

WORKING GROUP ON BUDGET REFORM  
CHAIRPERSON'S NOTE ON THIRD MEETING ON 18 NOVEMBER 2010

1. The third meeting of the Working Group on Budget Reform (WGBR) was held on 18 November 2010. Member States continued discussion on proposed agenda item 3 (Define the core structure) as well as agenda item 4 (Define the key “functions”) and then moved to a discussion on agenda item 5 (Alternative sources of funding for the core structure). The main interest of Member States through these 3 agenda items was how to advance the discussions of the WGBR.
2. In the discussion on agenda item 3 (Define the core structure), some Member States stressed the importance of reaching a common understanding on the definition of “core structure” for advancing the discussion on budget reform. On the other hand, some other States preferred to discuss first a possible solution for properly financing the essential functions of the Organization rather than reaching a consensus on the definition of the core structure, insisting that it is evident that there is a serious financial shortfall regarding coverage of the essential functions of the IOM.
3. During the discussion on agenda item 4 (Define the key “functions”), one Member State listed possible key functions of the IOM as follows: (1) project endorsement; (2) project monitoring and evaluation; (3) identification of best practices; (4) staff training; (5) public relations and communication; (6) staff security; (7) human resources management; (8) donor relations; (9) financial management; (10) financial reporting and (11) liaison with other international organizations. Another State added “audit” to the key functions list. Several States expressed their wishes to scrutinize the costs of these functions one by one. Member States’ opinions seemed divided with regard to beginning the discussion with the items of “critical needs” emphasized by the Administration such as (a) staff security, (b) PRISM, (c) IOM’s cluster responsibilities and (d) statutory increases for the core structure.
4. During the initial discussion on agenda item 5 (Alternative sources of funding for the core structure), the Administration explained that the overhead rate is in principle 5 % of total project costs and that a 1 % increase of the overhead rate will bring 6-8 million US dollars in increased income. One Member State appreciated the explanation of the Administration and stated that an increase in assessed

contributions should be the last resort. The Administration mentioned an earlier suggestion to add assessed contributions of new Member States to the Administrative part of the Budget. Some Member States encouraged others to make every effort to make non-earmarked contributions to the Organization.