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NINETY-EIGHTH SESSION

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

Geneva
26 June 2009

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REPORT ON THE HUNDRED AND SIXTH SESSION OF THE EXECUTIVE COMMITTEE

OPENING OF THE SESSION

1. The Executive Committee convened for its Hundred and sixth Session at the Palais des Nations, Geneva, on Friday, 26 June 2009, at 10.20 a.m. One meeting was held. The session was opened by the outgoing chairperson H.E. Mr. B. C. Mbaye (Senegal).

2. The session was attended by representatives of the following members of the Executive Committee:¹ Algeria, Angola, Bangladesh, Costa Rica, Ecuador, Egypt, 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 of Great Britain and Northern Ireland 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, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Cameroon, Canada, Cape Verde, Chile, Colombia, Congo, Côte d'Ivoire, Cyprus, Czech Republic, Democratic Republic of the Congo, Dominican Republic, Estonia, Finland, France, Gabon, Georgia, Haiti, Honduras, India, Ireland, Jamaica, Jordan, Kazakhstan, Kenya, Latvia, Libyan Arab Jamahiriya, Lithuania, Luxembourg, Mali, Mauritania, Mauritius, Montenegro, New Zealand, Nicaragua, Niger, Norway, Pakistan, Paraguay, Peru, Poland, Portugal, Republic of Moldova, Rwanda, Serbia, Sierra Leone, Slovakia, Slovenia, Sudan, Switzerland, Tajikistan, Turkey, Uganda, United Republic of Tanzania, Uruguay, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, 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. Mr. A. M. Do Nascimento (Angola) and Mr. M Montalvo (Ecuador) were elected Chairperson and Vice-Chairperson respectively, by acclamation.

ADOPTION OF THE AGENDA

6. The Executive Committee adopted the agenda set out in document MC/EX/694/Rev.1.

¹ See List of Participants (MC/EX/700).

STATEMENT BY THE DIRECTOR GENERAL; REPORT OF THE DIRECTOR GENERAL ON THE WORK OF THE ORGANIZATION FOR THE YEAR 2008

7. The Executive Committee considered the Report of the Director General on the Work of the Organization for the Year 2008 (MC/2278) and the relevant draft resolution (MC/EX/L/176).

8. The Director General said that, as mentioned in the *World Migration Report 2008*, more than ever before, migration was motivated by employment. Conflicts, natural disasters and, increasingly, climate change were other major causes of migration. Furthermore, the global economic crisis was having a negative impact on migration in several areas. As a result, migrants were increasingly turning to smugglers and traffickers in order to find work abroad, while countries were focusing on irregular migration and overlooking the contribution made by migrants.

9. Since becoming Director General, he had held meetings with regional representatives and chiefs of missions, visited Field Offices, completed a staff satisfaction survey and set up a structural review team whose recommendations would be, to the extent feasible, incorporated into the draft 2010 Programme and Budget. The staff rotation policy, which had not been implemented systematically in the past, would be regularly applied in the future and the first rotation phase had already begun.

10. IOM expenditure had exceeded USD 1 billion for the first time in 2008. The Organization had grown in terms of membership and staff. The number of locations where IOM was represented had increased, as had the number of projects it carried out. However, the core Budget had not kept pace, and Discretionary Income was being used for administrative costs that could not be met by the Administrative Part of the Budget. In 2010, modest investment would be needed in four priority areas: staff safety and security, cluster responsibilities, PRISM (Processes and Resources Integrated Systems Management) maintenance and for the annual statutory costs for the core structure.

11. Several members welcomed the Director General's vision for the expansion of the Organization and commended his dynamic approach to his new role. Support was expressed for the structural review, but one observed nevertheless that the process should not be rushed in order to ensure its ultimate success and another said that it would be necessary to discuss whether the priority areas mentioned by the Director General should be included in the Administrative Part of the Budget.

12. Several members welcomed the growth experienced by the Organization, while recognizing that it presented new challenges and responsibilities. One member said that the initiatives that had already been put in place to strengthen staff capacity and refine financial controls would allow the Administration to cope with any additional demands. The Group of Latin American and Caribbean States (GRULAC) applauded the Director General's efforts in relation to staff rotation.

13. The African Group felt that greater emphasis should be placed on the continent's concerns, including brain drain, migration and health, capacity-building and technical assistance. The continued underrepresentation of Africans in the Administration was also of concern, and a more balanced regional distribution should be achieved.

14. There were calls for greater cooperation between IOM and its Member States to counter the negative impact of the global economic crisis on migrants. One representative recognized the Administration's role in raising the profile of migration-related issues in the agreement expected to be produced by the Conference of the Parties to the United Nations Framework Convention on Climate Change in Copenhagen in December 2009.

15. One member found the comparative data provided in the statistical annex to document MC/2278 very informative. Two delegates thanked the Director General for making his remarks available in advance. Another said that the French version of document MC/2278 had been provided at a very late stage and requested that in the future documents be made available in all official languages simultaneously.

16. The Executive Committee adopted Resolution No. 122 of 26 June 2009 on the Report of the Director General on the Work of the Organization for the Year 2008 (MC/2278).

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

17. The Executive Committee considered the Financial Report for the Year Ended 31 December 2008 (MC/2277), the relevant section of the Report of the Standing Committee on Programmes and Finance on its Fourth Session (MC/EX/697), the Report of the External Auditors on the Accounts of IOM for the Financial Year 2008 (CRP/27) and the draft resolution on the Financial Report for the Year Ended 31 December 2008 (MC/EX/L/177).

18. The Standing Committee Rapporteur said that 2008 was the first year the Administration had reported expenditure in excess of USD 1 billion and prepared the accounts using PRISM Financials. It had drawn up the Financial Report in accordance with the revised Financial Regulations adopted at the Ninety-sixth Session of the Council (Resolution No. 1177 of 5 December 2008) and, to the extent possible, taking into account International Public Sector Accounting Standards (IPSAS).

19. Expenditure under the Administrative Part of the Budget had amounted to CHF 37.8 million. The surplus carried forward of CHF 4,440 took account of the provision for doubtful receivables (unpaid assessed contributions) and the additional contributions from new Member States. Total expenditure under the Operational Part of the Budget had risen to USD 978 million, with increases across all areas of IOM activity and in all geographical regions.

20. The Administration had drawn the Member States' attention to the three contingent liabilities outlined in the Financial Statements: income tax liability in respect of IOM staff living in France, co-funding for projects financed by the European Commission, which would constitute a liability if the Administration were unable to raise the approximately 20 per cent in co-funding required by the European Commission for such projects, and the bank accounts that held funds for one of the projects (FONAPAZ) administered by IOM on behalf of the Government of Guatemala and which had been frozen as a result of a court ruling.

21. A representative of the External Auditors (the Office of the Auditor General of Norway) had informed the Standing Committee that, in the opinion of the External Auditor, the Financial Statements presented a true and fair view of the Organization's resources and

expenditures. The Administration had expressed appreciation for the External Auditors' work throughout the year.

22. The Standing Committee had recommended that the Executive Committee approve the Financial Report for the Year Ended 31 December 2008.

23. The Executive Committee adopted Resolution No. 123 of 26 June 2009 on the Financial Report for the Year Ended 31 December 2008 (MC/2277).

REVISION OF THE PROGRAMME AND BUDGET FOR 2009

24. The Executive Committee considered the Revision of the Programme and Budget for 2009 (MC/EX/695), the Programme and Budget for 2009 (MC/2258), the relevant section of the Report of the Standing Committee on Programmes and Finance on its Fourth Session (MC/EX/697) and the draft resolution on the Revision of the Programme and Budget for 2009 (MC/EX/L/178).

25. The Standing Committee Rapporteur said that the Administration had reported that some structural changes - the establishment of a Media and Communications Unit in Geneva, and the transfer to Headquarters of the Head of Staff Security from the Manila Administrative Centre and of an internal auditor post from the Panama Administrative Centre - had been implemented at no additional cost.

26. The Administrative Part of the Budget remained unchanged at CHF 38,806,000. With regard to the difference between the proposed budget for 2009 and the lower amount finally approved by the Council, savings of CHF 332,000 had been made by delaying recruitment for vacant posts and cancelling some non-staff items of expenditure. The remaining savings of CHF 239,000 would be identified by the end of the year.

27. The Operational Part of the Budget had increased by USD 211 million to roughly USD 842 million, with significant rises in emergency operations, assistance to internally displaced persons, technical cooperation and counter-trafficking. However, as a result of the global economic crisis and declining interest rates, the projected interest income component of Discretionary Income had been reduced by USD 3 million.

28. Having examined document MC/EX/695 in detail, the Standing Committee had recommended that the Executive Committee approve the Revision of the Programme and Budget for 2009.

29. The Executive Committee adopted Resolution No. 124 of 26 June 2009 approving the Revision of the Programme and Budget for 2009 (MC/EX/695).

ASSESSMENT SCALE FOR 2010

30. The Executive Committee considered the proposed adjustment of the IOM assessment scale for 2010 (MC/EX/696) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Fourth Session (MC/EX/697).

31. The Standing Committee Rapporteur said that in line with Council Resolution No. 1159 (30 November 2007), the assessment scale for 2010 is fully equated to the United Nations assessment scale. It had also been adjusted to take account of the admission of three new Member States in June 2008. As a result, the assessed contributions of about 80 Member States would be lower in 2010 than in 2009.

32. The Standing Committee had recommended that the Executive Committee adopt the scale of assessment for the 2010 Administrative Part of the Budget shown in column 3 of the annex to document MC/EX/696, and that the governing bodies review the matter of the assessment scale for 2011 in May 2010.

33. The Executive Committee approved the IOM assessment scale for 2010 as described above and invited the governing bodies to review the assessment scale for 2011 in the spring of 2010.

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

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

34. The Executive Committee examined the Status Report on Outstanding Contributions to the Administrative Part of the Budget (SCPF/25) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Fourth Session (MC/EX/697).

35. The Standing Committee Rapporteur said that some Member States had made payments towards their arrears, but that a significant number remained subject to Article 4 of the Constitution. Several delegations had implored the defaulting countries to take advantage of their reduced assessed contributions, the flexible repayment plans offered by the Administration and the possibility to pay in local currency to settle the amounts they owed. The Administration and the Director General had reported that they were closely following developments in respect of Member States whose contributions were in arrears. The Standing Committee had taken note of the situation and of the efforts made by some States to pay their outstanding contributions and had urged all those in arrears to make every effort to pay as soon as possible or to negotiate a repayment plan with the Administration.

36. The Administration added that since the Standing Committee's Fourth Session, 25 Member States had made payments. In four cases (Cameroon, the Dominican Republic, the Islamic Republic of Iran and Mali), those payments had removed the countries concerned from the list of those subject to Article 4. In those four cases, the personal interest shown by the Director General and his visits to the concerned countries or the permanent missions in Geneva had been particularly effective. At present, a total of CHF 6.2 million remained outstanding for 2008 and earlier.

37. The African Group appreciated the efforts made to facilitate the payment of outstanding contributions.

38. The Executive Committee took note of document SCPF/25 and endorsed the Standing Committee's recommendation

(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/27 and SCPF/28) and the relevant section of the Report of the Standing Committee on Programmes and Finance on its Fourth Session (MC/EX/697).

40. The Standing Committee Rapporteur said that the Administration had highlighted that the 1035 Facility had started operating with two lines of funding in 2008 and that, as in previous years, it had made every effort to manage the Facility in an equitable manner across the different geographical regions.

41. In the Administration's view, the funding ceiling of USD 50,000 for national projects under Line 1 was low and the Member States might be asked to consider a modest increase for 2010. Given the Facility's exponential growth over the previous three years and the consequent increase in reporting and other administrative tasks, the Administration had requested that an extra administrative position be opened at one of IOM's Administrative Centres to help manage the 1035 database.

42. The Director General had noted with satisfaction the interest Member States continued to show in the 1035 Facility, which he considered an important mechanism for funding migration-related capacity-building projects of interest to Member States from the developing world. He had thanked the Governments of Austria, Italy, Spain and the United States of America for their generous contributions in 2008 and 2009, and had invited other delegations to consider following in their footsteps.

43. The Standing Committee had taken note of documents SCPF/27 and SCPF/28.

44. The African Group recognized the particular importance of the 1035 Facility to Africa and, like the Director General, thanked the Member States that had made voluntary contributions and encouraged others to do so.

45. The Executive Committee took note of the reports on support for developing Member States and Member States with economy in transition (SCPF/27 and SCPF/28).

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

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

IOM's emergency response capacity

47. The Administration had introduced document SCPF/29, IOM's Emergency Response Capacity, which traced developments in the Organization's response capacity in emergency and post-crisis situations and described the context of IOM's emergency response role. IOM operated within the Inter-Agency Standing Committee (IASC) framework and tried to ensure that migration concerns were included in common approaches. As the lead agency for the Camp Coordination and Camp Management Cluster for natural disaster-induced

displacements, IOM had actively sought to assist and protect internally displaced persons living in camps and continued to support inter-agency tools and standards as cluster leader.

IOM's role in supporting regional consultative processes

48. The Administration had briefly explained the regional consultative processes (RCPs) (SCPF/30) and IOM's role in supporting them. A number of delegations had sought clarification on issues such as the categorization of RCPs, the financial implications and criteria for governments seconding experts to RCP, and how the 1035 Facility could be used to fund capacity-building initiatives. The Administration had described RCPs as non-binding mechanisms for regional dialogue and exchange of information on migration and related matters; as such, they took place outside the context of formal institutional structures. IOM supported them by providing logistical and administrative aid, organizing ministerial-level meetings, working groups or seminars and finding partners to implement the recommendations resulting from the RCPs.

Impact of the financial crisis on IOM's activities

49. The Administration had reported that although several major donors had indicated that the financial crisis would not compel them to reduce their voluntary contributions to humanitarian and development programmes, it remained concerned that the crisis had led to a reduction of USD 3 million in the interest income component of Discretionary Income for 2009. The exact impact of the financial and economic crisis on IOM's funding and activities was largely unknown, it being too early to anticipate the effects on funding for operational activities. Several delegations had welcomed the proactive steps IOM had taken to carry out quarterly surveys of the impact of the crisis on its activities and on key policies, and had asked that such information be shared with the membership. The Administration had confirmed that regular reports on the impact of the crisis would be posted on the IOM website and provided to the Member States.

50. The Standing Committee had taken note of the three presentations by the Administration and of the observations by the Member States.

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

DISCRETIONARY INCOME PROJECTION AND RESERVE MECHANISM

52. The Executive Committee examined document MC/EX/698, Discretionary Income Projection and Reserve Mechanism.

53. The Rapporteur of the Standing Committee on Programmes and Finance recalled that the French delegation had proposed that the level of Discretionary Income be established at the beginning of the budget cycle on the basis of a three-year average and that any additional Discretionary Income after applying Council resolutions for 1035 and the staff security mechanism as well as covering unforeseen shortfalls during the year be placed in a reserve and used to support core structures in years in which actual Discretionary Income fell short of the projected level. Some delegations had cautioned that the proposal required discussion in order to ensure that it fully met the Organization's needs and felt it should be considered in

the broader context of the upcoming discussion on budget reform. The Administration had explained that the French proposal was intended solely to help project the level of Discretionary Income, not to resolve other budget questions relating to the core structure and the level of the Administrative Part of the Budget.

54. The Standing Committee had agreed to hold informal consultations to discuss the proposal in detail before the Hundred and sixth Session of the Executive Committee.

55. Informal consultations had thus been held on 16 and 19 June to discuss how to make the mechanism operational. Document MC/EX/698 incorporated the outcome of the discussions.

56. Two regional groups, GRULAC and the African Group, endorsed the proposal set out in the document. One representative noted that document MC/EX/698 called on the Standing Committee to review the Discretionary Income Projection and Reserve Mechanism every three years, but hoped that IOM would nevertheless apply the same transparency to this mechanism as it did to all budget matters and would provide the membership with periodic reports on its functioning.

57. The Administration reassured her that while the mechanism was to be reviewed every three years, it would be regularly reported on in the formal documents submitted to the Member States every year, namely the Revision of the Programme and Budget and the Financial Report. The latter was audited by the External Auditors.

58. Another representative recalled that his country had expressed its willingness to endorse the proposal, which it felt presented the dual advantage of providing a measure of predictability and of narrowing the gap between initial projections for Discretionary Income and the final amount received, on condition that it did not have a negative effect on the 1035 Facility. Document MC/EX/698 was reassuring in that respect. The three-point definition it contained of “unforeseen shortfalls” required further clarification, however, in particular points (b) and (c).

59. The Administration confirmed that the mechanism would not have a negative effect on the 1035 Facility. In addition, it had prepared an exhaustive list of the non-recurrent capital expenditures and miscellaneous items covered under point (c), which it would make available to any delegation wishing to consult it.

60. The Executive Committee endorsed the proposal contained in document MC/EX/698 and requested the Administration to prepare the 2010 Programme and Budget accordingly.

OTHER BUSINESS

New Member States

61. The Executive Committee noted that applications for membership had been received from the Governments of the Republic of Trinidad and Tobago and the Republic of Namibia. The assessments for the new members had been calculated at 0.0290 per cent (Republic of Trinidad and Tobago) and 0.0064 per cent (Republic of Namibia) and were set out in documents MC/2269 and MC/2270 respectively.

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

External Auditors

63. The Legal Adviser recalled that the Member States had been asked in March 2009 to inform the Administration by 15 June 2009 if they wished to serve as IOM's External Auditors beginning from the 2010 financial year. Nine countries – Egypt, Finland, France, Ghana, India, Pakistan, Spain, Turkey and the United Republic of Tanzania – had made submissions. Their candidacies would be submitted to the Member States at the autumn sessions of the governing bodies for consideration and decision.

DATE AND PLACE OF THE NEXT SESSION

64. Pursuant to Council Resolution No. 972 of 26 November 1997, the Executive Committee would not meet in November 2009. The next session had therefore tentatively been scheduled for June 2010.

CLOSURE OF THE SESSION

65. The Chairperson thanked the Meetings Secretariat and the interpreters and declared closed the Hundred and sixth Session of the Executive Committee at 11.50 a.m. on Friday, 26 June 2009.