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**USE OF ADDITIONAL ASSESSED CONTRIBUTIONS
FROM NEW MEMBER STATES IN 2001**

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USE OF ADDITIONAL ASSESSED CONTRIBUTIONS FROM NEW MEMBER STATES IN 2001

I. INTRODUCTION

1. At its Ninety-eighth Session held on 6 to 7 June 2001, the Executive Committee invited the Administration to engage in informal consultations with Member States on a number of budgetary issues, in particular the use of additional assessed contributions from new Member States in 2001.
2. The Administration held informal consultations on 13 September 2001 covering a number of budgetary issues. On the subject of the use of additional assessed contributions from new Member States in 2001, the Administration was requested to provide further details on the proposed uses of the additional contributions. This document provides both background and further details on the possible use of additional assessed contributions from new Member States in 2001.

II. BACKGROUND

3. At its Eightieth Session held on 28 to 29 November 2000, the IOM Council admitted three new States as Members of the Organization, which joined after the Programme and Budget for 2001 had been approved. These Members and their corresponding contributions for 2001 are:

Benin	CHF	17,828
Kyrgyzstan	CHF	17,828
Slovenia	CHF	25,672

4. At its Eighty-first (Special) Session held on 7 June 2001, the Council admitted seven new States as Members of the Organization. These new Members and their corresponding partial year contributions for 2001 are:

Azerbaijan	CHF	10,160
Congo	CHF	10,160
Democratic Republic of the Congo	CHF	10,160
Gambia	CHF	10,160
Georgia	CHF	10,160
Sierra Leone	CHF	10,160
United Kingdom of Great Britain and Northern Ireland	CHF	1,212,414

5. The additional contributions from the above new Member States total CHF 1,334,702. However, the actual amount available will only be known once the 2001 accounts are finalized, taking into consideration any fluctuation in the provision of doubtful receivables due to outstanding assessed contributions.

6. Barring any unforeseen circumstances, the Administration projects that an amount of at least CHF 1 million from the additional assessed contributions will be available and a decision on its utilization can therefore be made.
7. During the discussion on this subject at the Executive Committee in June 2001, the Director General mentioned that the additional contributions could be returned to Member States in two possible ways: (a) as rebates or credits to all Member States, or (b) through improved services and a strengthened Organization.
8. The first option would result in Member States receiving their proportionate share of the additional contributions based on the assessment scale: larger amounts would be returned to the most developed countries while the developing countries would receive much smaller amounts.
9. The second option noted in paragraph 7 above would allow the Administration to utilize the additional contributions for priority areas of the Organization leading to better services in core areas, as well as partially offsetting the effect of zero nominal growth in the Administrative Part of the Budget for 2002.
10. The Administration has carefully reviewed the budgetary needs, as outlined in the background paper discussed at the informal consultations of 13 September 2001. The details on possible uses provided below take into consideration the discussion at the informal consultations on this subject. The issue of priority and financial implication on future budgets of the Organization is also addressed.

III. POSSIBLE USES IN ORDER OF PRIORITY

Strengthening MRF capacity in project development

11. With the approval of the Programme and Budget for 2001, six existing Field Offices were designated as Missions with Regional Functions (MRFs), bringing the total to 19. IOM is increasingly relying on its MRF network to provide administrative and operational support to surrounding Field Offices which have expanded in the recent past. Experience to date has shown that these offices could function better if their capacity in core finance and administrative, as well as project development functions, is augmented (or in some cases established).
12. The Administration proposes that one new staff position be created in the Field for each of the four regions in order to enhance and strengthen the project development capacity in 2002. The staff for these field-based positions, who will be appointed on one-year all-inclusive special contracts, will probably be posted in one of the appropriate IOM Field Offices of the respective regions, and will be assigned to work in the following areas:
 - (a) **Africa – Migration for Development in Africa (MIDA)**: IOM has implemented programmes to assist in the return and reintegration of qualified human resources to Africa since 1983. Following a programme evaluation with partner governments, a new approach was designed, and subsequently endorsed at the 74th Ordinary Session of the Organization of African Unity (OAU) Council of Ministers held in July 2001 in Lusaka, Zambia. MIDA, a demand-driven, capacity-building programme, will be implemented in

partnership with countries of the South and the North, in order to mobilize the resources of Africans in diaspora to match the needs for country/regional development, as identified by the participating countries themselves. Identified needs for skills and resources will be met through a flexible approach to the transfer of expertise (temporary, short- or long-term, sequenced, telework and permanent assignments in the public or private sectors). It calls for partnerships and dialogue among governments, civil society, the private and public sectors in countries of origin and destination, African migrants and their associations.

- (b) **Americas – South American Conference on Migration**: The Second South American Conference on Migration was held in Chile in April 2001. Eleven participating countries issued a Declaration of Santiago requesting IOM's cooperation in the organization of future meetings as well as technical cooperation in fostering the process between the governments. Although important progress has been made since the first Regional Meeting in Lima in July 1999 and the First South American Conference on Migration held in Buenos Aires in July 2000, the process still needs to be supported. At this point, the coordination and consultation mechanism is ready to begin dealing with specific migration issues of regional interest. The project will last twelve months and will be divided into two phases. The first phase is the preparation of a draft Plan of Action and the organization of the Third Regional Conference on Migration to be held in Quito in 2002. The second phase will include provisions for the implementation of technical cooperation requests resulting from the recommendations of the Conference and the Plan of Action.
- (c) **Asia – Bangkok Declaration follow-up and the Manila Process**: The Bangkok Declaration on Irregular Migration was adopted by 19 governments of the countries in the region as well as Hong Kong Special Administrative Region in April 1999. It sets out actions that are needed to address the question of international migration, with particular attention to regional cooperation on irregular/undocumented migration. IOM is expected to assist governments to implement those actions. The Manila Process, begun in 1996 as a follow up to the Cairo Conference, is the only regional forum with a particular focus on irregular migration and trafficking. IOM has not only been assuming the role of the secretariat from the beginning, but has also made substantive contributions to the discussions. IOM is expected further to expand its support to this forum by, for example, developing and implementing concrete technical cooperation and capacity-building activities.
- (d) **Europe – (a) Stability Pact for South Eastern Europe and (b) Follow-up to the 1996 Geneva Conference on the Problems of Refugees, Displaced Persons, Migration and Asylum Issues**: The Migration and Asylum Initiative of the Stability Pact for South Eastern Europe responds to the challenges of combating irregular migration and introducing best practices and EU standards to the countries of South Eastern Europe in the framework of the Stabilization and Association process. The Follow-up to the 1996 Geneva Conference (on the countries of the Former Soviet Union) established a thematic approach for the period 2000 to 2004 and designated IOM as the lead agency to address the theme of migration management, including combating illegal migration and trafficking, particularly in women, and improving border management. IOM was also named as a contributor to the other three themes: groups of concern, support to the NGO sector, and legislation and bridging implementation gaps. The modernization of public administration

in the migration sector shows promising results, but much remains to be done. Irregular migration continues to present increasing challenges. Council Resolution No. 1032 (LXXX) reaffirms the importance of the Programme of Action and encourages committed support. Programme responses under both the Stability Pact and the Follow-up to the 1996 Geneva Conference address similar broad migration issues and are linked by the common challenge of facing the European Union (EU) standards and eastward-moving external EU borders. Both mechanisms would therefore significantly benefit from support in programme development.

13. The project development staff will develop projects whose geographical scope spreads over many MRFs and will ensure that projects thus developed reach a stage where they can be implemented by the structures existing in the relevant MRFs. They will also develop projects for consideration under the facility of Council Resolution 1035 (LXXX) of November 2000 – Support for Developing Member States and Member States in Transition. Since the staff will be appointed on one-year special contracts and funded from the additional assessed contributions, their continuation beyond 2002 will depend exclusively on project funds.

14. It is proposed that CHF 400,000 from the additional assessed contributions in 2001 be allocated for project development staff divided equally among the four regions.

Shift of certain functions from Headquarters to the Field

15. With the increase in the Organization's programmes and offices in recent years, IOM's core functions - particularly in the key areas of information technology (IT) and administrative services – have, in some instances, failed to keep pace due to constraints on the Administrative Part of the Budget caused by adherence to zero nominal growth. As IOM's growth is expected to continue both in membership (seven new Member States were admitted at the June Council session, four have so far applied to be admitted in November 2001, and more are anticipated in the near future) as well as programmes, the Administration has engaged in long-term planning to provide a secure foundation for the future. To allow the Organization to grow within the imposed financial constraints, the Administration plans to absorb additional support requirements of functions currently performed in Geneva at a field location with lower costs.

16. At this stage, only functions within Administrative Support and Information Technology and Communications are under consideration. Newer IT functions and IT support for the Field could, in future, be based in Manila, and supported by staff hired in Manila. Similarly, E-mail support, currently out-sourced at high cost in Geneva, could be absorbed more cost-effectively in Manila. The possibility of transferring several transaction-intensive functions is also being explored. The development of the Manila Office is intended to be implemented in a phased manner. Whenever a vacancy is created through the requirement for additional services, the Administration will review the position to determine if the related duties could be relocated.

17. It is proposed that the suggested allocation from the additional assessed contributions be utilized for the following non-recurrent items related to the shift of functions from Headquarters to Manila:

	<u>CHF</u>
Office refurbishment and supplies	85,000
Information technology (IT) equipment in Manila	105,000
Software upgrade for remote access	20,000
Travel from Headquarters, communication and local recruitment cost	<u>90,000</u>
Total	<u>300,000</u>

18. **The Administration recommends that a portion of the additional contribution in the amount of CHF 300,000 be utilized to cover some of the costs relating to the shift of certain functions to the Field.**

Terminal Emoluments

19. Over the past four years, the line item of terminal emoluments in the Administrative Part of the Budget has been overspent significantly due to the unforeseen separation of staff. (In 1997, expenditures were CHF 1,125,010 against CHF 500,000 budgeted; in 1998, CHF 1,082,559 against CHF 500,000; in 1999, CHF 771,083 against CHF 575,000; and in 2000, CHF 1,122,088 against CHF 560,000.) The external auditors have recommended that the allotment for terminal emoluments be augmented. Such an increase will facilitate better management of these expenditures and improve overall management of the Administrative Part of the Budget.

20. **It is proposed that an amount of CHF 175,000 be allocated to this option from the additional assessed contributions.**

Information Technology

21. As an international organization with more than 140 Field Offices and programme activities in over 80 countries, IOM finds itself increasingly dependent on efficient communications and up-to-date information technology systems to support its structure. The rapid expansion of the Organization over the past five years has resulted in information technology being mostly in a “catch-up” situation, where financial and human resources have failed to keep pace with the communications infrastructure requirements. While the expansion of the Organization is welcome and necessary, given the relevance of migration issues, a sound technology infrastructure with appropriate support is key to sustaining this pace of growth.

22. The most urgent information technology projects which are currently on hold due to lack of funding are:

- to enhance IT security to protect IOM’s critical information by integration of encryption mechanisms, as well as implementation of a virtual private network (VPN) into the existing infrastructure. Those enhancements will provide additional security and, in the longer term, cost efficiency to the Organization.

- to make IOM's website a primary resource (portal) for migration information available to stakeholders and the general public at large.
- to upgrade IOM's financial and human resources systems from older versions to versions operating under Windows, and to support the implementation phase of Migrant Management and Operational Systems Application (MIMOSA) worldwide.

23. It is proposed that an amount of CHF 125,000 be allocated to this option from the additional assessed contributions.

IV. RECOMMENDATION

24. The Administration recommends that the additional assessed contributions from new Member States be utilized as proposed in paragraphs 11 to 23 above.