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**REPORT ON THE HUNDRED AND SECOND SESSION  
OF THE EXECUTIVE COMMITTEE**

Geneva

7 June 2005



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## **REPORT ON THE HUNDRED AND SECOND SESSION OF THE EXECUTIVE COMMITTEE**

### **OPENING OF THE SESSION**

1. The Executive Committee convened for its Hundred and second Session at the Palais des Nations, Geneva, on Tuesday, 7 June 2005. One meeting was held. In the absence of the chairperson and the vice-chairperson, the session was opened by the Director General and subsequently chaired by H.E. Mr. Lars Pira (Guatemala).

2. The session was attended by representatives of the following members of the Executive Committee:<sup>1</sup> Algeria, Canada, Congo, Costa Rica, France, Germany, Guatemala, Honduras, Hungary, Iran (Islamic Republic of), Italy, Japan, Mexico, Morocco, Nigeria, Peru, Romania, South Africa, Sudan, Switzerland, Thailand, United States of America and Yemen.

3. In addition, the following Member States were represented by observers: Afghanistan, Angola, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bangladesh, Belgium, Belize, Benin, Brazil, Burkina Faso, Cambodia, Chile, Colombia, Côte d'Ivoire, Croatia, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Dominican Republic, Egypt, El Salvador, Estonia, Finland, Greece, Guinea, Ireland, Israel, Jordan, Kenya, Latvia, Libyan Arab Jamahiriya, Madagascar, Malta, Netherlands, Norway, Pakistan, Panama, Philippines, Poland, Portugal, Republic of Korea, Republic of Moldova, Senegal, Serbia and Montenegro, Slovakia, Slovenia, Sri Lanka, Sweden, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela (Bolivarian Republic of) and Zambia.<sup>1</sup>

### **CREDENTIALS OF REPRESENTATIVES AND OBSERVERS**

4. The Executive Committee took note that the Director General had examined the credentials of the representatives of and observers for Member States and found them to be in order.

### **ELECTION OF OFFICERS**

5. H.E. Mr. Lars Pira (Guatemala) and Ms. Prangtip Chansomsak (Thailand) were unanimously elected Chairperson and Vice-Chairperson respectively.

### **ADOPTION OF THE AGENDA**

6. The Executive Committee adopted the agenda set out in document MC/EX/664.

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<sup>1</sup> See List of Participants (MC/EX/670).

## STATEMENT BY THE DIRECTOR GENERAL AND STATEMENTS BY DELEGATIONS

7. The Director General reported on IOM's activities in the aftermath of the December 2004 Asian tsunami disaster, which had drawn on much of the Organization's time and resources in recent months. Initially IOM had worked with the armed forces of various countries, on which it had relied for the immediate transportation of relief supplies by sea or air. Most of those forces had since left the scene of the disaster, and IOM was currently cooperating very closely with international bodies such as the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the World Food Programme (WFP), and with a range of non-governmental organizations that included national Red Cross and Red Crescent Societies. IOM's activities, essentially to provide shelter and medical assistance and to combat trafficking operations, were being conducted principally in Indonesia and Sri Lanka and, to a lesser extent, in Thailand. The donors had responded magnanimously to IOM's appeal for approximately USD 75 million, made as part of the Consolidated Appeal for the Indian Ocean Earthquake-Tsunami. The Japanese Government had supplied funds early and generously, and been followed by numerous other donors: governments, intergovernmental organizations and the private sector. Further information on IOM's activities was provided in the *IOM Asian Tsunami Response and Disaster Recovery Information Update* of 1 June 2005.

8. The economic and development dimensions of migration also occupied a central place in the work of IOM, which believed that proper management of economic migration could have a positive impact. The Organization was therefore working with numerous governments and international organizations to meet the growing challenges of migration as an engine of world prosperity and social development.

9. One example of this cooperation would be furnished by the forthcoming World Bank report, *Global Economic Prospects*, which would contain input from IOM on international migration and the impact of migrants' remittances on developing economies. The report would address data and policy issues, such as whether remittances, which were crucial to many developing countries, enhanced investment or merely fuelled consumption, and how to resolve the complex equation of remittances, external trade, foreign investment and development assistance.

10. IOM itself was active in the field of remittances, compiling data on payments in various parts of the world, facilitating investment of remittances in micro-enterprises and promoting good remittance management. Overseas communities played a major role in the economic development of home countries, and IOM was working to ensure that the Millennium Development Goals took account of the benefits that could accrue through well-managed relations with those communities. IOM was also working with the International Labour Organization (ILO), in the context of the Geneva Migration Group, to maximize complementarity between the Berne Initiative's International Agenda for Migration Management and ILO's Non-Binding Multilateral Framework for a Rights-Based Approach to Migration. IOM also ran international recruitment and selection programmes for several States. The Government of Austria had invited IOM to work with the United Kingdom, Austria and the European Commission on a Vienna Declaration on migration during Austria's presidency of the European Union in 2006.

11. Furthermore, following consultations with the World Trade Organization (WTO), IOM planned to include in its new international migration law database a section on temporary movements under Mode 4 of the General Agreement on Trade in Services (GATS) – in fact, a

compendium of national laws, regulations and procedures governing the entry and stay of international service providers. It would also be reaching out to the private sector, exploring ways to channel the movement for corporate social responsibility into the migration field.

12. Lastly, the *World Migration Report 2005*, to be published at the end of June 2005, contained interesting analyses of the costs and benefits of international migration for development, economic growth and the global labour market.

13. Statements were made by the following delegations: Japan, Switzerland, Iran (Islamic Republic of), Thailand, United States, Sri Lanka, Benin, Belgium, the Netherlands, Algeria, speaking on behalf of the African Group, and the Democratic Republic of the Congo.

14. Congratulations were extended by many speakers to the Chairperson and Vice-Chairperson on their election and several delegations expressed their appreciation to members of the outgoing bureau for all their work. Furthermore, a number of representatives commended the Director General on his leadership of the Organization and thanked him for his valuable report.

15. Support and praise for IOM's activities at Headquarters and in the Field were expressed by many speakers. The delegate of Japan said that his country, in keeping with its belief in the "human security" concept, considered that people who were self-reliant were best able to help others and to develop society. Japan therefore attached great importance to its cooperation with IOM on counter-trafficking activities and remained firmly committed to the Bali Process on people smuggling. The representative of Switzerland commended IOM for its active cooperation with the Swiss national authorities on the Berne Initiative and for its support in finalizing the International Agenda for Migration Management at the Berne II Conference in December 2004. The delegate of the United States of America acknowledged IOM's effectiveness in transporting some 45,000 Angolans home from Zambia and the Democratic Republic of the Congo since 2004, in meeting medical and logistical support needs of the United States resettlement programme, and in providing technical assistance to the Iraq Property Claims Commission as well as capacity-building support to the Iraqi Ministry of Displacement and Migration. The representative of Sri Lanka expressed appreciation for IOM's technical assistance and capacity-building in global migration management, core emergency and post-conflict assistance, and its role in assisting peace-building efforts in her country. The delegate of the Democratic Republic of the Congo highlighted IOM's valuable assistance in regulating migration movements in post-conflict situations in his country. In particular, IOM had contributed to the smooth functioning of the university system there by identifying members of the diaspora able to fill vacant academic posts and, under its Migration for Development in Africa (MIDA) programme, was identifying groups capable of benefiting from loans to establish micro-businesses. The representative of Benin praised IOM support for the transfer of professionals to university institutions in his country and for establishing its database on the diaspora. The representative of the Islamic Republic of Iran appreciated IOM's initiative in holding workshops on migration and development and hoped that this activity would continue. The delegate of Thailand thanked IOM for its assistance, in cooperation with the United Nations High Commissioner for Refugees (UNHCR) and third countries, in the resettlement process. The Organization had transported displaced persons to their country of destination and supported activities aimed at facilitating their resettlement.

16. Several speakers emphasized their willingness to cooperate with the Organization in various areas of migration, in particular by spreading awareness of human trafficking and engaging in counter-trafficking measures. Some delegations stressed the need for governments, international

organizations and non-governmental organizations (NGOs) to work together on migration issues, in particular trafficking in persons, including child trafficking, and illegal migrant workers.

17. IOM's swift response to the devastation wreaked by the Indian Ocean tsunami in December 2004 was underscored by many representatives. The delegate of Japan spoke of his country's cooperation with the Organization which had provided assistance to disaster victims by building shelters and transporting victims in Indonesia and Sri Lanka. The representative of Sri Lanka expressed deep appreciation to IOM for its timely efforts to save and protect lives, launch reconstruction and restore livelihoods, and to donors, in particular the Government of Japan, for making resources available speedily and taking a leadership role to enable an effective response to be made to the tsunami, the worst natural disaster in the country's history.

18. With regard to the budget, the representative of Switzerland expressed satisfaction at the Organization's decision to allocate additional resources to staff security under Resolution No. 1111 (LXXXVIII) on the use of project-related overhead income to cover staff security costs, which would also cover IOM's yearly contribution to the Office of the United Nations Department of Safety and Security (UNDSS). He urged, however, that staff security allocations should be covered by the Administrative Part of the Budget rather than by Discretionary Income and that the pertinent decision by Member States should be reconsidered in view of the fourfold increase in the total number of IOM staff and the significant deterioration in security conditions since 1998. It was high time that all Member States bore the cost. The delegate of Sri Lanka commended IOM for restricting its administrative expenditure when the the Operational Part of the Budget was showing significant increase and for its efficiency in providing timely accounting statements with details of project and administrative expenditure. She was joined by the representative of Japan in praising IOM for its ongoing efforts to streamline operations and restructure the Organization.

19. The delegate of Switzerland announced that the Swiss Government would make a voluntary contribution of CHF 400,000 to the Operational Part of the Budget. The representative of Japan said that the Japanese Government, together with the United Nations, had decided to contribute assistance through the Trust Fund for Human Security to the health project in Thailand.

20. The representative of Belgium said that IOM, in conjunction with other international organizations, could play a vital role in furthering good governance in countries of migration by providing support through programmes such as MIDA. It was commendable that the Organization would be placing emphasis on the economic aspects of migration, such as the effect of remittances on a country's economy, but the political aspects were equally important and should also be taken into consideration.

21. The delegate of Japan, while acknowledging that IOM should be able to adapt readily to new situations, stressed that it ought to maintain some of its basic activities. It should pursue its streamlining and restructuring efforts and set clear priorities. As long as it continued in that direction, it would have the support of the Japanese Government.

22. Two speakers encouraged IOM to take a proactive approach to its overall strategy. The representative of the United States said that the Organization should devise a three- to five-year strategic plan that could serve as a basis for future consultations and deliberations. In addition, it should pursue its lead role in migration, with an emphasis on regional and interregional initiatives to build cooperation and partnerships, and offer migration policy advice. The representative of Switzerland expressed concern at the growing emphasis on outsourcing and its possible effect on

the quality of services provided to governments and migrants. Some 18 per cent of the cost of all operational programmes, namely USD 112 million, had been subcontracted in 2004. In addition, as Switzerland had frequently reiterated, the service sectors that should structure IOM activities in keeping with the Organization's Constitution and strategy sometimes lacked a consistent conceptual approach. Indeed, IOM's dynamism often went along with fragmentation in its operational activities.

23. Several delegations referred to IOM's mandate. The representative of the United States stressed the importance of understanding how the mandate had changed over the years and of maintaining its flexibility, which, as pointed out by the delegate of Sri Lanka, had proved a valuable asset in responding to the recent tsunami disaster. The Belgian representative urged that Member States should adopt a proactive approach to the evolving nature of the mandate. The delegate of Switzerland, commenting on paragraph 182 of the Report of the Director General on the Work of the Organization for the year 2004 (MC/2173), questioned whether the task of "providing effective protection and support to labour migrants and their families" fell within IOM's purview, as the international community had specifically conferred the protection mandate on the International Committee of the Red Cross (ICRC), the United Nations High Commissioner for Human Rights (UNHCHR), UNHCR and UNICEF, and not on IOM. It was surprising, moreover, that the Report (Table 4, page 20) provided no reliable gender statistics for one-third of the migrants transported in 2004.

24. With regard to delocalization, he said that while the Swiss Government understood the need to limit administrative costs, it hoped that such restrictions would not have a negative effect on quality, efficiency and staff in the long term. In 2005, the Administration should give priority to implementing the consolidation measures for the Manila Administrative Centre recommended by the External Auditors and the IOM Office of the Inspector General. The speaker did not understand the rationale behind the redistribution of administrative tasks between the Manila Centre and the second centre being considered by the Administration (see Update on Manila delocalization (MC/EX/667)). The delegate of Algeria, speaking on behalf of the African Group, spoke favourably of delocalization measures because they facilitated the Organization's expansion while respecting the limits of zero nominal growth, and location had been a crucial factor in providing a swift response to the tsunami disaster. The African Group requested that the Administration consider establishing an administrative centre in Africa that would enable IOM to deal promptly and cost-effectively with the significant migratory flows caused by armed conflicts, natural disasters and other events.

25. The delegate of the Islamic Republic of Iran said that the continued assistance of donors and international organizations was needed to enable the Academy for Migration and Refugee Studies in Tehran to pursue its programmes. He noted with satisfaction that a project aimed at backing the Academy's activities had been included in the Programme and Budget for 2005 (MC/2144). The Islamic Republic of Iran had long been affected by and involved in many migration-related issues and hoped that increasing needs and further cooperation would result in more projects being implemented in the coming years.

26. The representative of the Netherlands asked for information about the Geneva Migration Group: how it functioned, the frequency of its meetings, the nature of its discussions and to what extent its establishment affected the functioning of other organizations. She wondered whether the Group, or WTO, had been consulted about the value of IOM's international migration law unit compiling a database on GATS Mode 4 temporary movements, and emphasized that duplication of effort should be avoided wherever possible.

27. Speaking on behalf of the African Group, the delegate of Algeria thanked the Administration for striking an equitable regional balance in allocations from the 1035 Facility in 2004 and encouraged it to maintain that balance in 2005. The Facility could play an important role in strengthening the link between migration and development, and Member States should therefore play an active part in the Administration's second evaluation of the Facility. She confirmed that the African Group had no objection to the proposed CHF 110,000 increase in the Administrative Part of the Budget being financed out of the additional contributions from new Member States. She also reiterated the Group's request that projects earmarked for Africa be differentiated from those for the Middle East, as the problems experienced were different in the two areas. Donor countries were encouraged to help finance pending migration and development programmes in Africa, and the Administration urged to redouble its efforts to obtain funds to implement those projects. With regard to outstanding contributions, she said that, despite economic difficulties, some African countries had partially paid their arrears and others intended to reschedule their payments. Those efforts, however, had not been reflected in the Status Report on Outstanding Contributions to the Administrative Part of the Budget (SCBF/278) of 20 April 2005. The African Group encouraged the Administration to continue its dialogue on the matter in order to make mutually satisfactory arrangements.

28. The delegate of the Democratic Republic of the Congo requested that the Swiss Government facilitate the issue of visas for delegates invited to attend international conferences in Geneva, and the delegate of Benin confirmed that his Government had taken steps to pay its arrears and urged the Organization to join the United Nations Joint Staff Pension Fund.

29. The Director General, responding to the Netherlands delegate's query, said that the work of the Geneva Migration Group was proceeding in a satisfactory manner. The Group comprised the heads of six agencies, namely the International Labour Organization (ILO), the United Nations Office on Drugs and Crime (UNODC), UNHCR, UNHCHR, the United Nations Conference on Trade and Development (UNCTAD) and IOM, and met quarterly to discuss migration issues. It was a useful networking and coordination tool for those dealing with migration. IOM's work on International Migration Law would be discussed at the Group's next meeting. The members of the Group, with one exception, had expressed interest in IOM's work in this field. In bilateral contacts with the Group's members, IOM had discussed the contribution of International Migration Law to ILO conventions on migrant workers and the database on GATS Mode 4 temporary movements. Governments, he felt, would find it very useful to have access to a compendium of the current admission and visa regimes applying to Mode 4 service providers and of national, regional and international migration law instruments.

30. Mr. Perruchoud, Legal Adviser, in answer to the Swiss delegate's comments, said that the term "providing effective protection" had long been a matter for debate at IOM. A distinction must be made between legal protection and *de facto* protection. The latter referred to the protection that was sometimes afforded when an international agency distributing assistance provided some measure of protection through its presence or activities. When IOM provided assistance to vulnerable people in situations of armed conflict, for example, it enhanced the effective protection of the right to physical integrity or the right to life. Although only organizations such as the ICRC and UNHCR had a formal, legal protection mandate, other international bodies could play a protective role in the course of their activities. In sum, the key word in "providing effective protection" was "effective", not "protection". The Organization's aim was to narrow and if possible eliminate the gap between the wording of international instruments and their application in practice.

31. The International Migration Law Department had become fully operational on 1 May 2005. Its publications included *International Migration Law: Glossary on Migration*, which was already available in English and Russian and would soon be printed in Arabic and Spanish; and the forthcoming reports on the symposiums on migration and the protection of human rights organized by IOM in Dakar in October 2004 and in Bogotá and Managua in March 2004. Research was being conducted on the legal aspects of migration and biometrics. In addition, the Department provided advisory services to governments requesting information on whether their draft migration laws or proposed amendments thereto complied with international standards. A week-long seminar on international migration law would be held at the International Institute of Humanitarian Law in San Remo in September 2005. Similar shorter seminars would be held in Tajikistan and Turkmenistan. International Migration Law was now included in the training courses organized by many IOM units and Field Missions, for example at the Academy for Migration and Refugee Studies in Tehran, in Southern Africa, in Western Africa with the cooperation of the Economic Community of West African States (ECOWAS), and for IOM staff. The database on migration law was another very important, complicated task: it currently contained international and most regional instruments; national legislation would be added next, if all went according to plan by October 2005. Comments, suggestions and guidelines from Member States regarding the completed database, IOM publications, activities and priorities were welcome and informal consultations on these topics could be arranged if necessary.

32. Responding to the comment made by the delegate of Switzerland about the need for comprehensive and recent gender statistics, the Deputy Director General said that a brochure dating from 1998 provided statistics on women and would be updated in 2005, with emphasis on women and migration in specific project areas such as health, post-conflict work, emergencies and technical cooperation. Most IOM Offices and Missions with Regional Functions were involved in programmes focusing on women, and the Organization would strive to give women a higher profile in them and in field projects. It had not been possible to provide recent statistics on women owing to lack of funds and other demands on the Organization's time.

#### **REPORT OF THE DIRECTOR GENERAL ON THE WORK OF THE ORGANIZATION FOR THE YEAR 2004**

33. The Chairperson drew attention to the Report of the Director General on the work of the Organization for the year 2004 (MC/2173) and reminded delegations that, after its examination, they would be asked to adopt a draft resolution (MC/EX/L/164) formally taking note of the Report.

34. In the absence of any further comments, the Executive Committee took note of the Report and adopted Resolution No. 110 (CII) on the Report of the Director General on the work of the Organization for the year 2004 (MC/2173).

**FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2004**

35. The Executive Committee considered the Financial Report for the year ended 31 December 2004 (MC/2172), the relevant section of the Report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668), the Report by the External Auditors (Office of the Auditor General of Norway) on the accounts of IOM for the financial year 2004 (Conference Room Paper/16 (*English only*)) and a draft resolution on decisions taken by the Executive Committee (MC/EX/L/165).

36. The Rapporteur of the Subcommittee on Budget and Finance summarized the relevant discussions in the Subcommittee. In 2004, cumulative expenditure under the Administrative and Operational Parts of the Budget had increased by 45 per cent to USD 637.8 million. By implementing stringent internal control measures, the Administration had been able to eliminate the shortfall of approximately USD 52,000 carried over into 2004 under the Operational Part of the Budget which, at the end of the year, had had a positive carry-forward of approximately USD 2 million (including the amount set aside for the United Nations security mechanism). The Administrative Part of the Budget had had a surplus of approximately CHF 99,000. Unfortunately, however, due to non-payment of assessed contributions, it had been necessary to increase the provision for doubtful receivables, resulting in a negative balance of CHF 638,000 at the end of 2004. A number of delegations had expressed concern at this situation.

37. The External Auditors had informed the Subcommittee that the financial statements presented a true and fair view of IOM's resources and expenditures. A separate report summarizing the audit results, main observations and recommendations had been submitted for information and consideration.

38. The Executive Committee took note of the above-mentioned reports and adopted Resolution No. 111 (CII) on the Financial Report for the year ended 31 December 2004 (MC/2172).

**STATEMENT BY A REPRESENTATIVE OF THE STAFF ASSOCIATION**

39. A representative of the Staff Association Committee (SAC) made a statement to the Executive Committee. After explaining that SAC members performed their task of representing the staff in addition to their normal duties with IOM and that many other members of the Staff Association, although not wishing to be elected to the Committee, were nevertheless involved in the work of the Association, he said that IOM had become an exemplary organization within the multilateral system thanks to the dedication of its staff. Furthering the Organization's achievements demanded continued efforts in which staff had a key role to play. The Staff Association was increasingly concerned about the long-term risks of low staff morale, due largely to contradictory management decisions; the staff was paying the price for the successful growth of IOM.

40. He wished to share with Member States the concern of staff regarding four main issues, namely, the retirement scheme, promotions and reclassification of posts, rotation and organizational issues.

41. Regarding the retirement scheme, once again, following the trend of previous years, the Provident Fund had achieved returns of only 1.47 per cent for the United States dollar and

0.726 per cent for the Swiss franc, which did not even cover cost-of-living and inflation increases and eroded the staff's accumulated balances. The SAC supported the work done by the joint Administration/Staff Association Working Group on Social Security (WGSS), set up in early 2004 to explore diversification of the Provident Fund, and its preliminary negotiations for flexible entry conditions to the United Nations Joint Staff Pension Fund (UNJSPF) in the eventuality that IOM decided to join the Fund. Through its participation in the WGSS, the SAC ensured that all Provident Fund members were involved in relevant discussions and that their views were heard. They would therefore be able to reach an informed decision in due course. The SAC favoured reconsideration of IOM's retirement scheme and acknowledged the differing interests of staff: it therefore proposed that staff should have the option to join the UNJSPF – being given a reasonable time in which to consider their decision – or to continue under the Provident Fund scheme. The SAC therefore invited the Administration to initiate the affiliation procedures with the UNJSPF management; for that, the direct support and involvement of Member States was crucial.

42. With regard to promotions and reclassification of posts, on 27 January 2005, the Director General had granted high-level promotions to 12 selected IOM staff, a discretionary measure taken outside the regulatory framework and in disregard of the Staff Rules and Regulations, the established procedures and the customary checks and balances. Meanwhile, other staff whose positions had been duly reclassified continued to be denied promotion, without explanation. These actions created an organization-wide climate of unfairness and had a negative impact on staff morale. If staff were expending energy dealing with situations in which rules and due process were not consistently followed, consultation was disregarded, performance was not rewarded, employment decisions were arbitrarily, politically or personally motivated, career prospects were diminished, staff skills were used inappropriately or not at all, and longer-term employment for long-serving temporary staff was unattainable, their energy was not devoted to being productive. Only when treated well and fairly did people work enthusiastically and productively.

43. The SAC therefore respectfully suggested that the Executive Committee consider directing the Administration to adhere consistently to the Staff Rules and Regulations and to report to the next session of the Executive Committee on the application of the rules and regulations regarding promotion and reclassification of posts at IOM.

44. Another contentious issue for staff concerned the Administration's intention to establish a new staff mobility policy. The current rotation policy drew on precedents in other international organizations and had been formulated on the basis of extensive consultation with all concerned. It was fair in that it implied reassignment of all categories of staff between Headquarters, the Field and regions. The SAC noted with regret that the existing policy, which was incorporated in the Staff Rules in 1999, had not been implemented. Rotation was exclusively in the hands of the Administration, which had eliminated the role of the Postings Board, thus disenfranchizing the SAC. He emphasized that the existing policy on rotation was in need not of reform but of implementation.

45. Another subject of great concern to the staff was the lack of transparency regarding the ongoing restructuring and delocalization of functions. Senior management had the right and the duty to strive to improve the Organization but the rapid succession of major structural adjustments decided by an extremely restricted circle, without any effort at broader consultation and information, left the staff highly disoriented and increased their uncertainty. The Staff Association welcomed the Administration's repeated assurances of more systematic dialogue

with the SAC and also its renewed promises to provide staff training in the interests of the professional sustainability of the Organization and of the staff members themselves; it looked forward to seeing that commitment brought to fruition. The SAC continued to seek a relationship of partnership with the Administration as a means, not an objective. It was not denying any legitimate demand nor excluding alternative approaches if the partnership approach failed. However, the SAC reminded the Administration that partnership meant ongoing consultation on issues of common interest and a search for outcomes acceptable to both sides. It meant working together. Unfortunately, at times, the SAC was disappointed by the Administration's unilateral decisions.

46. In closing, the SAC wished to draw attention to the fact that IOM showed impressive growth, developed innovative approaches, was dynamic and flexible, had grown to 109 Member States and 220 Offices around the world, and approached a budget level of USD 1 billion, but, at the same time, staff morale and commitment, prime organizational assets, had reached unprecedented lows and a dangerous cynicism had begun to spread. He requested Member States to take note that the SAC message called for their active support on the issues to which he had drawn attention.

47. The Executive Committee took note of the statement made by the representative of the Staff Association Committee.

## **REVISION OF THE PROGRAMME AND BUDGET FOR 2005**

48. The Executive Committee considered the Revision of the Programme and Budget for 2005 (MC/EX/665), the Programme and Budget for 2005 (MC/2144, MC/2144/Corr.1 and MC/2144/Amdt.1), the relevant section of the Report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668) and a draft resolution on the Revision of the Programme and Budget for 2005 (MC/EX/L/166).

49. The Rapporteur of the Subcommittee on Budget and Finance said that the Subcommittee had examined the various sections of document MC/EX/665, in which the total Administrative Part of the Budget was maintained at the same level. However, as the increase of CHF 110,000 originally proposed by the Administration had not been approved by the Council, the revision now reflected amendments to certain line items in order to align planned expenditures with the approved budget level. The scale of assessment had been adjusted to include the assessments of the Bahamas, Estonia, Brazil and Turkey, which were admitted as Member States in November 2004, and the total now amounted to 102.406 per cent.

50. The Operational Part of the Budget had increased by USD 259.9 million in the revision, from the original USD 639.3 million to USD 899.2 million, due primarily to the implementation of Out-of-Country Voting (OCV) for the Iraq elections, the Organization's programmes to provide assistance to victims of the tsunami disaster, and new and expanded activities under various services. The Administration had advised Member States that more overhead income had been generated than initially anticipated, primarily because of the exceptional size of the Iraq OCV programme and of tsunami-related activities. However, as some substantial activities such as the Claims Programmes would end in 2006, the Administration had indicated that the current level of overhead income could not be relied on for the future and that it intended to take a prudent approach. It would submit proposals on the use of overhead in the context of the 2006 budget process.

51. Having examined in detail document MC/EX/665, the Subcommittee had recommended that the Executive Committee approve the Revision of the Programme and Budget for 2005.

52. In the absence of any comments, the Executive Committee adopted Resolution No. 112 (CII) approving the Revision of the Programme and Budget for 2005.

### **ASSESSMENT SCALE FOR 2006**

53. The Executive Committee considered the proposed adjustment of the IOM assessment scale for 2006 (MC/EX/666) and the relevant section of the Report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668).

54. The Rapporteur of the Subcommittee on Budget and Finance, summarizing the Subcommittee's deliberations, said that the Administration, in introducing document MC/EX/666, had recalled that it was standard practice for the Subcommittee to deal with the issue at its spring session and to recommend to the Executive Committee the adoption of an assessment scale to be used for the budget of the following year. The same principles, guidelines and criteria that the Council had endorsed for the assessment scales of previous years had been applied. The Administration had explained in detail how the assessments were calculated and the relationship of the IOM scale with the United Nations scale of assessment.

55. The Subcommittee recommended that the Executive Committee adopt the scale of assessment for the Administrative Part of the Budget, as shown in Annex II, column 4, of document MC/EX/666, and that the governing bodies review the assessment scale for 2007 in May 2006.

56. Without further comment, the Executive Committee approved the proposed adjustment to the IOM assessment scale for 2006 as set out in column 4, Annex II, of document MC/EX/666 and requested that the assessment scale for 2007 be reviewed in the spring of 2006 by the governing bodies.

### **OTHER ITEMS ARISING FROM THE REPORT OF THE SUBCOMMITTEE ON BUDGET AND FINANCE**

#### **Specific matters raised in the statement of the Deputy Director General**

57. Two important issues had been highlighted by the Deputy Director General in her statement to the Subcommittee on Budget and Finance: the Staff Provident Fund and IOM's policy on project-related overhead.

58. The Rapporteur of the Subcommittee on Budget and Finance, providing a summary of the Subcommittee's discussions, said that the first area of concern to the Administration was the Staff Provident Fund. The Staff Association Committee (SAC) had expressed alarm at the low returns generated and the measures undertaken to improve the situation. In order to examine ways of improving staff retirement benefits, the Working Group on Social Security (WGSS) was examining the possibility of joining the United Nations Joint Staff Pension Fund.

59. Secondly, the Deputy Director General had informed Member States of the Administration's desire to review IOM's project-related overhead policy as the current rate of 12 per cent, on staff and office costs only, sometimes appeared high to donors and other partners who were used to the rates of other agencies which applied a lower percentage, but on the total budget. The Administration believed it would be more efficient for all concerned if IOM aligned its policy with the practice applied by many other organizations.

60. Some delegations had indicated their support for the two initiatives and their interest in receiving more information. The Administration had confirmed that it would provide further information on both topics in due course during informal consultations with Member States.

61. The delegate of Belgium said that an increasing number of operators, especially NGOs, were commenting that IOM's overhead charges were very high and that they themselves could provide the same services much more cheaply. The Belgian Government was resisting that pressure for the moment, but the situation was becoming critical. In that context, she requested IOM to supply a comparison between its rates and those of other organizations, including large NGOs. It would be even more useful if IOM could consider reducing its rates, and perhaps broadening the basis on which they were calculated, making comparison with other organizations easier.

### **Outstanding contributions to the Administrative Part of the Budget**

62. The Rapporteur of the Subcommittee on Budget and Finance said that the Subcommittee had considered the Status Report on Outstanding Contributions to the Administrative Part of the Budget (SCBF/278) and its addendum (SCBF/278/Add.1), and indicated that progress had been made by certain Member States in settling arrears. Nevertheless, a large amount remained outstanding. The Deputy Director General had reported on efforts made by the Administration to seek payment of outstanding contributions. She recalled that the previous Chairperson of the Subcommittee had constituted a "Friends of the Chair" Working Group, which had submitted a number of recommendations in 2004, and suggested that the current Chairperson of the Subcommittee could continue the Group's work.

63. Some delegations from countries with outstanding contributions had explained developments in their country's situation and some had indicated that measures had already been taken to make payments towards outstanding amounts.

64. The Subcommittee had taken note with appreciation of the efforts made by some States to pay their outstanding contributions and urged, in particular, the Member States whose contributions had been outstanding for two or more consecutive years to pay their contributions in full or agree to a repayment plan. The Member States which had concluded a repayment plan were requested to respect the repayment conditions.

65. The Administration said that the paper distributed to delegations during the present meeting showed the position as at 6 June 2005 and gave a brief update on the status of outstanding contributions since the report provided to Member States at the Subcommittee session. Since then, payments had been made by: Guatemala, France, Thailand, Japan, Belize, Kyrgyzstan, Azerbaijan, Argentina and Morocco. The situation continued to improve, but, overall, remained alarming, with outstanding contributions of CHF 15.4 million as at 6 June 2005, of which approximately CHF 6.5 million related to contributions for 2004 and earlier. Once again, the Administration urged Member States to make all efforts to address the situation. Given the

limited size of the Administrative Part of the Budget and the constraints of zero nominal growth, the issue of outstanding contributions added to the challenge and difficulty of efficient financial management. A combined effort by the Administration and Member States to renegotiate repayment plans or adopt other flexible approaches was needed.

66. The Deputy Director General added that letters had been sent to countries that had contributions outstanding for one year, two years or more. She emphasized that it would give IOM great pleasure if countries complied with the payment plans agreed with the Administration, and that States pay their contributions at the beginning of the year to provide the funds needed for the current year. At present, some Members had outstanding contributions for one or more years. Often the sums were small but the cumulative effect was considerable and she stressed the need for contributions to be paid in full each year. Naturally, for those who owed large amounts, repayment plans were welcome.

67. The Executive Committee took note of the status report on outstanding contributions to the Administrative Part of the Budget (SCBF/278 and SCBF/278/Add.1) and endorsed the recommendations of the Subcommittee on Budget and Finance at its Ninety-third Session.

#### **Support for developing Member States and Member States with economy in transition – 1035 Facility**

68. The Executive Committee considered the reports on Support for developing Member States and Member States with economy in transition (SCBF/276 and SCBF/277) and the relevant part of the report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668).

69. The Rapporteur of the Subcommittee on Budget and Finance said that the Subcommittee had been informed that the planned evaluation of project outcomes and of the Facility's overall impact would be performed by the Evaluation Unit of the Office of the Inspector General. The Member States would be asked for their views in a questionnaire. The African Group had expressed satisfaction at the equitable distribution of funds in 2004 and urged that that balance be maintained in 2005. It had indicated that it would prefer projects implemented in Africa to be listed separately from those in the Middle East. In response, the Administration had explained that the "four regions approach" was a broad IOM concept that could be changed only at a wider level. A footnote could be used, however, to indicate the value of projects for Africa alone.

70. The delegate of Australia encouraged all Member States to respond to the questionnaire, adding that the informal working group set up to consider the matter had made useful proposals to restructure the 1035 Facility; the proposals merited further reflection in the context of the planned evaluation.

71. The Executive Committee took note of the reports on Support for developing Member States and Member States with economy in transition (SCBF/276 and SCBF/277) and of paragraphs 46 to 51 of the report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668).

## **Delocalization**

72. The Executive Committee examined the Update on Manila delocalization (MC/EX/667) and the relevant paragraphs of the Report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668).

73. The Rapporteur of the Subcommittee on Budget and Finance reported that the Head of the Manila Administrative Centre (MAC) had explained how the transfer of functions to Manila helped contain costs in the face of the Organization's significant growth. The implementation plan on transfers to Manila presented to the Subcommittee in May 2004 was nearly complete and the recommendations of both the External Auditors and the Office of the Inspector General were being implemented to consolidate and streamline the structure. Furthermore, the MAC had proved invaluable to the Organization's capacity to respond rapidly and effectively to the needs of the tsunami victims. Some delegations had commented on the Administration's intention to explore the possibility of establishing another administrative centre in the western hemisphere to further enhance IOM's cost-efficiency and responsiveness, and had asked for regular updates on the process. Others had said that the Administration should ensure that such a centre would be established only in a country that had fully met its financial obligations to the Organization.

74. The Executive Committee took note of the Update on Manila delocalization (MC/EX/667) and of paragraphs 52 to 59 of the Report of the Subcommittee on Budget and Finance on its Ninety-third Session (MC/EX/668).

## **OTHER BUSINESS**

75. The Executive Committee noted that requests for membership had been received from the Governments of Jamaica, Bosnia and Herzegovina and the Gabonese Republic, their assessments being 0.035 per cent. The applications for membership would be considered at the forthcoming Eighty-ninth (Special) Session of the Council.

## **DATE AND PLACE OF THE NEXT SESSION**

76. Pursuant to Council Resolution No. 972 (LXXIV) of 26 November 1997, the Executive Committee would not hold a session in November 2005. The next session would therefore be held in spring 2006 in Geneva, with the provisional dates of 7 and 8 June 2006.

## **CLOSURE OF THE SESSION**

77. The Chairperson thanked the Meetings Secretariat and the interpreters and declared closed the Hundred and second Session of the Executive Committee of the International Organization for Migration at 1 p.m., on Tuesday, 7 June 2005.