

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirtieth Session

DRAFT RESOLUTION ON INVESTING IN THE CORE STRUCTURE OF IOM

(Submitted by the Secretariat to the Standing Committee on Programmes and Finance for consideration under item 8 of the provisional agenda (S/30/1))

The Standing Committee on Programmes and Finance,

Recalling the IOM Financial Regulations, adopted by the Council at its First Session, in accordance with Resolution No. 84 of 2 December 1954, and last amended at its Ninety-sixth Session, through Resolution No. 1177 of 5 December 2008,

Recalling also Council Resolution No. 1263 of 26 November 2013 on the revision of the rules of procedure for the Council, of the terms of reference of the Standing Committee on Programmes and Finance and of the rules of procedure for the Standing Committee on Programmes and Finance, and other consequential decisions,

Recalling further Council Resolution No. 1265 of 26 November 2013 on funding the core structure and Council Resolution No. 1390 of 24 November 2020 on budget regulations and practices,

Recalling in addition Council Resolution No. 1398 of 29 November 2021, in which the Council invited the Standing Committee on Programmes and Finance to take, on behalf of the Council, such action as it might deem necessary in connection with any proposals made by the Working Group on Budget Reform that were ready for consideration,

Recognizing that the core structure of IOM is insufficient given the size and activities of the Organization,

Acknowledging that the overstretched core structure presents a challenge for IOM to meet Member States' expectations and deliver on the Organization's mandate,

Mindful that Member States' demand for IOM's work has increased significantly as a result of climate change, disasters, conflict and socioeconomic and other crises,

Recognizing that IOM has the highest proportion of earmarked resources among the organizations of the United Nations system,

Having reached a common understanding that the core structure of the Organization needs to be strengthened to enable the Organization to function more efficiently,

Conscious of the impact of the coronavirus disease 2019 (COVID-19) pandemic on the economies of Member States,

Recognizing the importance of unearmarked voluntary contributions, and that any amounts provided remain at the discretion of the Member States,

Having considered the extensive discussions on budget reform in the Council, the Standing Committee on Programmes and Finance and the Working Group on Budget Reform,

Having considered also the proposed options for funding the strengthened core structure outlined in document WG/BR/2022/1, entitled Investing in IOM's core structure: funding options for consideration – February 2022, of 17 February 2022,

Having considered further the Chairperson's proposal on IOM budget reform, which was sent to Member States on 30 May 2022, and the subsequent proposal of the Council Bureau shared on 14 June 2022,

Taking note of the Report of the Chairperson of the Working Group on Budget Reform (S/30/10 of 17 June 2022),

Committed to finding a sustainable solution to the issue of core funding,

1. *Adopts* the following definition of the core structure, which supersedes the definition set out in paragraph 1 of Council Resolution No. 1390 of 24 November 2020 on budget regulations and practices:

“The core structure of IOM is defined as the minimum structure necessary at Headquarters and in the field for the Organization to deliver its mandate. The core structure comprises functions needed to exercise basic management responsibilities, including policy formulation, financial and budgetary control, staff security, staff support, risk management, activity planning and development, and liaison with governments and multilateral partners. In the field, the core structure includes, *inter alia*, the regional offices, the administrative centres, the Global Data Institute, country offices with resource mobilization functions, country offices with coordinating functions, special liaison offices, Chiefs of Mission, Heads of Office and the Resources Management Officers in the country offices;”

2. *Requests* the Director General to allocate a one-time USD 5 million drawdown from the Operational Support Income reserve to invest in and implement a private sector strategy and to create a Goodwill Ambassadors programme, and requests the Administration to endeavor to reach a minimum total of USD 30 million in private sector funding by 2030 and to regularly report to the Member States on the progress of these efforts;
3. *Also requests* the Administration to produce a biennial organizational efficiency report on the progress of budget reform implementation that outlines the reform measures of the Organization with a view toward enhancing oversight, transparency, cost-effectiveness and Member State ownership of programme priorities;
4. *Recognizes* that the strengthened core structure will require an additional USD 75 million annually, and therefore:

- (a) *Approves* a gradual increase in the Administrative Part of the Budget by USD 63 million by 2025, with the following incremental increases during the transitional period from 2023 to 2024:
 - (i) For 2023, the Administrative Part of the Budget will increase by USD 21 million;
 - (ii) For 2024, the Administrative Part of the Budget will increase by an additional USD 21 million, for a total increase of USD 42 million;
 - (iii) For 2025, the Administrative Part of the Budget will increase by an additional USD 21 million, for a total increase of USD 63 million;
 - (b) *Authorizes* the Director General to draw on the utilizable amount of the Operational Support Income reserve without the limitations set forth in Council Resolution No. 1390, in the event that the alternative means as referenced in subparagraph 4 (c) are insufficient to meet agreed upon annual budget targets, so long as the Operational Support Income reserve is maintained at 1 per cent of the Organization's total expenditures as reported for the prior year as of 31 December;
 - (c) *Recalls* paragraphs 2 and 3 of Council Resolution No. 1390, which provided that the core structure will be funded by assessed contributions to the Administrative Part of the Budget and by the Operational Support Income generated under the Operational Part of the Budget, and decides that core structure costs not otherwise covered may also be funded by alternative means. Such alternative means include but are not limited to:
 - (i) Voluntary contributions;
 - (ii) Increases in project-related overhead, if agreed by individual Member States;
 - (iii) Private sector donations;
 - (iv) Secondment of personnel to the Organization in support of its reform objectives;
 - (v) Operational Support Income reserve;
 5. *Decides* that arrears in the payments of assessed contributions in relation to the increases in the Administrative Part of the Budget for 2023, 2024 and 2025 will not be reported to the Council pursuant to Article 4 of the IOM Constitution until 2026, and that any loss of voting rights due to such arrears will not become effective until 2027;
 6. *Acknowledges* the severe financial constraints faced by some Member States, in particular, those developing Member States hosting a significant number of displaced persons and migrants, and authorizes the Director General to find a tailored solution to provide the requisite space for the concerned Member States to be able to pay their respective assessed contributions;
 7. *Commits* to review the Administrative Part of the Budget in 2025 with a view to increasing the Administrative Part of the Budget to ensure a sustainable financial model for the Organization;
 8. *Also commits* to discussing the policy of zero nominal growth of the Administrative Part of the Budget by 2025;
 9. *Requests* the Working Group on IOM Partnerships, Governance and Organizational Priorities to study the feasibility and the financial impact of IOM's participation in the Joint Inspection Unit and the International Civil Service Commission.
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