

MC/INF/290

**Original: English
9 November 2007**

NINETY-FOURTH SESSION

**OPTIONS FOR THE IOM-UN RELATIONSHIP:
ADDITIONAL ANALYSIS OF COSTS AND BENEFITS**

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INTRODUCTION

1. At the Ninety-second Session of the IOM Council in November 2006, the Administration presented an update (MC/INF/285) to its 2003 document on the IOM-UN relationship (MC/INF/263). Many Member States expressed their views on the issue and the Administration was requested to provide additional analysis in the form of an updated options paper which could serve as the basis for further reflection.

2. The present document responds to this request, addressing in particular specific questions raised and concerns expressed by some delegations in November 2006. It also provides an update on developments in 2007 that affect the question of IOM-UN relations in connection with a possible closer institutional linkage between the two organizations

2007 UPDATE

3. In line with the Council's existing guidance to pursue enhanced relations with the UN system in the framework of the present IOM Constitution and the Organization's independence ("improving the status quo"), the Director General wrote to Secretary-General Ban Ki-moon on 10 July 2007 to bring to his attention deliberations on the question. While making clear that decisions on all institutional matters would have to be taken by IOM Member States, the letter sought to discover whether the UN Secretariat itself had progressed further in its thinking on these issues. The response of the Secretary-General, dated 8 October, indicated that certain avenues appeared closed for legal reasons, such as IOM membership in the Chief Executive Board, but that additional steps might be contemplated, such as an invitation to IOM to participate in the High-Level Committee on Programmes (HLCP) of the Chief Executives Board (CEB) when migration topics were to be addressed. (It is the view of the Administration that the offer of participation in relevant meetings of the HLCP should be explored and, if the Member States of IOM are in agreement, accepted. Copies of the two letters are appended as Annex I.)

4. An important development in 2007 was the dialogue in the Field with the UN Country Teams currently attempting to implement the "One UN" concept. In five of the eight countries selected for "One UN pilots" IOM's country representation is an active member of the UN Country Team (UNCT). In all five, and in a sixth where we are represented by our regional office, we have expressed our willingness to cooperate in the effort to build common agendas and programmes, especially in the area of development, the main focus of the "One UN" effort. Not surprisingly, in line with the reality that "One UN" is still an experiment for the UN system, the responses and reactions to IOM's offer of cooperation have varied from country to country. It is already clear that there are some obstacles to full IOM integration in "One UN". We hope that useful elements of coordination and cooperation can be achieved at the UNCT level, paralleling excellent relations already in existence, for example in the Inter-Agency Standing Committee. We reported last month to the Standing Committee on Programmes and Finance (SCPF) in more detail on this subject, and will continue to furnish updates to the Council as developments occur. Other observations on the "One UN" idea can be found below.

ANALYSIS OF OPTIONS

5. Responding to the request of Member States at the November 2006 Council, we have prepared the following analysis of options for further *rapprochement* with the UN system, should Member States decide to move beyond the *status quo* that most now appear to favour. For purposes of clarity, we have organized this analysis in the form of questions and answers, responding also to the questions most frequently put to the Administration by Member States.

(1) What types of closer institutional links with the UN are possible?

6. There are four principal options which one might consider in order to strengthen IOM's links with the UN. The first is fuller implementation of the existing cooperation agreement between IOM and the United Nations signed in 1996 (see Annex II). The other three would involve new forms of cooperation between the two institutions. They are, respectively, "related agency status", transformation into a UN fund or programme, or specialized agency status. Each option is treated in turn below.

Option (a): Full implementation of the existing cooperation agreement

7. The Administration understands that the current agreement between the UN and IOM is regarded by the United Nations as one of the most comprehensive among those in effect with the UN. There are some areas covered in it which might nevertheless be better exploited, namely:

- the definition of "the appropriate framework" for regular consultations "on all matters of common interest" between the two organizations, (Art. I-1 and I-2). So far, *ad hoc* consultation has taken place on a number of issues, at various levels and at different times, but no formal or regular exchange mechanisms have been set up; the possibility of participating in the HLCP, referred to above, might be an appropriate new venue of consultation.
- the possibility "to act jointly in the implementation of projects that are of common interest" (Art. VI-1), and, in this respect, to "set up commissions, committees or other technical and advisory bodies" (Art. VI-2). While joint activities with the UN Secretariat have been developed in many areas, no commission or any other technical body has been established;
- the activation of a regular consultation mechanism between the UN Secretariat and IOM Administration on matters related to the cooperation agreement (Art. VIII).

Option (b): "Related Agency Status"

8. Based on existing precedent, it is also possible to envisage the negotiation of an entirely new cooperation agreement which, without making IOM a UN specialized agency, might address some specific issues which are not adequately dealt with in the existing agreement: this option has been referred to as "related agency status." It currently applies to agencies like the International Atomic Energy Agency (IAEA), the Organization for the Prohibition of Chemical Weapons (OPCW), the Preparatory Commission for the Comprehensive Nuclear Test Ban Treaty Organization (CTBTO) and the World Trade Organization (WTO).

9. The term "related agency" has to be understood as a default expression, describing organizations whose cooperation agreement with the UN has many points in common with that

of specialized agencies, but does not refer to Art. 57 and 63 of the UN Charter, relevant to specialized agencies (see footnote 4) (and therefore has been finalized following different procedures). The first three organizations mentioned above (IAEA, OPCW and CTBTO) share the main reason for the absence of this reference, namely their responsibilities fall outside the scope of the description given by Art. 57 (“economic, social, cultural, educational, health and related fields”).

10. WTO was established in 1994 as the successor of the General Agreement on Tariffs and Trade (GATT), which did not have the status of specialized agency. WTO itself never tried to acquire such a status but, through an exchange of letters between the UN Secretary-General and the WTO Director General, managed to continue the arrangements existing between the UN and GATT. They include membership in the CEB and the possibility for WTO to enjoy some of the UN facilities, including the use of the *laissez-passer* for its staff.

11. A formula such as the one existing with the WTO might possibly be agreed upon in a revised cooperation agreement provided Member States supported such a development actively. In its contacts with the Administration, the UN Secretariat has made clear that it regards the terms of the agreement with the WTO as unique, and not creating a precedent.¹

Option (c): Transformation of IOM into a UN programme or fund

12. This formula would imply dissolution of IOM as an intergovernmental organization, followed by the creation of a new entity under the overall guidance of the Economic and Social Council (ECOSOC) and the General Assembly. This decision would therefore be implemented according to relevant provisions of the IOM Constitution, namely its Art. 33, which requires a three-quarter majority vote of its Member States.

13. A subsequent decision to constitute IOM (likely under a different name) as a UN fund or programme would be made by the General Assembly through a Resolution, whose terms cannot be fully anticipated at this time.

14. More generally, since the process of transformation from an intergovernmental organization to a UN fund or programme has very few precedents,² such a decision would need to be carefully discussed and planned, in close coordination with the UN. In particular, criteria and modalities for the transfer of IOM staff, assets and liabilities to the newly created body would require extensive preparatory work.

15. In broad terms, rules related to governance, oversight and financial auditing would be radically transformed.

¹ A cooperation agreement – unlike a specialized agency agreement – is usually negotiated and signed by the two administrations and its entry into force is not conditioned upon approval by their respective governing bodies, although they might be expected to endorse it.

² Probably the closest available parallel is the one with UNHCR, which originated from the dissolution of the International Refugee Organization, a specialized agency of the UN. UNHCR, however, represents a unique example itself, since it is neither a fund, nor a programme, but rather a subsidiary body of the General Assembly. It has kept its own governing body (Executive Committee), with a restricted membership; however decisions on its overall governance (including membership of the Executive Committee) are adopted yearly by the General Assembly.

16. With respect to governance, the IOM Council would likely be replaced by an Executive Committee (Ex Com), whose members would be elected by ECOSOC on the basis of geographic representation. Ex Com would report annually to ECOSOC and, through it, to the GA.

17. Concerning oversight, IOM would be subject to general UN oversight measures, including assistance by the Office of Internal Oversight Services (OIOS). As for financial auditing and budgetary issues, the measures applying to funds and programmes are described below (see Question 5).

18. Clearly, reconstitution as a fund or programme would entail a fundamental reduction in IOM's scope for independent action. In this context, it is worth noting the trend in recent years towards closer coordination of the respective governing bodies of various funds and programmes, in the form of meetings and agenda.

19. Staff regulations, on the other hand, should not vary significantly, since IOM is already integrated in the UN Common System.

20. The UN programme or fund option is not considered viable in the light of the current thinking among IOM Member States.

Option (d): Specialized agency status

21. Specialized agencies³ are independent intergovernmental institutions which voluntarily decide to enter into a cooperation agreement with the UN, conferring upon them the status of a UN specialized agency. Unlike UN funds and programmes such as UNDP, UNICEF, WFP, UNFPA and others – which are created by the General Assembly and its subsidiary organs – specialized agencies retain their own independent membership and governing structure, including their distinct Constitution and financial regulations. They negotiate on an equal footing with the UN in deciding on the terms of the agreement.

22. The specialized agencies' affiliation with the UN provides them with an appropriate legal framework to relate to the entire UN system in order to define respective roles and coordination modalities. A similar outcome could be reasonably expected for IOM.

23. It is worth noting that informal talks with UN officials over the course of the past two years, as reported in document MC/INF/285, indicate that to achieve a measurably improved cooperation agreement while preserving the IOM's independence as an institution, it would have

³ There are currently 15 organizations enjoying the status of UN specialized agencies: FAO, ICAO, IFAD, ILO, IMF, IMO, ITU, UNESCO, UNIDO, UNWTO, UPU, WHO, WIPO, WIMO, World Bank Group (IBRD, IDA, IFC).

to be elaborated within the framework of Article 57 and Article 63 of the UN Charter,⁴ which would entail specialized agency status. A revised agreement which did not refer to Articles 57 and 63 of the UN Charter would not, for example, resolve the issues of formal inclusion in the coordination mechanisms. Likewise, the reciprocal recognition of scope of action which would ensure that there would be no duplication in the activities of the UN and IOM in the migration field would not be addressed in the absence of such reference (see 2 (a) below).

24. Should the IOM Council decide to seek specialized agency status for IOM, ECOSOC would need to be notified of the interest of the Organization to enter into negotiations. Upon ECOSOC approval of such a request, the text of the agreement would be negotiated and would enter into force only after its approval by both the UN General Assembly and the IOM Council. The entire process could be expected to be completed within a two-year time span and would not require amendments to the IOM Constitution or ratification by Member States.

(2) What are the legal implications of specialized agency status?

25. The precise terms of the agreements between the UN and the existing specialized agencies, while following a common basic structure, may vary on specific issues since the agreements have been individually negotiated by the parties and at different times. The texts of agreements concluded in the immediate aftermath of the creation of the UN (such as those with ILO, WHO, FAO, IMF and the World Bank) differ significantly from the basic text of more recent agreements. In broad terms, however, all agreements include the following elements (examples are drawn from existing agreements, in particular from those concluded more recently, especially when they differ from older ones):

a. Recognition: *“The United Nations recognizes the World Tourism Organization as a specialized agency of the United Nations responsible for taking such actions as may be appropriate under its Statutes for the accomplishment of the objectives set forth therein.*

The United Nations recognizes the decisive and central role of the World Tourism Organization, as an intergovernmental organization in world tourism, as enshrined in its Statutes.”⁵

⁴ Art. 57: “1. The various specialized agencies, established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health, and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.

2. Such agencies thus brought into relationship with the United Nations are hereinafter referred to as specialized agencies.”

Art. 63: “1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.

2. It may co-ordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations”.

⁵ Art.1, Annex to GA Resolution 58/232 of 23 December 2003, entitled “Agreement between the United Nations and the World Tourism Organization”.

26. This formula - which is significantly stronger than the one employed in the current IOM-UN cooperation agreement⁶ - may vary, but it is generally meant to acknowledge the leading role of specialized agencies in their respective domains, and is to be read in conjunction with the article of the agreements dealing with cooperation and coordination, as follows:

b. Coordination and Cooperation: *“In its relations with the United Nations, its organs and the agencies of the United Nations system, the Organization recognizes the co-ordinating role, as well as the comprehensive responsibilities in promoting economic and social development, of the General Assembly and the Economic and Social Council under the Charter of the United Nations. The Organization, in the exercise of its co-ordinating role in the field of industrial development, recognizes the need for effective co-ordination and co-operation with the United Nations, its organs and the agencies within the United Nations system. Accordingly, the Organization agrees to co-operate with the United Nations in whatever measure may be necessary to effect the required co-ordination of policies and activities. The Organization agrees further to participate in the work of any United Nations bodies which have been established or may be established for the purpose of facilitating such co-operation and co-ordination, in particular through its membership in the Administrative Committee on Co-ordination”*⁷.

c. Recommendations of the UN: *“The Food and Agriculture Organization of the United Nations ...agrees to arrange for the submission, as soon as possible, to the appropriate organ of the Organization, of all formal recommendations which the United Nations may make to it.*

*The Food and Agriculture Organization of the United Nations agrees to enter into consultation with the United Nations upon request with respect to such recommendations, and in due course to report to the United Nations on the action taken by the Organization or by its members to give effect to such recommendations, or on the other results of their consideration”*⁸.

d. Reporting: Specialized agency status agreements all include provisions for the submission to the UN of “regular” or “annual” reports on the activities of the concerned organizations; in some of them, the agencies commit themselves to also submitting, upon request, “special reports, studies or information”.

27. However, while ECOSOC and/or the GA receive and examine regular reports from UN funds, programmes and other kind of subsidiary bodies (which in most cases form the basis for subsequent Resolutions providing strategic guidance to those entities), specialized agencies have long discontinued these reporting practices. As a practical result, current practices indicate that agencies are not submitting any kind of annual or regular report, but do contribute to reporting on thematic issues pertaining to their mandate. For instance, ILO routinely contributes to the

⁶ Recognition of IOM’s role is part of the preamble to the existing agreement: “Acknowledging that the International Organization for Migration, committed to the principle that humane and orderly migration benefits migrants and society, is mandated under its Constitution to assist in meeting the operational challenges of migration; advance understanding of migration issues; encourage social and economic development through migration; and work towards effective respect of the human dignity and well-being of migrants”.

⁷ Art. 2, Annex to GA Resolution 40/180, of 17 December 1985, entitled “Agreement between the United Nations and the United Nations Industrial Development Fund”.

⁸ Art. IV of the “Agreement between the United Nations and the Food and Agricultural Organization of the United Nations” of 10 June 1946.

Secretary-General's reports on the issue of employment, whenever it is relevant to specific meetings or events to be held at the UN.⁹

e. UN Laissez-Passer: “Officials of the World Tourism Organization shall be entitled, in accordance with such special arrangements as may be concluded between the Secretary-General of the United Nations and the Secretary-General of the World Tourism Organization, to use the laissez-passer of the United Nations”.¹⁰

28. On the basis of Article VII, Section 28¹¹ of the Convention on the Privileges and Immunities of the United Nations, specialized agency agreements extend to the agencies' staff the possibility to receive the *laissez-passer*. The extension to IOM staff of the UN laissez-passer could significantly ease situations where lack of a recognized travel document for IOM staff constitutes a practical obstacle to its work.

f. Other topics: Specialized agency agreements contain a number of provisions covering different areas of cooperation between the UN and the concerned agency. Without entering into the specific details of those clauses, it can be said that they all aim at establishing the maximum level of cooperation and avoiding duplication. Some of them do not differ significantly from the clauses stipulated in the current UN-IOM cooperation agreement; however, a few points deserve some particular attention in this context:

- Concerning the issue of reciprocal representation, while IOM already has the right to take part in the deliberations of all UN organs and respective committees and commissions with respect to items on their agenda related to IOM's scope of activities, specialized agency agreements typically also grant the right to request the inclusion of specific items in the agenda of UN organs and bodies (and, symmetrically, they grant the same right to the UN with respect to the agencies' governing bodies).
- The existing cooperation agreement between IOM and the UN calls on both parties to “make every effort possible to ensure optimum utilization of statistical and legal information, and efficient use of their resources to compile, analyse, publish and disseminate such information”.¹² This clause is normally substantially stronger in specialized agency agreements, particularly through a reference to the “elimination of all undesirable duplication” and to a “close coordination in their respective statistical initiatives”. In addition, standard agreements contain a mutual recognition of the reciprocal role as “the appropriate organization” to collect, analyse and publish statistics in their own domains.
- A similar mutual recognition, compounded by efforts at avoiding duplications, is normally contained in specialized agencies' agreements in the area of technical assistance, which also acknowledge the “overall responsibilities of the resident coordinators for operational activities for development, as formulated in the relevant General Assembly resolutions”.

⁹ See, for instance, report entitled “Promoting Full Employment and Decent Work for All” (n. E/C.n5/2007/2), the main reference document for the 45th session of the Commission for Social Development. Footnote on page one acknowledges the section of the report drawn from ILO publications.

¹⁰ Agreement with the World Tourism Organization, Art.18.

¹¹ “The provisions of this article may be applied to the comparable officials of specialized agencies if the agreements for relationship made under Article 63 of the Charter so provide.”

¹² IOM-UN cooperation agreement, Art. IV.

- In the same vein, clauses on administrative cooperation call for “the most efficient and harmonized use of facilities, staff and services and appropriate methods of avoiding the establishment and operation of competitive or overlapping facilities and services”. They also anticipate the possibility of “continuing or establishing common facilities or services in specific areas”.
- Personnel arrangements described in specialized agency agreements require the agency to accept the Statute of the International Civil Service Commission. They also call for consultation on matters relating to the terms and conditions of employment of staff, “with a view to securing as much uniformity in these matters as may be feasible”, and for cooperation “in the interchange of personnel when desirable, on a temporary or a permanent basis”.

(3) How would specialized agency status affect IOM’s decision-making processes?

29. As described in the preceding paragraphs, specialized agencies are accountable only to their membership. Interaction with the General Assembly (GA) and ECOSOC takes place in different formats, and there is no regular, operating mechanism allowing UN main bodies directly to intervene in the decision-making process of specialized agencies, or to exert their guidance, oversight, or budgetary control over them. UN bodies can, however, address recommendations and submit requests to the agencies’ respective Governing Bodies.

30. The GA’s most relevant instrument for interaction with specialized agencies is its triennial Resolution entitled “Triennial comprehensive policy review of operational activities for development of the United Nations system”. The main objective of the Resolution is to increase coherence and coordination of different UN entities in operational activities, especially at the country level. Recommendations contained in these Resolutions tend to be rather broad and general.

31. In addition, the GA and ECOSOC may request the Governing Bodies of specialized agencies to take action on specific issues on their agenda. Also in this instance, guidance from them takes the form of Resolutions.¹³ The legal basis for issuing similar recommendations is contained in Art. 58¹⁴ and 62¹⁵ of the UN Charter, and is reflected in specific provisions of existing Specialized Agency Agreements between the UN and concerned agencies.

32. It is useful to note that those provisions do not differ significantly from the equivalent clause contained in the cooperation agreement between IOM and the UN, which stipulates (Article V, comma 3) “*The International Organization for Migration shall take into consideration any formal recommendations that the United Nations may take to it and, upon request, report to the United Nations on the action taken by it, within its mandate, in order to respond to or otherwise give effect to such recommendations*”.

¹³ As an example, GA Resolution A/Res/60/221, in its OP 9 “Request International Organizations, in particular the World Health Organization and the United Nations Children’s Fund to assist efforts of national governments to establish universal protection of young children...”

¹⁴ Art. 58: “The Organization shall make recommendations for the co-ordination of the policies and activities of the specialized agencies”.

¹⁵ Art. 62: “The Economic and Social Council may make or initiate studies and reports with respect to international economic, social, cultural, educational, health and related matters and may make recommendations with respect to any such matters to the General Assembly, to the Members of the United Nations and to the specialized agencies concerned”.

33. Besides the GA and ECOSOC, the UN Secretary-General - in his capacity as chairman of the Chief Executives Board - also exerts a coordinating role over all UN entities, which might in turn influence their decision-making process (see below, question 9). However, as a general principle, decisions taken by the CEB as well as by other inter-agency coordination mechanisms do not have an impact on the mandate or the general policy of specialized agencies. Consequently, specialized agency status would not affect the authority of the IOM Council as the supreme decision-making body for the Organization.

34. A separate but related question is whether political guidance emanating from the Secretary-General, the General Assembly or the Security Council would be binding on IOM should it become a specialized agency.

(4) How would it affect day-by-day in-country activities?

35. Specialized agencies are full members of the UN Country Teams, under the nominal leadership of the resident coordinator, although they retain operational and administrative independence (including financially) in the country, and autonomous representation.

36. Full membership in the Country Teams (UNCTs), operating under the resident coordinator system, implies involvement in policy and operational coordination through several mechanisms, such as the Common Country Assessments (CCAs) and the UN Development Assistance Framework (UNDAF); common security contingency measures and emergency preparedness; sharing of communication and other logistical resources, etc. It also allows use of and reliance on the resident coordinator system in countries where the organization is not physically represented, a benefit not available to IOM.

37. The ongoing “*One UN*” reform process calls for a stronger integration of activities at the country level, and foresees new and strengthened common mechanisms for UN entities, under the title “one leader, one programme, one office, one budgetary framework”. However this process - currently in a pilot phase in eight countries - concerns in the first instance UN programmes and funds, leaving to specialized agencies substantial discretion in determining the level of their own involvement.

38. One interesting aspect of the “One UN” process is the possibility of creating, at the country level, a common Fund as a vehicle for receiving new resources pooled by donors to support unfunded portions of commonly planned activities. While modalities of such a Fund are still under discussion and may differ from one country to another, there are already indications that IOM in its current status might not be a direct beneficiary of the Fund - even in a context where it is integrated in the UN Country Team.

39. While it is not possible at this stage to anticipate the final outcome of this exercise, it is possible that over time, a stronger integration among UN entities operating in a country might make it more difficult for organizations which are not formally part of the UN system to retain or exercise their “*de facto*” membership in the country teams and related funding mechanisms.

(5) How would budgetary and financial decisions be affected by specialized agency status?

40. Cooperation between the UN and specialized agencies in budgetary and financial matters generally includes three different elements: acceptance on the part of the specialized agency of the Statute of the Joint Inspection Unit; an effort to establish “the maximum level of coordination and uniformity”; and submission of the specialized agencies’ budget to the GA.

41. As an example, the agreement with the World Tourism Organization stipulates the following:

“The World Tourism Organization agrees to accept the Statute of the Joint Inspection Unit.

The World Tourism Organization agrees to conform, as far as may be practicable and appropriate, to standard practices and forms recommended by the United Nations....

In the preparation of the budget of the World Tourism Organization, the Secretary-General of the World Tourism Organization shall consult with the Secretary-General of the United Nations with a view to achieving, insofar as practicable, uniformity in the presentation of the budgets of the United Nations and of the agencies within the United Nations system for the purposes of providing a basis for comparison of the several budgets without precluding the use by each organization of different currencies to formulate its budget.

The World Tourism Organization agrees to transmit its proposed budgets to the United Nations not later than when the said budgets are transmitted to its members so as to enable the General Assembly of the United Nations to examine them and make recommendations, in accordance with art.17, paragraph 3, of the Charter of the United Nations”.

42. Substantially identical provisions are included in all agreements between the UN and specialized agencies (except for the World Bank and the IMF). However, aside from cooperation with the Joint Inspection Unit (see question 6 below),¹⁶ their practical application is very limited. In particular, efforts to harmonize budget presentation have received significant attention for a number of years, and progress has been achieved in the development of common standards and criteria. However, actual harmonization – which remains on a purely voluntary basis – has not been achieved.

43. Even more relevant is the lack of implementation of the clause concerning prior submission of proposed budgets to the GA, in order to allow it to make recommendations, a principle stated in Art.17, paragraph 3 of the UN Charter,¹⁷ and therefore incorporated in all agreements, except those with the World Bank (WB) and the International Monetary Fund (IMF).

44. Research undertaken in cooperation with the UN Secretariat has revealed that in the early years after the creation of the UN, specialized agencies abided by this practice, and the GA

¹⁶ All specialized agencies, except WB, IMF and IFAD have accepted the statute of the Joint Inspection Unit.

¹⁷ “The General Assembly shall consider and approve any financial and budgetary arrangements with specialized agencies referred to in Article 57 and shall examine the administrative budgets of such specialized agencies with a view to making recommendations to the agencies concerned”. It is worth mentioning that, while all agreements recall this clause, only a few expressly refer to “administrative” budget (see, for instance, Article VII, paragraph 3 of the agreement between the United Nations and the International Fund for Agricultural Development).

mandated the Advisory Committee on Administrative and Budgetary Questions (ACABQ)¹⁸ to prepare a report on the draft budget proposals of the different agencies, for submission to the GA. The report was prepared in close cooperation with the executive heads of concerned agencies and the overall approach of the ACABQ was “to help agencies rather than to impose views on them”.¹⁹

45. Endorsing a recommendation from the ACABQ, the General Assembly decided at its 36th session²⁰ that such detailed report would be submitted once every two years, beginning in 1982, while in the odd-numbered years the report would be confined to tabular material, supplemented, as necessary, by studies of special topics.²¹

46. Subsequently, at its 47th session, the General Assembly passed a Decision²² asking the Secretary-General, under the auspices of the UN System Chief Executives Board (CEB), to submit a biennial statistical report on the “Budgetary and Financial Situation of Organizations of the United Nations System”. This report²³ has therefore replaced²⁴ the one prepared by the ACABQ. It is in substance similar to the one prepared by ACABQ in odd-numbered years, and therefore contains tables on regular and extra-budgetary resources and expenditures of all UN agencies, funds and programmes, of the UN Secretariat, as well as a number of other UN entities.²⁵ It is a compilation of financial data made available by the concerned UN entities for information purposes exclusively. In fact, this is the only official document providing a comprehensive view of the budget of the “UN system”. No recommendations or comments are made and the General Assembly simply takes note of the report.²⁶

47. It is useful to recall that a much tighter level of scrutiny is reserved by the GA to financial reports and audited financial statements of the UN, its funds and programmes and other entities, excluding specialized agencies. Those reports are submitted to the UN Board of Auditors and, subsequently, to the ACABQ. Both present their recommendations to the GA – through its Fifth Committee - which, in turn, passes a Resolution in which it normally “accepts” the financial

¹⁸ Rule 157 of the General Assembly rule of procedures, adopted by the GA in 1946, states, *inter alia*, that ACABQ “shall examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial and budgetary arrangements with such agencies”. Rule 157 has been amended several times since – the latest in 1977 – but not on this specific provision.

¹⁹ Paper submitted to ECOSOC by the Secretary-General E/5491 of 30 April 1974, page 33. The paper, entitled “Towards greater order, coherence and co-ordination in the United Nations system”, had been prepared as part of UNITAR’s programme of studies by the former Assistant Secretary-General for Inter-Agency Affairs, Mr. Martin Hill.

²⁰ See Resolution 36/229 of 18 December 1981, paragraph 5.

²¹ Latest available examples of the detailed and of the shorter report by ACABQ can be found, respectively, in UN documents A/45/798 and A/44/711.

²² Decision 47/449.

²³ The latest available report is contained in UN document A/61/203 of 28 of July 2006.

²⁴ A/61/203 states, in its summary on the front page “The present report on the budgetary and financial situation of organizations of the United Nations System is the only system-wide source of these statistics. Until 1991 the report, in a slightly modified format, was produced by the Advisory Committee on Administrative and Budgetary Questions and included in its annual reports on administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency.”

²⁵ The latest biennial report provides budgetary information also on IOM, whose inclusion seems justified by IOM’s participation to the UN Common System.

²⁶ See, for instance, draft Decision (pending publication of the final document) A/61/pv.84 approved by the General Assembly without a vote on the basis of draft Decision approved by the Fifth Committee A/C.5/61/L.7, whose four-line text is the following “The General Assembly takes note of the note by the Secretary-General transmitting the statistical report of the United Nations System Chief Executives Board for Coordination on the budgetary and financial situation of the organizations of the United Nations system”.

reports, “approves” the recommendations and conclusions of the Board of Auditors, “endorses” the observations and recommendations of the ACABQ and addresses specific requests, comments or recommendations to the concerned UN entities.²⁷

(6) Would external oversight and financial audit of IOM be affected?

48. The ongoing mechanisms – both for internal and external oversight - would remain in place, and it will be up to the IOM Council alone to decide any change in this area.

49. However, by becoming a UN specialized agency, IOM would likely accept the statute of the Joint Inspection Unit (JIU), a subsidiary organ of the GA acting as an independent external oversight body of the UN system, mandated in particular to conduct evaluations, inspections and investigations system-wide. The JIU, which is based in Geneva, is comprised of 11 inspectors, appointed by the GA²⁸ for a term of five years.

50. IOM would also adhere to the International Civil Service Commission (ICSC), an expert body responsible for the regulation and coordination of service of staff within the UN, the specialized agencies and other international organizations participating in the UN common system.²⁹

(7) Which new coordination mechanisms would IOM become involved in?

51. By joining the UN system, IOM would automatically become a member of the Chief Executives Board (CEB), which twice a year brings together the executive heads of UN system organizations, as well as subsidiary CEB organs.³⁰

52. The CEB, headed by the UN Secretary-General, furthers coordination and cooperation on substantive and management issues facing United Nations system organizations. In addition to its regular reviews of contemporary political issues and major concerns facing the UN system, and on the basis of recommendations from its subsidiary bodies, the CEB approves policy statements on behalf of the UN system as a whole.

53. The CEB makes yearly reports to ECOSOC on its work³¹ on inter-agency coordination, in which it also refers to cross-cutting and emerging issues. Those reports are jointly prepared by UN entities participating in the CEB.

54. The CEB has a small, full-time Secretariat located in the United Nations’ Department for Economic and Social Affairs (DESA). It is also supported by two high-level committees: one

²⁷ The text of the latest relevant GA Resolution – pending its final publication – can be found in UN document A/61/631 of 13 of December 2006.

²⁸ The Unit issues reports, notes and confidential letters. Reports are addressed to the one or more organizations concerned or to all the organizations when the subject is of interest to the System as a whole, for consideration by the competent legislative organs of the organizations concerned. Notes and confidential letters are submitted to executive heads for use by them as they may decide. The Unit submits an annual report to the General Assembly and to the competent organs of the participating organizations.

²⁹ The ICSC has decision-making authority in specific areas, such as post-adjustment indices, methodology to determine salary levels, etc, while in other areas it formulates recommendations to the GA or, in relation to specialized agencies, to their executive heads.

³⁰ Besides the 15 specialized UN agencies, current CEB members include: AIEA, WTO, UNCTAD, UNDP, UNEP, UNHCR, UNRWA, UNICEF, UNFPA, WFP, UNODC, and UN-HABITAT.

³¹ See the latest report E/2006/66.

responsible for substantive programme areas (HLCP) and the other for the strategic management of the organizations (HLCM). They are composed of the most senior managers of the organizations of the system in the programmatic and administrative areas, respectively. HLCP and HCLM both hold regular sessions twice a year, and undertake consultations and coordination on a continuing basis. IOM's participation in the CEB would imply participating in those committees. To the greatest extent, these obligations could be covered by existing staff but there would likely be the need for an additional junior official, posted either at Headquarters or in New York, to support these additional interagency responsibilities.

55. In addition, IOM would likely seek membership in the UN Development Group (UNDG), which brings together 28 agencies, funds and programmes working on development³² and technical cooperation. UNDG has considerably expanded in recent years, both in terms of its membership and of its structure, which is supported by the UN Development Group Office (UNDGO). The group meets at least three times a year at the level of principals to decide on issues related to country level coordination including those aimed at achieving the Millennium Development Goals (MDGs) and other internationally agreed development objectives.

56. UNDG also meets at the regional level, as well as at the country level, and its coordination role is a crucial component of the "One UN" process described above (see Question (4) above).

57. As a specialized agency with a strong involvement in humanitarian assistance, IOM would also become a member of the Executive Committee on Humanitarian Assistance (ECHA), which brings together all humanitarian agencies of the UN system.³³

58. Finally, as a full member of the UN family, IOM would be granted membership in all UN Country Teams, and would be fully integrated in the resident coordinator and humanitarian coordinator mechanisms.

59. Membership in all the above mechanisms could enhance the capacity of the Organization to contribute to shaping the role of the UN system in dealing with migration-related activities. It would also allow IOM to advocate more effectively for recognition of the importance of migration within national and international development agendas, while at the same time helping to ensure that overlap and duplication in the migration field are avoided.

(8) What are the financial implications of specialized agency status?

60. Whereas specialized agency status *per se* does not entail additional costs, the ensuing membership in the coordination mechanisms mentioned under Question 7, as well as adherence to the JIU and the ICSC (see Question 6), would require IOM to join cost-sharing arrangements. A preliminary assessment of additional costs provided by the UN Secretariat, based on current parameters, puts those costs at some USD 210,000 per annum.

61. Participation in the same mechanisms would also have limited staff and budget implications, including for additional reporting and travel, although the magnitudes are difficult to estimate.

³² In addition UNDG currently has five observers.

³³ Participation into the third coordination committee of the UN, namely the Executive Committee on Peace and Security (ECPS) is also possible, at least with observer status.

62. At the same time, affiliation with the UN family would result in some cost reductions, particularly in the area of custom duties and fiscal exemption, both for the Organization and for its staff, which would accrue from application to IOM of the 1947 Convention on Privileges and Immunities.

(9) How would IOM's staff be affected by IOM becoming part of the United Nations?

63. Implications for IOM staff members of possible changes in IOM's status deserve to be carefully considered. While any decision in this respect belongs exclusively to Member States, information and exchange of views with the staff could likely be considered as a useful component of an informed decision. Such a consultation has never been formally undertaken.

64. It is however useful to remember that the main parameters of IOM's staff, including grades and salaries, are already the ones adopted in the UN common system.³⁴ In addition, at the beginning of 2007, IOM joined the UN Joint Staff Pension Fund. No particular changes in staff status or remunerations systems would therefore be likely if IOM were to become a specialized agency.

(10) If IOM is working well and growing at the same time, what is the argument in favour of changing its relationship to the UN?

65. There are three main arguments in favour of closer ties to the UN. How these considerations fit with the advantages of independence, flexibility, creativity and results orientation is for IOM Member States to decide.

66. First, IOM is at present at an unfair practical disadvantage *vis-à-vis* its UN partners.

- IOM participation in UN Country Teams (UNCTs) is currently granted "*de facto*" in the majority of countries where IOM operates. However, IOM's participation often has the nature of "observership" instead of full "membership". For example, IOM Chiefs of Mission can be denied access to shared resources and meetings where issues relevant to IOM's work are discussed if the Resident Coordinators so decide. Similarly, IOM can be excluded from leadership of relevant thematic groups on the basis of its non-UN status, even if it is the intergovernmental organization represented in a given location which is best suited to do so by virtue of experience and concrete programme activity. Lack of full association with the UN system therefore excludes IOM from contributing to practical debate and to finding cost-effective collaborative solutions. With renewed efforts by the UN to establish a more coherent, inclusive and cohesive presence at the country level under the banner of "One UN", there is already some evidence that the ambiguous nature of IOM's loose affiliation with UN Country Teams could prove an obstacle to closer working relations and coherence.

³⁴The common system represents common standards, methods and arrangements being applied to salaries, allowances and benefits for the staff of the United Nations, those specialized agencies which have entered into a relationship with the United Nations, the International Atomic Agency and a number of other international organizations. The common system is designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel and to facilitate the interchange of personnel. It applies to over 52,000 staff members serving at over 600 duty stations.

- Exclusion from the UN Chief Executives Board implies for IOM and its membership that policy debate and decisions amongst intergovernmental organizations in areas of direct concern to the Organization will take place without IOM input or involvement.
- Similar considerations prevent IOM from taking part in the work of the UN Development Group (UNDG), the UN Executive Committee on Humanitarian Affairs (ECHA) and other bodies. To the extent that each of these considers analysis and plans action by the UN with implications for IOM programmes, and vice versa, the inability to benefit from and contribute to the discussions impacts on the quality of IOM's own planning and operational effectiveness.
- New funding mechanisms are constantly being created within the UN framework, often as a result of stronger coordination and harmonization among donors and agencies. Examples are the newly-established Peacebuilding Fund or country-specific multi-donor trust funds (MDTFs). These tend to share several common features, including restricted access for UN entities only.

67. Second, there is a growing call from many quarters for a stronger UN involvement in policy debate and international cooperation on migration. This trend has been evident since at least 2002, with the issuance of the Secretary-General's Report entitled "Strengthening the United Nations: An Agenda for Further Change", and has been enhanced by several subsequent initiatives such as the Global Commission on International Migration, the appointment of a Special Representative of the SG for Migration, the convening by the General Assembly of the first High-Level Dialogue on International Migration and Development, and discussions surrounding the relationship between the UN and the Global Forum on Migration and Development. The expansion of the former Geneva Migration Group (GMG) and its renaming as the Global Migration Group should also be seen in this context. As the UN is now starting to address migration in a systematic fashion, the relationship between the UN and IOM should be a central consideration.

68. Third, there are elements of an administrative nature which should also be considered. Recognition for the Organization and its staff members of the legal status defined in the 1947 Convention on the Privileges and Immunities of Specialized Agencies, for example, is of increasing relevance for an organization with a growing global presence and activity base, often in insecure locations. Access to the UN *laissez-passer* would be a real advantage to IOM staff. These factors impact on cost-effectiveness and staff security.

CONCLUSION

69. Responding to the Council's request at its Ninety-second Session in November 2006, the Administration has laid out further analysis of potential costs and benefits of the main available options for a strengthened relationship between IOM and the United Nations. It is clear that these carry different implications and relate directly to Member States' expectations of IOM as an institution, their views of the level of independence they desire for the Organization, and their conception of the place of international migration in the international system.

INTERNATIONAL ORGANIZATION FOR MIGRATION

THE DIRECTOR GENERAL

GENEVA, SWITZERLAND

10 July 2007

Dear Mr. Secretary General,

I retain pleasant memories of our meeting in New York in December and our occasional encounters since, including last week at ECOSOC. I congratulate you on your successful first six months in office. This letter is meant to continue the discussion of UN-IOM relations that we began in December and contains two specific requests.

Our 120 Member States, while preferring that IOM retains its present Constitution, are in favour of our seeking closer collaboration with the United Nations. IOM already enjoys observer status in the General Assembly and is an active member of John Holmes' Inter-Agency Standing Committee and the Global Migration Group, currently chaired by Sha Zukang. We maintain an Observer Mission in New York and have cooperation agreements with the UN and many of its subsidiary entities. We are also active in the One UN effort in Vietnam and elsewhere.

Provided you see the desirability of closer ties, as we do, I have two suggestions for steps we could take right now. While both have been suggested previously, I believe it is appropriate to provide you with the opportunity to have a fresh look and make your own judgment.

The first would be to add IOM to the *UN Development Group*. The important links between migration and development have been firmly recognized by the UN High Level Dialogue on International Migration and Development and the follow-on Global Forum.

The second suggestion would be to invite IOM to *Chief Executive Board* meetings. Given the intense interest in migration in all its political, economic, humanitarian, social, health, environmental and security dimensions, I am certain that UN agency heads would profit from the opportunity to have our views in their discussions and we would profit from having theirs.

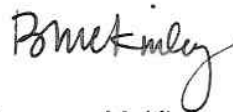
The Honourable Ban Ki-moon
Secretary-General
United Nations
New York, N.Y. 10017
U.S.A.

- 2 -

The advantages of these two steps are apparent. For us, it would mean membership in bodies where important discussions are held and decisions taken regarding global priorities for multilateral action. The access thus gained would deepen mutual understanding and encourage cooperation. For you, it would help fill a gap in policy and operational coverage by bringing closer the leading multilateral migration agency and allowing you to know about, call upon and collaborate with us more directly and more easily than is presently possible.

In hopes that these suggestions may find favour, and wishing you again every success in your high responsibilities, I remain

Sincerely yours,



Brunson McKinley



THE SECRETARY-GENERAL

8 October 2007

Dear Mr. McKinley,

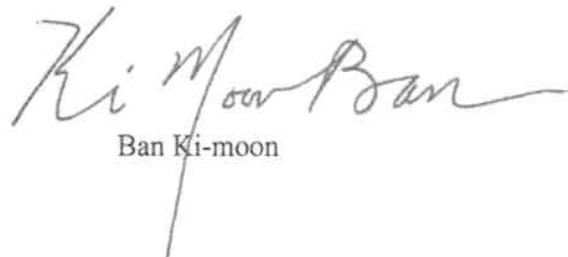
I would like to thank you for the kind wishes expressed in your letter of 10 July 2007, in which you suggest that the International Organization for Migration (IOM) should be added to the United Nations Development Group (UNDG) and to the Chief Executive Board (CEB) Meetings.

As indicated in your letter, the IOM is a very valued partner of the United Nations. We appreciate the important policy discussions we engage in with the IOM under the auspices of the inter-agency Global Migration Group in Geneva. The IOM is also an active participant in the Inter-Agency Standing Committee (IASC), chaired by Under Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Mr. John Holmes, which brings together the members of the United Nations Executive Committee for Humanitarian Affairs (ECHA) with major intergovernmental organizations (IGO) and non-governmental organization (NGO) partners. Moreover, I am particularly pleased to see that our collaboration at the country level continues to expand, and that IOM is routinely invited to join the expanded meetings of the United Nations Country Team.

We do not yet have a body like the IASC which brings together the UNDG members with the IGO and NGO partners. Similarly, CEB membership is restricted to Specialized Agencies with formal relationship agreements with the United Nations, as well as to the Funds and Programmes of the United Nations. It would, therefore, not be possible for the IOM to be a formal member of either of these bodies. However, the IOM could be invited to join the High-Level Committee for Programme, a subsidiary body of the CEB, when relevant issues are on the agenda.

In addition, I look forward to continue discussing with you on possible ways to deepen the close collaboration between our two organizations at headquarters and in the field.

Yours sincerely,



Ban Ki-moon

Mr. Brunson McKinley
Director General
International Organization for Migration
Geneva

Annex II

COOPERATION AGREEMENT BETWEEN THE UNITED NATIONS AND THE
INTERNATIONAL ORGANIZATION FOR MIGRATION

The United Nations and the International Organization for Migration,

ACKNOWLEDGING that the purposes of the United Nations are, *inter alia*, to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character and in promoting and encouraging respect for human rights and fundamental freedoms, and to be a centre for harmonizing the actions of nations in the attainment of these common ends,

ACKNOWLEDGING that the International Organization for Migration, committed to the principle that humane and orderly migration benefits migrants and society, is mandated under its Constitution to assist in meeting the operational challenges of migration; advance understanding of migration issues; encourage social and economic development through migration; and work towards effective respect of the human dignity and well-being of migrants,

TAKING NOTE that the relevant resolutions of the United Nations General Assembly, in particular resolution 47/4 of 16 October 1992, and those of the Council of the International Organization for Migration, in particular resolution No. 923 (LXXI) of 29 November 1995, call for intensified cooperation between the two Organizations,

CONSCIOUS of the need for closer cooperation between the United Nations and the International Organization for Migration in matters of common interest, and desirous of further enhancing and strengthening such cooperation,

HAVE AGREED AS FOLLOWS:

ARTICLE I

COOPERATION AND CONSULTATIONS

1. The United Nations and the International Organization for Migration shall act in close collaboration and hold consultations regularly on all matters of common interest.
2. To this end, the two parties shall consider the appropriate framework for such consultations as and when necessary.

ARTICLE II

ATTENDANCE AT MEETINGS

1. In accordance with the applicable rules of procedure and decisions taken by the competent bodies concerning the attendance of meetings by observers, the United Nations shall invite the International Organization for Migration to send representatives to meetings and conferences convened by the United Nations at which intergovernmental organizations have been invited to attend as observers, whenever matters of interest to the International Organization for Migration are discussed.
2. In accordance with the applicable rules of procedure and decisions taken by the competent bodies concerning the attendance of meetings by observers, the International Organization for Migration shall invite the United Nations to send representatives to meetings and conferences convened by the International Organization for Migration at which intergovernmental organizations have been invited to attend as observers, whenever matters of interest to the United Nations are discussed.

ARTICLE III

EXCHANGE OF INFORMATION AND DOCUMENTATION

1. The United Nations and the International Organization for Migration agree to exchange information and documentation in the public domain to the fullest extent possible on matters of common interest.
2. Where appropriate, and subject to the necessary requirements, information and documentation relating to specific projects or programmes may also be exchanged between the parties with a view to ensuring complementary action and effective coordination between the two Organizations.

ARTICLE IV

STATISTICAL AND LEGAL INFORMATION

The United Nations and the International Organization for Migration shall, subject to their respective rules and regulations, make every effort possible to ensure optimum utilization of statistical and legal information, and efficient use of their resources to compile, analyse, publish and disseminate such information.

ARTICLE V

ADMINISTRATIVE AND TECHNICAL COOPERATION

1. The United Nations and the International Organization for Migration agree to strive for the maximum cooperation and coordination to ensure complementary action at headquarters and field levels.
2. Each Organization shall endeavour, in so far as possible and in compliance with its constituent instruments and decisions of its competent bodies, to respond favourably to requests for cooperation, in accordance with procedures to be mutually agreed upon.
3. The International Organization for Migration shall take into consideration any formal recommendations that the United Nations may make to it and, upon request, report to the United Nations on the actions taken by it, within its mandate, in order to respond to or otherwise give effect to such recommendations.
4. The International Organization for Migration shall cooperate with the United Nations Economic and Social Council in furnishing information and rendering assistance in regard to matters of common interest.
5. In order to further strengthen inter-secretariat coordination, various mechanisms will be used, including, when relevant, the appropriate inter-agency coordinating bodies, subject to their terms of reference and rules of procedure.

ARTICLE VI

JOINT ACTION

1. The United Nations and the International Organization for Migration may, through special arrangements, decide to act jointly in the implementation of projects that are of common interest. The special arrangements shall define the modalities for the participation of each Organization in such projects and shall determine the expenses payable by each of them.
2. The United Nations and the International Organization for Migration may, whenever they consider it desirable, set up commissions, committees or other technical or advisory bodies, on terms and conditions to be mutually agreed upon in each case, to advise them on matters of common interest.
3. The United Nations Certificate shall be issued to staff of the International Organization for Migration performing functions or travelling on official business for the United Nations.

ARTICLE VII

COOPERATION BETWEEN THE SECRETARIATS

1. The Secretary-General of the United Nations and the Director General of the International Organization for Migration shall take appropriate measures to ensure effective cooperation and liaison between the secretariats of the two Organizations.
2. In so far as possible, and within the context of their constituent instruments and decisions of their respective competent bodies, the two Organizations shall assist each other in the training and secondment of various categories of staff.
3. To maintain consistency of the personnel policies of the International Organization for Migration with those of the United Nations and other organizations of the United Nations system, the International Organization for Migration will continue to apply in substance the United Nations Staff Rules and Regulations, and deviations from these rules and regulations will be subject to specific approval by States members of the International Organization for Migration.

ARTICLE VIII

IMPLEMENTATION OF THE AGREEMENT

The Secretariat of the United Nations and the Administration of the International Organization for Migration shall consult each other regularly on matters relating to this Agreement.

ARTICLE IX

SUPPLEMENTARY ARRANGEMENTS

The United Nations and the International Organization for Migration may enter into such supplementary arrangements for the purpose of cooperation and coordination as may be found desirable.

ARTICLE X

ENTRY INTO FORCE, AMENDMENTS AND DURATION

1. This Agreement shall enter into force on the date of its signature by the duly authorized representatives of the two Organizations.

2. This Agreement may be amended by mutual consent of the parties. The proposed amendment should be made in writing to the other party and shall enter into force after a period of three months following the expression of such consent.
3. Either of the parties may terminate this Agreement by giving six months' written notice to the other party.

IN WITNESS WHEREOF, the undersigned representatives of the Secretariat of the United Nations and the Administration of the International Organization for Migration have signed the present Agreement.

Signed this 25th day of June 1996 at Geneva in two originals in the English language.

For the United Nations:

(Signed) Boutros BOUTROS-GHALI
Secretary-General

For the International Organization
for Migration

(Signed) James N. PURCELL, Jr.
Director General