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NINETY-SIXTH SESSION

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

Geneva
17 June 2008

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REPORT ON THE HUNDRED AND FIFTH SESSION OF THE EXECUTIVE COMMITTEE

OPENING OF THE SESSION

1. The Executive Committee convened for its Hundred and fifth Session at the Palais des Nations, Geneva, on Tuesday, 17 June 2008, at 10.20 a.m. One meeting was held. The session was opened by the outgoing chairperson H.E. Mr. N. Tarzi (Afghanistan).

2. The session was attended by representatives of the following members of the Executive Committee:¹ Algeria, Angola, Bangladesh, Belarus, Costa Rica, Croatia, Ecuador, Egypt, El Salvador, Germany, Ghana, Greece, Guatemala, Hungary, Iran (Islamic Republic of), Italy, Japan, Mexico, Morocco, Nepal, Netherlands, Nigeria, Panama, the Philippines, the Republic of Korea, Senegal, South Africa, Spain, Sri Lanka, Sweden, Thailand, Tunisia, Ukraine, the United Kingdom and the United States of America.

3. In addition, the following Member States were represented by observers: Afghanistan, Albania, Argentina, Armenia, Australia, Austria, Azerbaijan, Belgium, Benin, Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Canada, Cape Verde, Chile, Colombia, Congo, Côte d'Ivoire, Cyprus, Czech Republic, Democratic Republic of the Congo, Estonia, Finland, France, Gabon, Georgia, Honduras, Ireland, Israel, Jamaica, Jordan, Kazakhstan, Kyrgyzstan, Latvia, Luxembourg, Mali, Mauritania, New Zealand, Niger, Pakistan, Paraguay, Peru, Poland, Portugal, Rwanda, Serbia, Sierra Leone, Slovakia, Slovenia, Sudan, Switzerland, Togo, Turkey, United Republic of Tanzania, Uruguay, Venezuela (Bolivarian Republic of), Zambia and Zimbabwe.¹

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. B. C. Mbaye (Senegal) and H.E. Mr. M. Montalvo Samaniego (Ecuador) were elected Chairperson and Vice-Chairperson respectively, by acclamation.

6. The Chairperson thanked the Executive Committee for the trust it had placed in him. IOM's central role in migration management was facilitated by the high quality of debate in the Executive Committee. In performing his task, he would take account of the importance of the Organization's work, the vision shared by the Member States and their responsibility for the Organization.

¹ See List of Participants (MC/EX/692).

ADOPTION OF THE AGENDA

7. The Executive Committee adopted the agenda set out in document MC/EX/687.

STATEMENT BY THE DIRECTOR GENERAL; REPORT OF THE DIRECTOR GENERAL ON THE WORK OF THE ORGANIZATION FOR THE YEAR 2007

8. The Executive Committee considered the Report of the Director General on the Work of the Organization for the Year 2007 (MC/2255) and the relevant draft resolution (MC/EX/L/173).

9. The Director General drew attention to the new Statistical Annex. The annex provided a graphic representation of the figures for 2007 and compared them with data from the previous three years, thus illustrating major trends. One such trend was the continued steady increase in the Organization's growth line in all areas, including expenditure, the number and diversity of projects, the range of donor support and employment. The original bottom-line figure for 2007 of USD 784 million had a very small compensation component, as the German Forced Labour Programme was being wound up. The current estimates for expenditure in 2008 were USD 811 million in the Operational Part of the Budget and nearly CHF 40 million in the Administrative Part, suggesting another year of excellent growth for the Organization. The number of active projects had increased from 1,100 at the end of 2004 to 1,703 at the end of 2007. In 2007 alone 550 new projects had been started. There had been major growth in services such as technical cooperation, counter-trafficking, labour mobility, migration and development, health assessments, research and publications. Growth had also been seen across all regions. The number of staff had increased from 3,883 at the end of 2004 to 6,457 by the end of 2007. At the last count, there were 404 Field Offices. In contrast, the number of staff at headquarters had declined from 320 in 2004 to 219 by the end of 2007. That figure had further decreased in 2008 owing to the transfer of the PRISM roll-out team to the Manila Administrative Centre.

10. Clearly, decentralization, sound management of financial and human resources, and the strong focus on projects had brought good results. In particular, the Manila and the Panama Administrative Centres had succeeded beyond expectations. Most importantly, the Organization's staff members continued to work with dedication, intelligence and creativity to help Member States identify their needs and find practical solutions to their problems. The Director General concluded by expressing his sincere appreciation to all staff.

11. One observer thanked the Administration for the Statistical Annex, which met a longstanding demand and would certainly be very useful.

12. In the absence of any further comment, the Executive Committee adopted Resolution No. 119 (CV) on the Report of the Director General on the Work of the Organization for the Year 2007 (MC/2255).

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

13. The Executive Committee considered the Financial Report for the Year Ended 31 December 2007 (MC/2254), the relevant section of the Report of the Standing Committee on Programmes and Finance on its Second Session (MC/EX/690), the Report of the External Auditors on the Accounts of IOM for the Financial Year 2007 (CRP/25) and the draft resolution on the Financial Report for the Year Ended 31 December 2007 (MC/EX/L/174).

14. The Rapporteur of the Standing Committee on Programmes and Finance said that the Administration had highlighted the increase in expenditure brought about by the continued rise in the number of projects. Combined total expenditure for the Administrative and Operational Parts of the Budget had amounted to USD 783.8, an increase of 7 per cent over 2006. The increase represented a significant financial management challenge and all efforts had been made to keep a tight rein on spending. The Administrative Part of the Budget had ended the year with a deficit of CHF 163,409, essentially owing to terminal emolument payments for staff retiring or resigning from the Organization.

15. A representative of the Office of the Auditor General of Norway, IOM's External Auditors, had reported the External Auditors' opinion that the Financial Report presented a true and fair view of IOM's resources and expenditures. Two other external auditors had been appointed by the European Commission to audit the projects it financed and to analyse the Organization's institutional framework. They had confirmed that IOM's internal audit mechanism was robust and had made several recommendations.

16. The Standing Committee had recommended that the Executive Committee approve the Financial Report.

17. In the absence of any comment, the Executive Committee took note of the above-mentioned reports and adopted Resolution No. 120 (CV) on the Financial Report for the Year Ended 31 December 2007 (MC/2254).

STATEMENT BY A REPRESENTATIVE OF THE STAFF ASSOCIATION

18. The Chairman of the Staff Association Committee (SAC) started his address to the Executive Committee clarifying that there was only one valid SAC statement, sent to all Permanent Missions on 2 June 2008. The representative of the SAC briefed Member States on the improvements in working conditions achieved in conjunction with the Administration. First, since March 2008, the Administration had started work on the process of including all IOM staff in the health insurance, either through the IOM internal system or under their national schemes. Following a review performed by the Association and the Administration, IOM health insurance premiums had fallen and benefits and coverage had increased. Secondly, in April 2008 the Director General had endorsed an update of the Organization's contractual policy, following years of advocacy for improvements on the part of the Committee. The new policy, published in General Bulletin No. 2034, included the attribution of regular contracts under certain conditions. Thirdly, the Administration had agreed to increase the Ombudsman's work hours to 100 per cent. Fourthly, the Committee had negotiated an insurance contract covering all members of the Staff Association for risks involved in potential legal cases related to employment law. It had also developed a conflict resolution concept making the Ombudsman's involvement mandatory before

an appeal was lodged. Finally, in the light of the current financial climate, the decision to move to the United Nations Joint Staff Pension Fund had proved timely and relevant. Since that move, some 2,000 staff members had joined the scheme, and several retirees had begun receiving retirement benefits.

19. The Committee had continued to cooperate with the Human Resources Management and Legal Affairs departments on the revision of the Staff Regulations. It regretted that it had not been consulted when that revision had begun, and was currently examining a new draft of the Regulations prepared by the Legal Affairs Department. The Administration should adopt a more proactive approach on the issue of national income taxation of IOM staff members in host countries. In particular, efforts should be made to broker arrangements with Member State taxation authorities and regarding overall privileges and immunities for IOM missions worldwide.

20. Members of the Staff Association had brought to the Committee's attention a perceived lack of consistency in the application of Staff Regulation 11.3, establishing the International Labour Organization Administrative Tribunal as the final instance in the arbitration of disputes. Given the high costs associated with conflict resolution procedures, particularly those that were brought before the Tribunal and thus required legal counsel, the Committee invited the Administration to strive to make more effective use of internal mediation and arbitration mechanisms.

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

REVISION OF THE PROGRAMME AND BUDGET FOR 2008

22. The Executive Committee considered the Revision of the Programme and Budget for 2008 (MC/EX/688), the Programme and Budget for 2008 (MC/2227), the relevant section of the Report of the Standing Committee on Programmes and Finance on its Second Session (MC/EX/690) and the draft resolution on the Revision of the Programme and Budget for 2008 (MC/EX/L/175).

23. The Rapporteur of the Standing Committee on Programmes and Finance relayed the Administration's report that the Administrative Part of the Budget had remained unchanged at CHF 38,045,000. In accordance with Council Resolution No. 1077 (LXXXIV) of 4 December 2002, "Systemic solution for the use of surplus in the Administrative Part of the Budget", the 2006 surplus of CHF 196,773 would be used to supplement the building reserve for the possible purchase of office premises for the Manila Administrative Centre. The Operational Part of the Budget, for its part, had increased from USD 529.1 million to USD 811.5 million, essentially owing to expanded ongoing activities and new projects. As a result, the projected amount of Discretionary Income had been revised upwards by USD 5.9 million, most of which had been set aside for three items: Line 2 of the 1035 Facility, staff security and the PRISM project. Some Member States had asked the Administration to provide more detailed information on Discretionary Income.

24. Having examined document MC/EX/688 in detail, the Standing Committee had recommended that the Executive Committee approve the Revision of the Programme and Budget for 2008.

25. The African Group thanked the Administration for the excellent documents provided. It noted the growth in the Programme and Budget in terms of funds, staff and field locations. It congratulated the Administration on the steps taken to increase the number of African staff at appropriate levels within the Organization, but felt that further action should be taken in that regard. It also suggested that more attention be paid to the continent's main concerns, such as health and migration, south-south migration and brain drain.

26. The representative of the Philippines looked forward to IOM's participation in the second Global Forum on Migration and Development which would be hosted by the Philippines in October 2008, and thanked the Organization for its help in the preparatory work.

27. The Executive Committee adopted Resolution No. 121 (CV) approving the Revision of the Programme and Budget for 2008.

ASSESSMENT SCALE FOR 2009

28. The Executive Committee considered the proposed adjustment of the IOM assessment scale for 2009 (MC/EX/689) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Second Session (MC/EX/690).

29. The Rapporteur of the Standing Committee on Programmes and Finance reported that the Administration had recalled that the IOM assessment scale was now fully equated with the United Nations assessment scale. This meant that there would no longer be minimum and maximum rates, and that the assessed amounts for Member States from the developing world would be substantially reduced. The Standing Committee had recommended that the Executive Committee adopt the assessment scale for the Administrative Part of the Budget shown in column 3 of the Annex to document MC/EX/689, and that the governing bodies review the matter of the assessment scale for 2010 in the spring of 2009.

30. In the absence of any comments, the Executive Committee approved the assessment scale for 2009 set out in column 3 of the Annex to document MC/EX/689, and invited the governing bodies to review the matter of the assessment scale for 2010 in the spring of 2009.

OTHER ITEMS ARISING FROM THE REPORT OF THE STANDING COMMITTEE ON PROGRAMMES AND FINANCE

(a) Outstanding contributions to the Administrative Part of the Budget

31. The Executive Committee examined the Status Report on Outstanding Contributions to the Administrative Part of the Budget (SCPF/9 and SCPF/9/Rev.1) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Second Session (MC/EX/690).

32. The Rapporteur of the Standing Committee on Programmes and Finance said that documents SCPF/9 and SCPF/9/Rev.1 showed that CHF 7.5 million were outstanding for 2007 and previous years, and CHF 13 million for 2008. Nine Member States had agreed to repayment plans and three others were currently negotiating a plan. The Administration was following the

matter closely with Member States that were in arrears and had not negotiated a repayment plan. At the Standing Committee session, the Director General had expressed confidence that Member States in arrears were not unwilling to settle their debts, rather special circumstances precluded their doing so. He believed that, now that the IOM assessment scale was fully equated with that of the United Nations, the poorest countries would find it easier to meet their financial obligations to the Organization. A number of countries with outstanding contributions had taken the opportunity to explain developments in their country's situation.

33. The Standing Committee had taken note of the situation and of the efforts made by some Member States to pay their outstanding contributions, and had urged those in arrears to make every effort to pay as soon as possible.

34. The Administration informed the Executive Committee that since the Standing Committee session 15 Member States had paid their contributions for 2008 or earlier: Armenia, Austria, Colombia, Ghana, Haiti, Ireland, Liberia, Morocco, the Netherlands, Pakistan, Panama, Peru, Romania, the United Kingdom and the United Republic of Tanzania. Two Member States had concluded repayment plans and paid a first instalment; they were therefore no longer subject to Article 4 of the Constitution. The number of Member States subject to Article 4 had thus decreased to 18. A further 18 Member States were in arrears but not subject to Article 4.

35. The Administration would continue to work closely with Member States in arrears, in Geneva and in the capitals. It would propose extended repayment plans and payment in local currencies.

36. In 2007 the Government of Liberia had requested that the Administration write off Liberia's outstanding contributions. Instead, as a result of the guidance of Member States, the Administration had negotiated a repayment plan with the Liberian Government, and a first payment had been received in the meantime. A similar request had been received from the Government of Sierra Leone on 29 May 2008: the Administration would follow the guidance of the membership and would seek to negotiate a repayment plan in that case also.

37. The African Group appreciated the dialogue the Administration had engaged with the governments of Member States on outstanding assessed contributions and repayment plans. It welcomed the fact that arrangements had been made for payments in local currencies or to IOM regional offices, as that would enable African Member States subject to Article 4 of the Constitution to settle their arrears promptly.

38. In the absence of any further comments, the Executive Committee took note of documents SCPF/9 and SCPF/9/Rev.1 and endorsed the Standing Committee's position as set out by the Rapporteur.

(b) Support for developing Member States and Member States with economy in transition – 1035 Facility

39. The Executive Committee examined the reports on support for developing Member States and Member States with economy in transition (SCPF/10 and SCPF/11) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Second Session (MC/EX/690).

40. The Rapporteur of the Standing Committee on Programmes and Finance said that the Administration had recalled that the 1035 Facility had been expanded as of 1 January 2008. The criteria and guidelines for its use had been updated at the beginning of 2008 to provide practical guidance on the operation and management of the two funding lines. Line 1 remained unchanged and operated as in the past, with the Administration making every effort to ensure that funds were allocated in proportion to the geographic distribution of eligible Member States.

41. A number of Member States had expressed appreciation for the expanded 1035 Facility, but the African Group had expressed concern that the continent's countries still did not benefit sufficiently; urgent steps had to be taken to remedy the situation. The Director General, for his part, had remarked on the usefulness of the 1035 Facility and had indicated that Line 2 would enable progress to be made on longer term projects with larger budgets.

42. The Standing Committee had taken note of documents SCPF/10 and SCPF/11.

43. The African Group considered the 1035 Facility to be of utmost importance, and asked the Administration to ensure that 1035 funding was more readily accessible to eligible Member States, especially those from the developing world. Of particular interest to the African Group was the capacity-building centre in Africa and the Mission with Regional Functions for Central Africa.

44. The Executive Committee took note of the reports on support for developing Member States and Members States with economy in transition (SCPF/10 and SCPF/11).

(c) Exchange of views on items proposed by the membership

45. The Rapporteur of the Standing Committee on Programmes and Finance reported on the four subjects the Standing Committee had discussed under this agenda item.

Migration and health: IOM's programmes and perspectives (SCPF/12)

46. The Administration had defined migrant health as the physical, mental and social needs of migrants and the public health needs of host communities. IOM's role had evolved over the years with the shift in migration dynamics and the emergence of issues such as trafficking in persons, HIV/AIDS and the spread of diseases related to mobility and globalization. Health had become a cross-cutting issue of relevance to all the Organization's main strategic areas of activity.

47. Several Member States had welcomed IOM's efforts to promote migrant health worldwide and acknowledged the need to mainstream migrant health into national policies and to develop regional, bilateral and multilateral policies. They had noted with appreciation IOM's country-level work in respect of policy development, capacity-building and assessment of the causes of migration. Portugal's role in placing migrant health on the European agenda during its presidency of the European Union had also been mentioned.

International Partnership on Migration and Development: An Update (SCPF/13)

48. The Administration had recalled that the International Partnership on Migration and Development was the first substantive proposal put forward by the Global Migration Group. Because certain elements thereof were directly linked to the State-led Global Forum on Migration and Development, the proposal had been shared with the Global Forum's Chair-in-Office, the

Government of the Philippines, which, on behalf of the Global Forum Troika, had expressed appreciation for the Global Migration Group's support.

49. While agreeing that the Global Forum's recommendations required a coherent approach, several Member States had nevertheless expressed doubt, in particular about the need for an "international partnership" dealing with policy coherence between migration and development, given the number of forums already dealing with the issue.

50. The Administration had specified that the aim was not to create a new institution but rather to enhance cooperation on migration and development at the practical level, and had cited specific activities the International Partnership could carry out among agencies like IOM, the World Bank, the United Nations Development Programme and the United Nations Children's Fund. The Director General had recalled the very real need for capacity-building, not just in the narrow sense of training of officials in existing procedures, but more broadly of governments, individual migrants and private sector groups, so as to allow the growing global labour market to work better. He had agreed to bring the points raised to the attention of the Global Migration Group, and had suggested that the Group's members be invited to discuss them with the Member States within the context of the IOM Council.

Migration Initiatives: an assessment of 2007 and perspectives for 2008 (SCPF/14 and SCPF/14/AnnexIV)

51. The Administration had announced that a total of USD 535 million had been received in response to the total *Migration Initiatives Appeal 2007* for USD 595 million. Funding requirements under the *Migration Initiatives Appeal 2008* amounted to USD 762 million. The Member States had made a number of suggestions for the efficient use of the document. One had wondered whether the September deadline for the submission of projects could be extended, given that the appeal was always launched in February of the following year. The Administration had explained that the September deadline took account of the time needed to coordinate all input from the Field Offices and to compile a coherent document. The timetable also dovetailed with the budget year of most donors.

Discretionary Income: legal basis, trends and oversight (SCPF/15 and SCPF/15/Add.1)

52. At the request of Member States, the Administration had provided background information regarding the legal basis, trends and oversight process for Discretionary Income. The level of Discretionary Income available had risen steadily since 2004, and its application was approved by Member States through the budget process.

53. Several Member States had thanked the Administration for its timely provision of the information requested and noted that Discretionary Income was likely to exceed the Administrative Part of the Budget in 2008. Its use therefore required a similar level of information, debate and oversight as the Administrative Part of the Budget. Other comments had concerned the revision of the Financial Regulations to reflect the use of Discretionary Income, the separation of the miscellaneous income component so that Member States took decisions on the project-related overhead component only, as outlined in a number of resolutions, and how shortfalls in or surpluses of Discretionary Income were handled.

54. In view of the trend towards greater Discretionary Income, the Standing Committee had agreed that the Member States would hold informal consultations in the autumn of 2008 with a view to updating the Financial Regulations.

55. The Executive Committee took note of the Standing Committee's deliberations on the four items on which views were exchanged.

OTHER BUSINESS

56. The Executive Committee noted that applications for membership had been received from the Governments of Mongolia, India and Somalia. The assessments for the new members had been calculated at 0.026 per cent (Mongolia), 0.483 per cent (India) and 0.026 per cent (Somalia) and were set out in documents MC/2243, MC/2244 and MC/2245 respectively.

57. The applications for membership would be considered at the Ninety-fifth (Special) Session of the Council.

DATE AND PLACE OF THE NEXT SESSION

58. Pursuant to Council Resolution No. 972 (LXXIV) of 26 November 1997, the Executive Committee would not meet in November 2008. The next session had therefore tentatively been scheduled for 9 June 2008.

CLOSURE OF THE SESSION

59. The Chairperson thanked the Meetings Secretariat and the interpreters and declared closed the Hundred and fifth Session of the Executive Committee at 11.45 a.m. on Tuesday, 17 June 2008.