysis

While demand is strong and donors are raising their investments in digital transformation, at ITU regional projects, activities and programmes have declined in the last 5 years



Fast-changing ICT

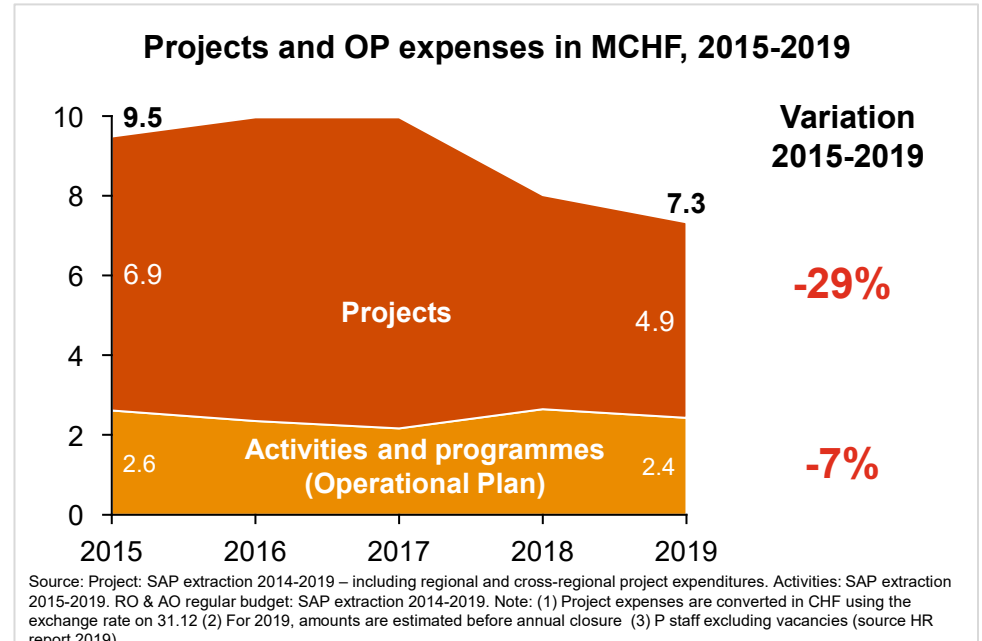
Economic Transformation

Digital Divide

SDGs and UN Reform

- USD5.2 trillion** Yearly global value at risk from cyberattacks until 2023
- 4.5 - 15.5%** Size of the digital economy expressed as a % of the global GDP
- USD1.28 billion** committed by the World Bank to digital development projects in 2018
- USD300 billion** SmartAfrica's fundraising targeting the next decade
- USD100 million** Joint SDG Fund dotation per year

VS



In order to future-proof ITU's regional presence, a range of focus areas needs to be considered

What needs to improve	 Strategy	<ul style="list-style-type: none">• Positioning of regional presence• Approach to deliver value to Members at regional level
	 Structure	<ul style="list-style-type: none">• Organization, incl. offices model, footprint, workforce sizing• Roles, accountabilities and oversight mechanisms• Relationships with partners
	 Process & Technology	<ul style="list-style-type: none">• Priority-setting and planning• Management and support processes• Enabling data and IT infrastructure
	 People	<ul style="list-style-type: none">• Required talent, competencies and technical skills• Workforce and performance management• Culture and values
How it needs to change	Programme Management	<ul style="list-style-type: none">• Action Plan / roadmap definition and monitoring• Project organisation and change delivery
	Change Management	<ul style="list-style-type: none">• Political alignment on future regional presence• Leadership alignment, vision and communication

Guiding principles for the design of the future model

Principle	Description
1. Clarity of purpose	Alignment of regional mandate and responsibilities with the vision and mission defined in the ITU Strategic Plan, providing a limited set of specific, measurable, attainable, relevant and timely objectives to the regional presence
2. Drive for impact	Efficient and effective use of resources to ensure the delivery of tangible results and address the challenges targeted by the Organization, in proximity to developing countries
3. Accountability	Balanced empowerment with control, ensuring a level of autonomy for the Regional Directors to assess and react on opportunities, based on a comprehensive and regular assessment of their added value in the local environment.
4. Part and parcel of UN family	Proactive alignment and coordination with like-minded UN Agencies to promote intersectoral collaboration and deliver meaningful change in selected countries
5. One ITU	Ability for the regional presence to reflect ITU as a whole and take a leading role in the preparation and coordination of activities in their area
6. Managed transition	Proactive approach to minimize the impact of the envisaged solution on staff and to ensure business continuity

Applying these principles has concrete implications on how ITU organises its field presence

PwC's recommendations will be organized around the following 4 themes

Theme	High-level recommendations
1. Strategic positioning	1.1. Strengthen ITU's positioning as a shaper/doer 1.2. Sharpen the programmatic focus 1.3. Define priorities for UNCT engagement 1.4. Consolidate strategic planning at regional level
2. Internal coordination mechanisms	2.1. Step up corporate approach to risk management 2.2. Improve the efficiency of key processes 2.3. Reach out to membership and external stakeholders 2.4. Leverage additional resources
3. Regional delivery model	3.1. Consolidate the existing network 3.2. Optimize the operating model at regional level 3.3. Enhance the autonomy of the regional presence 3.4. Nurture technical excellence & diversity
4. Change management	4.1. Drive the political alignment process to confirm the way forward 4.2. Set up project management mechanisms to implement the “action plan” 4.3. Monitor and manage the transition

A revised positioning of the regional presence will strengthen its relevance and comparative advantage

Resolution 25

Guiding principles

Positioning of offices

- Act as “One ITU”
- Participate in the organization of all ITU events/meetings/conferences

One ITU

- Assist countries in the regions acting as an executing agency
- Strengthen the regional presence and the functions of the regional offices
- Promote the participation of developing countries in ITU activities

Drive for impact

- Actively engage in the implementation of the strategic plan of the Union for 2020-2023

Clarity of purpose

- Empower RO/AO to make decisions within their mandate

Accountability

- Maintain a close cooperation with other organizations

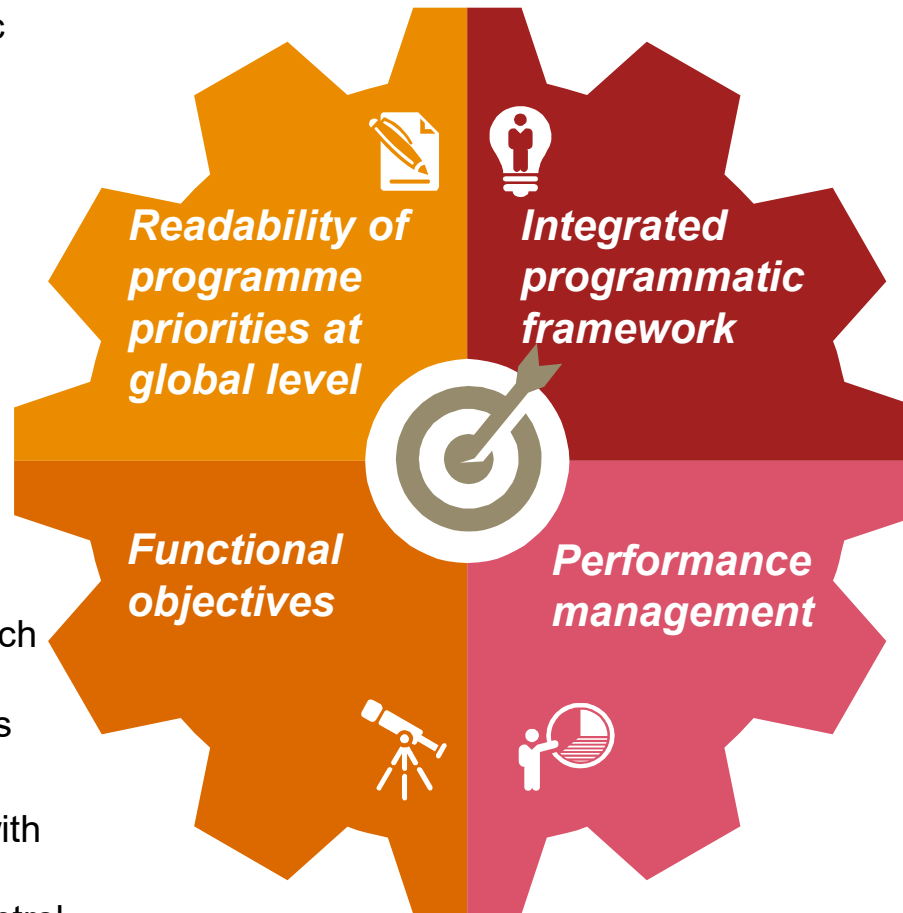
Part & parcel of the UN family

- Active promotion of harmonized and coordinated approaches in norms and standard setting at global, regional and country level
- Active engagement with ITU Membership in the preparation and follow-up of regional and global forums to ensure effective participation and consistent advancement of the ITU agenda
- Promotion of leading practices in regional and national platforms
- Active role in connecting public and private sector, facilitating cross-country/cross-regional collaboration and dialogue
- Pro-actively gets involved in intensifying country or regional level work on policies and programmes through ITU's own resources

A more systematic strategic planning will strengthen the alignment of activities and delivery with ITU priorities

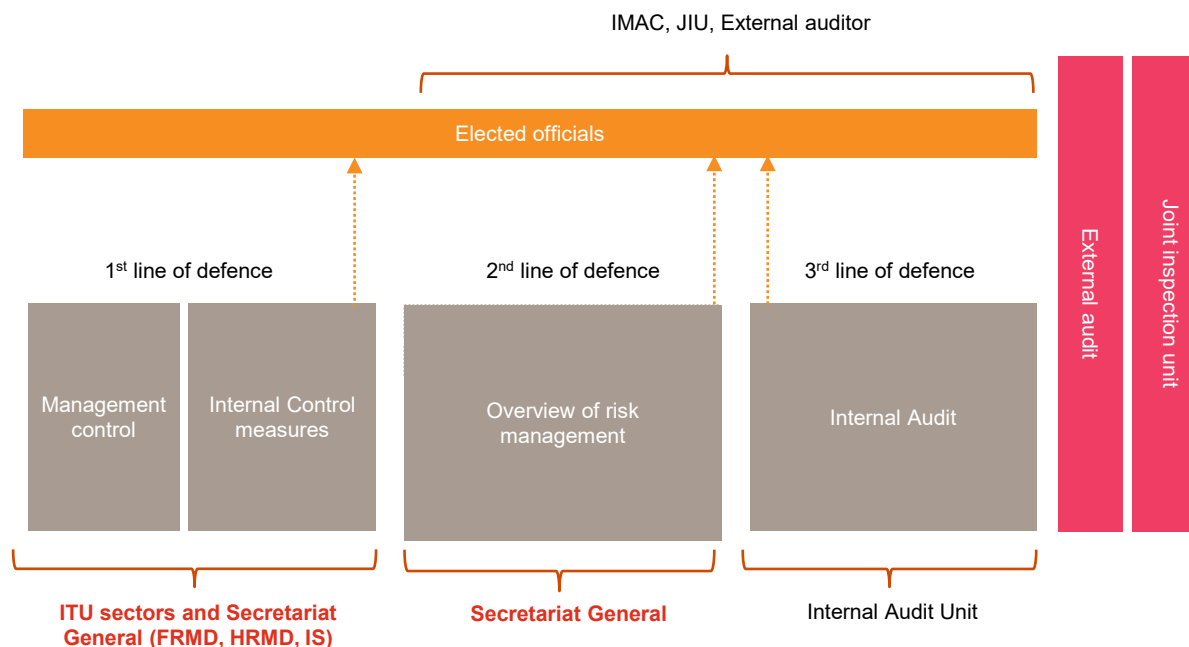
- Limit the “menu” of thematic priorities where ITU has a strong level of expertise
- Align regional priorities with this more limited set of thematic areas of expertise

- Set common objectives measuring the extent to which offices are delivering on the intended positioning of ITU’s regional presence
- Ensure overall coherence with the desired positioning as a shaper/doer and level of control and compliance



- Integrate the goals and the targets of ITU’s Strategic Plans with Regional Initiatives and the new results framework for decentralized offices
- Define global targets on the basis of the cumulated targets defined in the regional initiatives
- Introduce a portfolio management approach for OP Actions and projects
- Define a limited set of KPIs to be effectively monitored on the basis of the new RBM methodology
- Define output-based KPIs

Improving risk management and internal controls at regional level should be achieved as part of an ITU-wide initiative



Risk governance system

- Accelerate the implementation of outstanding recommendations from External Auditor, Internal Auditor & IMAC
- Improve the risk management framework across the lines of defence
- Strengthen the governance of risk management in the second line of defence
- Consolidate the role of the IAU in the identification of key risks and validation of remediation measures
- Formalise internal risks and control matrices and introduce regular risk evaluations and risk management dashboard to strengthen internal risk monitoring

The regional footprint should be articulated against a solid set of criteria

Feasibility

- Sufficient financial resources to support a minimum critical mass of technical skills (e.g, 4 P staff) for an extended period of time (e.g. 10 years)
- Safety / Security level (assessed by UNDSS)
- Business continuity

Exclusivity

- Avoidance of the duplication of presence at sub-regional level, in an area that represents a community of culture, history and language, in alignment with the definitions of the UN Statistics Division

Relevance

- Contribution to ITU's ability to generate impact where its support is most needed and to continuously provide value for money to ITU members

Proximity

- Location in a city hosting at least 3 sub-regional or regional hubs of other UN Agencies and/or a Regional Telecom Organization

Accessibility

- Accessibility to an airline hub with extensive international connections (facilitating external access) and direct connections with the other countries in the sub-region

We will assess the following options for the future of the regional presence

Incremental option: focusing on historical continuity

“Greenfield” options: focusing on a future-proofed regional model

	1 Improved baseline	2 Regional + Area Offices	3 Area Offices only	4 Regional Hubs only	5 Global Thematic Hubs
Description	<ul style="list-style-type: none"> • Closest option to the as-is, involving application of the guiding principles implications and a limited footprint optimization 	<ul style="list-style-type: none"> • Option including four organisational layers and a significant reorganization of the current footprint to achieve critical mass 	<ul style="list-style-type: none"> • Option converting the RO in AO and involving the creation of a Regional Desk at HQ to improve the coordination of priorities 	<ul style="list-style-type: none"> • Option involving the optimization of the Regional Offices location and the full consolidation of the Area Offices into 6 Regional Offices 	<ul style="list-style-type: none"> • Option involving the creation of a Regional Desk at HQ and of 3 Thematic Hubs delivering specific expertise at a global level
Key assumptions	<ul style="list-style-type: none"> • An incremental, more conservative option could promote business continuity and ease the option's implementation 	<ul style="list-style-type: none"> • Impact is best achieved through a footprint balancing the need for proximity to Members and efficiency & effectiveness 	<ul style="list-style-type: none"> • ITU's relevance to local context is best achieved through AO • The role of RDs can be absorbed by a Regional Desk 	<ul style="list-style-type: none"> • ITU's relevance to local context is best achieved through RO • RO allow to maintain a sufficient proximity to Member States 	<ul style="list-style-type: none"> • The delivery of technical expertise requires high critical mass and competency specialization
Impact	<ul style="list-style-type: none"> • Increased capacity in decentralized offices • Higher deployment of expertise in decentralized offices 	<ul style="list-style-type: none"> • Increased capacity in decentralized offices • Promotion of the alignment with the UN Reform 	<ul style="list-style-type: none"> • Leaner organizational structure resulting in increased collaboration • Increased coordination of regional activities 	<ul style="list-style-type: none"> • High critical mass • Higher consistency in programmatic focus and initiatives at regional level 	<ul style="list-style-type: none"> • Alignment of Thematic Hubs with ITU strategic objectives • Central coordination of regional initiatives