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**SUBCOMMITTEE ON BUDGET AND FINANCE**

**REPORT ON THE EIGHTY-FOURTH SESSION**

Geneva

30-31 October 2000

Rapporteur: Ms. Callangan-Rueca (Philippines)

## CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
I. ELECTION OF OFFICERS .....	1
II. ADOPTION OF THE AGENDA .....	1
III. STATEMENT BY THE DEPUTY DIRECTOR GENERAL .....	1
IV. SUMMARY UPDATE ON THE PROGRAMME AND BUDGET FOR 2000 .....	2
V. STATUS REPORT ON OUTSTANDING CONTRIBUTIONS TO THE ADMINISTRATIVE PART OF THE BUDGET .....	4
VI. STATEMENT BY A REPRESENTATIVE OF THE STAFF ASSOCIATION .....	4
VII. PROGRAMME AND BUDGET FOR 2001 .....	6
VIII. APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE PERIOD 2001-2003 .....	15
IX. HUMAN RESOURCES POLICY .....	16
X. ANY OTHER BUSINESS .....	18
ANNEX I - List of participants	
ANNEX II - Agenda	
ANNEX III - Statement by the Deputy Director General	
ANNEX IV - Draft resolution on the Programme and Budget for 2001	

## **SUBCOMMITTEE ON BUDGET AND FINANCE REPORT ON THE EIGHTY-FOURTH SESSION**

### **INTRODUCTION**

1. The Subcommittee on Budget and Finance (SCBF) met at the Palais des Nations in Geneva for its Eighty-fourth Session on 30-31 October 2000. Three meetings were held.
2. The following Member States were represented: Albania, Algeria, Angola, Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Cyprus, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Germany, Greece, Guatemala, Haiti, Honduras, Hungary, Israel, Italy, Japan, Kenya, Latvia, Lithuania, Morocco, Netherlands, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Republic of Korea, Slovakia, Sri Lanka, Sweden, Switzerland, Thailand, Tunisia, Uganda, United Republic of Tanzania, United States of America, Uruguay, Venezuela and Yemen.<sup>1</sup>

### **I. ELECTION OF OFFICERS**

3. The Subcommittee re-elected Mr. Jurkovich (Canada) Chairman, and elected Ms. Callangan-Rueca (Philippines) Rapporteur.

### **II. ADOPTION OF THE AGENDA**

4. The Subcommittee adopted the agenda appended as Annex II.

### **III. STATEMENT BY THE DEPUTY DIRECTOR GENERAL**

5. The Deputy Director General delivered the statement reproduced as Annex III.
6. The delegate of Italy indicated that his Government had withdrawn the candidature of the Court of Accounts of Italy for the function of external auditors; the Deputy Director General said that that withdrawal had been noted.
7. **The Subcommittee took note of the statement by the Deputy Director General.**

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<sup>1</sup> See List of Participants appended as Annex I.

#### **IV. SUMMARY UPDATE ON THE PROGRAMME AND BUDGET FOR 2000**

8. The Chairman introduced document MC/2009, which presented an update of the Programme and Budget for 2000 (MC/1977) and of the Revision of the Programme and Budget for 2000 (MC/EX/623) and should be read in conjunction with those documents. There had been no change in the Administrative Part of the Budget but an increase of USD 75 million in the Operational Part.

9. The delegate of Pakistan requested clarification concerning the amount of the income from service charges received by IOM in connection with the transportation projects in Kosovo and East Timor. Relevant figures would indicate what benefit IOM had actually derived from providing those services and whether the funds thus generated would go to increase Discretionary Income.

10. The Administration gave an explanation of the funding of the various Kosovo projects. The expenditure of the Kosovo Office, including staff costs and direct costs (transportation, integration assistance and so forth), totalled over USD 100 million. A system of projectization had been used, charging the cost of the staff employed on a project to the budget of that specific activity, and negotiating funding on that basis with the donor countries. The fees charged were based on an estimate of the actual costs which was revised periodically. At the end of each year, when the actual cost became known, those fees were compared with the income which they had produced and the result might be either a refund to the donor country (in the case of a surplus) or the allocation of more funds (in the case of a shortfall). There was therefore no real profit or loss, as in the private sector. Operations in Kosovo had had both positive and negative effects: on the one hand IOM staff, who might otherwise have had their contracts terminated, had been assigned to Kosovo, but on the other hand the very substantial growth in that area of IOM's activities had put considerable stress on IOM's core support functions.

11. The Chairman also requested clarification concerning the impact of such projects on Discretionary Income as, in his understanding, the Administration covered all programme delivery costs but part of the funds went back into Discretionary Income, to give the Administration some flexibility.

12. The Administration said that project-related overhead income, which is a part of Discretionary Income had originally been estimated at about USD 5.5 million for 2000 and that since then significant new programmes in Kosovo and East Timor had been undertaken. The income from those programmes indeed had had an effect on Discretionary Income, in that they had helped IOM to attain the target of USD 5.5 million originally anticipated. That did not mean that IOM had already included in that estimate the project-related overhead income to be achieved from the new programmes.

13. In response to a further request for clarification, the Administration said that IOM had established a project-related overhead income composed of a 9.5 per cent charge on all operational projects to cover the indirect costs of core staff employed and core functions such as public relations, accounting and other services for which there was no other source of funding. However, the expansion in the Operational Part of the Budget, IOM's increasing membership and the complexity of its programmes had placed increasing pressure on the Administrative Part of the Budget.

14. The Deputy Director General said that the Administration could prepare a short information document providing further explanations on the rationale for the use of project-related overhead income.

15. The delegate of Pakistan pointed out that if all the projects undertaken by IOM in non-member States were fully funded by donors, it seemed difficult to justify an increase in the Administrative Part of the Budget.

16. The Chairman and the delegate of Argentina agreed with the point raised by the delegate of Pakistan, since the effect of projects in non-member States would have an impact on the Administrative Part of the Budget which would run counter to the interests of Member States.

17. The Administration responded that projects/programmes in non-member States were mostly requested and funded by Member States.

18. The Legal Adviser confirmed that indeed the Administrative Part of the Budget could not be used to fund expenditures in non-member States. In emergency situations, IOM response did not distinguish between Member and non-member States. However, when other migration programmes were carried out in non-member States, e.g. technical cooperation, a dual approach was followed: programmatic and political. While regular programmes were developed, a strengthening of the institutional relationship leading to membership was pursued at the same time. It was difficult and delicate to balance the two approaches, especially if a non-member State, despite the development of programmes considered to be interesting, decided not to become a full Member of the Organization. In such cases, IOM should give the State concerned the option of either becoming a Member and participating with other Member States in the solution of migration problems, or accepting the fact that IOM was unfortunately unable to invest further in a non-member country.

19. In reply to a question from the delegate of Finland concerning the service entitled "Other Programmes", the Administration said that the new category had been created to accommodate the Forced Labour Compensation Programme funded by the Government of Germany, which clearly did not fit into any of the six services. It would also be seen that it appeared in the Programme and Budget for 2001 with a substantial budgetary allocation.

20. **The Subcommittee on Budget and Finance recommended that the Council take note of document MC/2009 "Summary Update on the Programme and Budget for 2000".**

## **V. STATUS REPORT ON OUTSTANDING CONTRIBUTIONS TO THE ADMINISTRATIVE PART OF THE BUDGET**

21. The Director of the Administrative Support Department informed the Subcommittee that, by 27 October 2000, the level of contributions for 2000 that had been received had reached 86 per cent, a similar level to that achieved at the corresponding date in 1999.

22. The Chairman, recalling the remarks made by the Deputy Director General in her opening statement, observed that some Member States were making valuable efforts to pay their outstanding contributions and that some faced situations which made it difficult for them to fulfil their obligations.

23. **The Subcommittee noted with appreciation the efforts made by some Member States to pay their arrears, but took note with concern that the current situation showed no improvement over the previous year and that the large amount of contributions outstanding had an impact on the capacity of the Administration to manage the programmes for which it was responsible. The Subcommittee urged all Member States, particularly those with contributions outstanding for two or more years, to pay their contributions in full or to agree to a repayment plan, making a first payment as soon as possible, preferably before the next session of the Council.**

## **VI. STATEMENT BY A REPRESENTATIVE OF THE STAFF ASSOCIATION**

24. The Chairperson of the Staff Association paid tribute to her predecessor, Reinhard Lohrmann, who was soon to retire from IOM. At the June 2000 session of the Executive Committee, a proposal had been made to the Director General to report on human resources policy, setting out his vision for the future, in response to which the Administration had prepared a document entitled “Human resources policy in IOM” (MC/INF/242), which the Staff Association Committee (SAC) would examine in depth before the next session of the Executive Committee. Although not reflecting a proactive approach in developing a global human resources management policy, it did indicate some recent positive developments regarding the work/family agenda of staff members, an initiative taken by the former Gender Issues Coordinator.

25. The rotation policy regarding staff mobility had not been put into practice for the past two years on the grounds that its implementation would be costly and complicated. Despite that, numerous costly transfers of staff on an *ad hoc* basis had taken place without formal planning or consultation, whereas a regular appointment procedure would have been more efficient and cost-effective, as well as more transparent. The SAC also felt that the Director General too often used his prerogative of transferring staff in-grade. In the absence of a clear commitment by management in respect of a fair staff mobility policy, the SAC had made every effort to ensure that staff members at hardship duty stations were the first to be considered for any upcoming posts by automatically including eligible staff on vacancy short lists and secondments.

26. Little progress had been made on staff performance evaluation and the SAC had requested to participate in an internal working group and stood ready to cooperate with the Administration on the elaboration of a performance management system.

27. With regard to conditions of service for General Service field staff, the SAC had over the years requested the Administration to make an effort to harmonize conditions of service for locally-recruited field employees. Major discrepancies still existed in the Field Missions, and local staff were unacceptably disadvantaged in such matters as health insurance, provident fund, staff security and loss of salary in case of disability or death. As an interim arrangement, the SAC proposed that the Administration set up a fund within the IOM regular budget to assist those local employees in the field and their families in difficulties who were without basic coverage.

28. The SAC expressed concern that the new posts made available through the German Forced Labour Compensation Programme were being filled by external candidates. Although recognizing the need for external expertise at the inception of the programme, the SAC considered that IOM staff should also be given the opportunity to gain experience and enhance their skills, and that due consideration would therefore be given to internal staff members who met the basic requirements.

29. The SAC supported the Administration's request for an increase in the Administrative Part of the Budget and a move away from zero nominal growth. Without that increase IOM would be at a disadvantage in carrying out its activities and the staff would face greater stress.

30. In September 2000, at the initiative of the SAC, an information seminar on mobbing/psychological harassment at the workplace had been presented by an external expert. The need for the implementation of an overall harassment policy was underlined, and the matter would be pursued in discussions with the Administration.

31. Concerning collective negotiations between staff and management on conditions of service of staff, the SAC hoped that, following the signing of the Recognition and Procedural Agreement between the International Labour Organization and its Staff Union and the successful conclusion of the first collective agreement on a procedure for the resolution of grievances, similar progress would be achieved in negotiations between the SAC and the Administration in IOM.

32. The Chairman thanked the Chairperson of the Staff Association for the statement which had been distributed to participants earlier that morning with a view to improving dialogue with the staff. It might be preferable in future to have the statement circulated even earlier.

**33. The Subcommittee on Budget and Finance took note of the statement made by the Chairperson of the Staff Association.**

## VII. PROGRAMME AND BUDGET FOR 2001

34. The Chairman invited the Subcommittee to examine the Programme and Budget for 2001 (MC/2010), taking also into account document SCBF/246 (Illustrations on different levels of the Administrative Part of the Budget for 2001) and the report on the Eighty-third (Additional) Session of the SCBF (MC/2014), upon which the Rapporteur would make a statement.

35. The Rapporteur of the SCBF, Mr. Mahasaranond, said that the Subcommittee had met for its Eighty-third (Additional) Session on 20 September 2000 to discuss the Programme and Budget for 2001, specifically its Administrative Part. The Administration had requested an increase in that part of the Budget on the grounds that the Organization's core resources were over-stretched and that the continuation of zero nominal growth would be counter-productive to the effective functioning of IOM, particularly in view of its expansion over the past few years which called for greater administrative flexibility. The majority of speakers had supported zero nominal growth as a valid principle to be continued from 2002 onwards, but also recognized that an increase in the Administrative Part of the Budget was required for 2001. There had, however, been no consensus on the level of increase. The Administration's proposal for a 9.6 per cent increase had been considered too high and positions concerning the level of increase had ranged from zero nominal growth to an 8 per cent increase (as reflected in document SCBF/246 which outlined, for comparison, the budgetary adjustments that would have to be made to accommodate a 6 per cent increase and an 8 per cent increase, respectively). A number of speakers had also indicated their willingness to join any consensus on a level of increase. Some delegates had also stressed that additional resources should be allocated for projects in developing countries and priority areas of activity. In conclusion, delegates had requested the Chairman to hold further consultations with representatives of regional groups and individual Member States prior to the Eighty-fourth Session of the SCBF, in order to try to reach a consensus on the level of the proposed increase in the Administrative Part of the Budget for 2001.

36. The Chairman said that, following the Eighty-third (Additional) Session of the SCBF, he had pursued informal consultations with delegations and regional groups, from which it had still emerged that most delegations considered that the 9.6 per cent increase in the Administrative Part of the Budget for 2001, requested by the Administration, was too high and unjustified. A majority of delegations had said that a moderate increase in the Administrative Part of the Budget would be justified after four years of zero nominal growth, but were nevertheless in favour of maintaining zero nominal growth thereafter. No agreement had been reached on the level of the proposed increase, and positions varied mainly between 5 and 6 per cent, with a majority in favour of 5 per cent. On the basis of these consultations, the Administration had prepared, at his request, a draft resolution on the Programme and Budget for 2001 which he invited the SCBF to consider along with the other relevant documents.

37. The text of the draft resolution, as further revised by the Subcommittee, is appended as Annex IV.

38. In the lengthy discussion which ensued concerning the **Administrative Part of the Budget for 2001**, a significant majority of delegations which indicated their position were in favour of an increase in

that part of the Budget. The delegate of Paraguay, however, was against any increase on account of the serious budgetary restrictions in his country and in other countries in that area. The delegate of Venezuela said that her Government considered wiser to postpone a decision concerning the proposed increase until the question of IOM's programmes for Latin America and the Caribbean had been reviewed and clarified. Almost all speakers stressed the importance of reaffirming zero nominal growth as a budgeting principle and considered that the proposed increase should be applied to 2001 only, with a return to zero nominal growth in 2002. Four speakers (Chile, France, Germany and Japan) said that they could only accept an increase as an exceptional measure, on condition that zero nominal growth was again applied in 2002 and thereafter.

39. Regarding the amount of the proposed increase in the Administrative Part of the Budget, the majority of speakers said they would be prepared to support an increase of 5 per cent. A number of other delegations did not indicate any figure but expressed willingness to accept a moderate increase to achieve consensus. The group of Nordic countries felt that any increase should not exceed zero real growth. The delegate of Uruguay indicated that he had received instructions from his capital to join a consensus on a reasonable budgetary increase in the Administrative Part of the Budget for 2001, which he hoped would be reflected in a growth of IOM's cooperation activities in Uruguay and the Latin American region. He proposed amending the last part of operative paragraph 5 of the draft resolution by the addition of the phrase "on the basis of an equitable regional distribution" and by a reference to "Member States". The delegate of the United States said that his Administration could accept a compromise figure of 5 per cent or even more, which should be balanced by the allocation from Discretionary Income of at least USD 1 million for developing countries and countries in transition (see paragraph 5 of the draft resolution). He supported the amendment proposed by the Uruguayan delegation. The delegate of France asked that the wording of operative paragraph 2 of the draft resolution be strengthened in order to underline the fact that the Administrative Part of the Budget for the year 2002 would be prepared on the basis of zero nominal growth.

40. The proposal by the United States to allocate USD 1 million from Discretionary Income for projects in developing countries and countries in transition received support from a number of delegations (Belgium, Denmark, Dominican Republic, Finland, Nicaragua, Norway, Pakistan, Philippines, Sweden, Switzerland, United Republic of Tanzania, Tunisia and Uruguay).

41. A number of countries in the Latin American region requested that an ambassadorial-level meeting should be held with the Director General before the next session of the Council to clarify IOM's programmes and projects in Latin America, which they considered required strengthening, and to rectify the imbalance in the allocation of funds among the different regions. The Deputy Director General said that the Director General had been informed of that request and that he would respond favourably to this invitation.

42. The delegate of Australia said that although there was some justification for growth in the Administrative Part of the Budget for 2001 on account of IOM's increasing membership and activities, her delegation was concerned that the impact of many of the proposals on IOM's activities had not been clearly identified. Draft budgets should be established through an approach based on expected

results and any proposed increases in expenditure justified by clear details of output. For example, although document MC/2010 indicated the need to strengthen IOM's information technology (IT) and communication base with a corresponding consolidation of management and financial resources in that area, there was insufficient indication of how that IT would be managed and what kind of outcome was expected. If an outcomes-based approach was adopted, Member States would have a clear picture of what funding increases would achieve and could make informed decisions concerning which services or activities constituted priorities or could be modified or discarded as appropriate. The presentation of successive alternative proposals without an impact component made meaningful comparison impossible, tended to push Member States towards inconclusive responses and raised concern over future accountability of any given budget increase. She requested that those comments concerning outcomes-based reporting be taken into consideration. Despite that, her delegation would not block any consensus concerning the level of the budget increase.

43. In reply to the above, the Administration indicated that, in connection with output-based budgeting, which was currently taking place in various other international organizations, IOM had been following the matter and studying to see how it could best be applied to IOM's situation and addressed in future budgets.

44. Three delegates (Pakistan, Italy and Portugal) emphasized the need, especially in the context of the proposed budget increase, to clarify the link between the Administrative and Operational Parts of the Budget, in particular with regard to the use of the 9.5 per cent overhead component incorporated in the cost of projects to cover administrative expenses. The delegate of Italy also raised questions on the application and mobilization of discretionary funds.

45. Concerning the **Operational Part of the Budget**, the delegate of Switzerland, noting that that part of the budget for 2001 amounted to USD 303 million, showing a nominal decrease of 13 per cent in relation to the revised budget for 2000, pointed out that the US dollar had appreciated by 35 per cent in relation to the Euro since 1 January 2000. Moreover, IOM disbursements in the field in 2001 would be transacted in currencies and groups of currencies which had all lost much of their value against the United States dollar during 2000 by an estimated 20 to 30 per cent. It had therefore been calculated that the apparent decrease in the Operational Part of the Budget for 2001 was in fact an increase of approximately 9 per cent by reason of the strength of the United States dollar. His delegation wished to know to what extent the management of the Operational Part of the Budget for 2001 took account of this decrease in the real costs of IOM's field activities in 2001 and, if it did not, what new programmes necessitated such a budget increase. In fact, the sums affected by currency fluctuations amounted to USD 50 to 60 million, and the Swiss services had estimated that for the Operational Part of the Budget for 2001, the same work could be done with USD 267 million by taking account of the strength of the dollar in 2001. Moreover, the appreciation of the dollar by 35 per cent against the Euro and by 26 per cent against the Swiss franc should also be taken into account.

46. The Administration said that IOM, with over 60 currencies in its field of activities, had to have a strategy which protected its funds against undue influence by fluctuations in the currency markets. IOM was trying to match income with expenditure, so that the income it received was mainly in the same

currency as the funds spent. Thus, the fact that the Administrative Part of the Budget was denominated in Swiss francs protected IOM because most of its expenditure under that budget was in Swiss francs. In the Operational Part of the Budget, most of the income was in United States dollars and was spent in the same currency; if the funding was obtained in another currency, an attempt would be made to negotiate with the donors to arrange for the expenditure to also be made in that currency.

47. The delegate of France said that her delegation wondered whether IOM contracts were always negotiated in the currency in which they would be executed. She believed that an analysis of the percentage of contracts negotiated in dollars but executed in other currencies would show that in many cases employees were paid in local currencies which had depreciated considerably.

48. The Chairman invited the delegates who had spoken on that matter to discuss it further with the Administration before the forthcoming Council, and suggested that the Administration prepare its reply to the question raised by Switzerland in time for the Council.

49. The delegate of Pakistan expressed some disappointment over the Operational Part of the Budget for 2001, as he saw no significant activities in most developing countries, where there were many issues of great concern requiring international assistance. While he appreciated donors using IOM services for projects in non-member States, they must not lose sight of their obligation to support IOM projects in Member States. In that context, he would like to see a detailed breakdown of figures relating to the financial benefits for IOM of carrying out fully-funded projects in non-member States.

50. Regarding the **Services** section of the Programme and Budget for 2001, the delegate of Japan asked whether all the programmes listed under the Migration Health Service (for example, II.2.1, II.2.2 and II.3.3) came within IOM's mandate, as set out in Article I of its Constitution. The delegate of El Salvador requested clarification concerning IOM's activities in support of health care facilities at the Department of Health Surgery and Vascular Diseases, Albania (section II.3.5).

51. The Director of the Migration Health Service replied that the services provided by IOM under section II.2 were mostly fiduciary in nature even though the project had been listed under Migration Health. In fact, IOM was assisting one of the Member States in managing a project which had been funded by other donors. Where social, economic and health issues extended beyond specific populations, migrating and mobile populations might have health problems which Member States wished to address. IOM, through its movement and migration screening, could offer those Member States, at their request, access to populations that might not be easily available to governments and agencies. The project under section II.3.5 reflected a concern expressed by the delegate of Italy that efforts be made to assist in reducing irregular migration of people requiring cardio-vascular surgery. Many of the cases arriving irregularly and requiring high-cost intervention originated from the Balkan region. The project was intended to support adequate tertiary care services so as to prevent such irregular migration and medical evacuations.

52. Replying to a query from the delegate of Norway concerning HIV/AIDS, the Director of the Migration Health Service confirmed that it was IOM's intention to integrate HIV/AIDS issues into

large-scale movement operations and other health projects within the Organization. Currently, such activities were co-funded by IOM and UNAIDS and efforts were being made to mobilize further funding.

53. With reference to **Technical Cooperation on Migration**, the delegate of Colombia expressed concern that the part of the budget allocated to technical cooperation for migration showed a drastic decrease while other parts of the budget remained at the same level. As her Government attached great importance to IOM's provision of technical cooperation where required, she suggested that that decrease be reviewed and possibly adjusted through across-the-board reductions in other areas.

54. With regard to **Counter-Trafficking**, the delegate of Colombia said that the combined efforts of governments, IOM, the international community, non-governmental organizations and civil society were essential – through seminars and other meetings – for achieving adequate control of complex migration processes. An appeal should be launched to donor countries to make additional contributions for such purposes to assist all developing countries. Her delegation requested the establishment of a specific programme on counter-trafficking in the future.

55. The delegate of the Dominican Republic stressed that her country required the assistance of IOM and the international community in coping with the increasing problem of trafficking of people – often for sexual purposes – which had led to the murder of four Dominican Republic nationals in 2000. Information campaigns and a comparative study covering various countries and regions would be useful to identify the common characteristics of such problems and develop appropriate counter-trafficking measures.

56. Two delegates (Philippines and Norway) asked why the budget allocated to counter-trafficking was low considering the importance of the problem.

57. The Director of Migration Management Services replied that discussions were under way in the Dominican Republic, after which appropriate measures could be taken. IOM would be willing to undertake a study on trafficking but support was required to cover its cost. Difficulties in funding counter-trafficking activities often arose because it was not always possible to establish the destination of the migrants involved and the transit countries were reluctant to provide financial support. More dialogue was therefore required between sending, transit and destination countries.

58. The Administration added that the Programme and Budget was based on funding which was considered as more or less assured and would be received from donors for 2001. However, IOM also provided another document for fundraising purposes, entitled “Migration Initiatives”, which would contain details of projects and programmes, including those on counter-trafficking, which had not yet attracted funding but were in the pipeline, in various stages of development within the Organization, and which would be presented to the forthcoming Council.

59. The **German Forced Labour Compensation Programme** (GFLCP), (which had been placed in a separate chapter in the Programme and Budget for 2001), set up by Germany through a

German foundation, was introduced by the Director of the GFLCP who said that the purpose of the programme was intended to help nationals of most of the Organization's Member States with IOM's assistance. In 1999, German industry and the German Government had decided to establish a fund of DM 10 billion to compensate victims of slave and forced labour under the Nazi regime. IOM had been selected as one of the seven partner organizations to implement the programme and was in charge of the so-called "rest of the world" non-Jewish group, namely victims who did not reside in one of the Central and Eastern European countries where there was a national foundation in charge of compensation agreements, and who were not Jewish. IOM was ideally suited for the role as it had a worldwide network of Field Offices through which it could reach out to victims all over the world. Through the public service announcement distributed at the end of August 2000, the Organization had already contacted over 50,000 potential claimants. IOM was also accustomed to assisting vulnerable groups and had a humanitarian approach, which was helpful in assisting elderly people who had suffered under the Nazi regime. IOM faced a number of challenges in the programme. One was that the group it would deal with was unknown in size, location and composition because German law provided compensation for two categories of victims: one consisted of the victims of slave labour in concentration camps, who received the highest compensation, and the other consisted of those who did forced labour and were detained in harsh conditions. Another challenge was to establish cooperation through IOM with victims' associations which had often actively supported victims for years in many different countries.

60. The delegate of Latvia said that his country, which was particularly interested in compensation mechanisms for forced labour, was currently attached to the Moscow fund, but was negotiating with the German Government concerning the possibility of setting up a separate compensation fund for victims in Latvia. The German Government's reaction had at first been negative, but a slight change in its position had been noted recently, and Latvia believed that a mutually acceptable solution might be found in the coming months. It considered that IOM might serve as an alternative channel for compensation to Latvian victims of forced labour and wondered whether, if the Latvian Government were to agree with the German Government to compensate victims through IOM, the Organization would have the technical capacity to carry out the compensation work involved.

61. The Director of the GFLCP said that IOM had the technical capacity to help victims in Latvia if so requested by the German Foundation, particularly through its Office in Riga.

62. The delegate of Canada observed that the compensation programme seemed, to some extent, to be marginal to IOM's mandate and such a large-scale and costly programme should not distract IOM from its principal mandate.

63. The Director of the GFLCP pointed out that IOM as an organization could benefit by the compensation programme in three ways: firstly through acquiring expertise in claims processing which could be useful to its Member States in future, and increased cooperation with partner organizations such as victims' associations and other bodies; secondly, through the programme's support (in particular, data processing) for the Organization in general and for Field Missions; and thirdly, through

the information campaign on the compensation programme which was about to be launched and would certainly enhance IOM's visibility.

64. The Legal Adviser, replying to a query from the delegate of Venezuela as to whether IOM was authorized to sit on the Board of Trustees of the Foundation, observed that IOM had assumed its tasks, as a partner organization of the Federal Foundation set up by the German Government, to manage an extremely complex programme which obviously concerned not only IOM and non-Jewish victims, but also other organizations and categories of victims. The Board of Trustees of the Foundation consisted of 27 members, including representatives of certain German ministries, five members from each of the two German Houses of Parliament and a representative of the Office of the United Nations High Commissioner for Refugees, so that it was perfectly logical for IOM to have a seat on the Board. Approval of the Programme and Budget for 2001 included approval of IOM's participation in the compensation programme and, by extension, the mechanism for the implementation of the programme, so that no specific resolution referring to IOM's participation on the Board of Trustees was needed.

65. In connection with **General Programme Support**, the delegate of Finland asked for more information about gender issues and how they were being coordinated and addressed by IOM now that there was no longer a special coordinator for those matters, and about the corresponding budget which was somewhat modest.

66. The Deputy Director General said that gender issues were dealt with and coordinated in the Director General's Office by herself and a group of some 30 colleagues particularly interested in the distribution of IOM staff by sex. That group was prepared to help establish programmes to raise the educational level of women within the Organization in order to attain a balance that would enable them to be selected for any vacant IOM post on an equal footing with men. Activities designed to integrate women and their concerns in certain projects, both at Headquarters and in the field, must be coordinated in the Director General's Office in order to avoid conflicts of interest that might arise if undue emphasis was laid on Headquarters or field activities. The modest sum of USD 50,000 had been allocated to the programme to enable it to begin, but nothing prevented Member States from making contributions to IOM's programmes in favour of women at the next Council session, especially with a view to helping women in developing countries, who were at a disadvantage as compared to men, and also enabling women to rise to the same level as male staff members in the Organization.

67. In reply to a query from the delegate of Italy concerning IOM's cooperation in that field with other organizations in the United Nations system, she said that IOM had focal points which dealt with gender issues in most national and Regional Offices and had established links with other United Nations agencies concerned with the subject.

68. On the query raised by the delegate of the Philippines concerning **Staff and Services covered by Discretionary Income**, the Administration said that the total costs of staff and services covered from the Discretionary Income of USD 9,985,900 was indeed the sum from which the Administration was supposed to find the amount of up to USD 1 million to be set aside for migration projects in

developing countries and countries in transition, as requested in paragraph 5 of the draft resolution. Further relevant details would be found in Annex II of document MC/2010.

69. The delegate of Italy, referring to the table “Sources and application of Discretionary Income” (page 33 of document MC/2010), asked whether the project-related overhead income of USD 5.5 million constituted a surplus which could be used elsewhere for new projects, or whether that sum constituted support costs which were used fully for the projects for which they were earmarked. He also asked whether “Staff and Services” in that table referred to staff working on the projects to which the support costs referred, or whether those staff members benefited from any allocation of the overhead.

70. The Administration replied that most of the total Discretionary Income for 2001 (USD 10.9 million) had been allocated to staff and office costs not directly linked to projects, i.e. core staff and office costs not currently in the Administrative Part of the Budget and therefore covered from Discretionary Income for 2001. Regarding the sum of USD 430,000 for projects for regions in development and transition, the intention in the draft resolution was to increase that amount so that a greater part of Discretionary Income would go towards funding migration projects rather than staff and office costs. It should be borne in mind that the sum of USD 10.9 million for Discretionary Income was only a projection based on the estimated number of projects for the following year, and reflected an attempt to achieve a balanced budget with neither surplus nor deficit. Funds could not be shifted from the Operational Part of the Budget to the Administrative Part of the Budget which formed a rigid framework within which all staff posts had to be covered. If zero nominal growth was imposed and inflation continued, the only solution therefore would be to reduce the number of posts.

71. The delegate of Pakistan, referring to Annex I of document MC/2010 (**Funds in Special Accounts**), asked whether there was any link between the Migration for Development Fund, with an allocation of USD 25,000, and the USD 1 million for the development of migration projects referred to in the draft resolution, and what promotional activities IOM undertook to inform migrants about the existence of the Migrant Loan Fund and about the conditions under which individuals could draw upon it. It would also be interesting to know which regions had benefited from the Migrant Loan Fund and if there were any comparative figures available.

72. The Administration said that there was no direct link between the Migration for Development Fund and the USD 1 million which it was proposed to set aside from Discretionary Income for projects in developing countries. The Migration for Development Fund had been established by a Council resolution in 1990 and use of that fund was subject to very specific criteria. For 2001, the small amount of USD 25,000 had been allocated to the PLACMI project adopted some years previously through a Council resolution as a priority project in the Latin American region, funded by only one or two specific countries. The Migrant Loan Fund was another very specific fund, established in 1960, which covered the transportation costs of migrants and related services by giving them interest-free loans. That fund could be used only when IOM could not find funding from any other project and one of its conditions was that a promissory note for the loan had to be signed by the migrant and his or her sponsor. A broader awareness of the fund was managed through a special IOM project, of which all Field Offices

were aware, and requests were submitted to the responsible Headquarters unit which then responded with a decision on whether or not the Fund could be used.

73. The delegate of Sri Lanka called for the strengthening of the capacity of Member States, particularly in South Asia.

74. The Chairman, summing up the debate on the Programme and Budget for 2001, noted a number of salient points that had emerged. First, the desire for a more equitable distribution of programmes and funding among geographical regions, which had prompted the proposal in paragraph 5 of the draft resolution to allocate the sum of USD 1 million for the development of programmes in favour of regions in development and transition. Second, all delegations except two were in favour of a 5 per cent increase in the Administrative Part of the Budget for 2001, with a return to zero nominal growth for that budget in 2002, which would result in a sum of CHF 35,763,000. Third, the Operational Part of the Budget would be adjusted to take account of an amount of up to USD 1 million for programmes in Member States in development or transition; it should be noted in that connection that the Budget already included USD 430,000 identified in the 2001 programme for transition projects, so that the additional sum to be found was USD 570,000. The revised text of the draft resolution, including those figures, amendments made in the light of the debate and editorial corrections (see Annex IV), would be recommended to the Council for adoption, if the Subcommittee so agreed. Operative paragraph 4 of the draft resolution would be completed later when document MC/INF/243 was published.

75. The delegate of Argentina said that his delegation supported the draft resolution but, in the interests of clarity, proposed the addition of the words “without prejudice to funds which may be allocated for these purposes” at the end of paragraph 5.

76. The Chairman said that his impression of the discussion was that the funds in question were to be increased to USD 1 million, rather than increased by an additional million.

77. The delegate of Argentina said that, although his delegation did not entirely concur with the Chairman’s interpretation, it could go along with the consensus in paragraph 5 of the draft resolution. The delegate of Colombia said that the GRULAC countries had not agreed on that interpretation of the provision and that the matter should be reconsidered in the GRULAC before the Council meeting.

78. The delegate of Uruguay said that he supported the proposed clarification by the delegate of Argentina concerning operative paragraph 5 of the revised draft resolution and the view that the amount of USD 1 million should be additional to the funds already allocated for that purpose. The matter should, however, continue to be considered informally, with a view to reaching consensus at the next session of the Council. The delegates of El Salvador and Pakistan supported that view.

79. The delegate of the United States said he understood operative paragraph 5 of the revised draft resolution to refer to USD 1 million in new funds which, according to the compromise reached, would be used for migration projects in favour of developing Member States and Member States in transition,

on the basis of an equitable regional distribution, and that this would take effect once it was agreed by the Council.

80. The delegate of Austria said that his country was the fourth largest contributor of unearmarked funds to the Operational Part of the Budget and stressed that such funds gave IOM the funding flexibility it needed. The proposal in operative paragraph 5 of the revised draft resolution constituted a broad earmarking of Discretionary Income and he was not in a position to support any earmarking of discretionary funds greater than the USD 1 million proposed.

81. The Chairman emphasized that the Council was sovereign and could therefore decide, if it so wished, that the USD 1 million was an additional amount. He observed that further work was needed to ensure that the Council was able to reach consensus. The debate had been very rich and the need to allocate funds to developing and transitional countries had been recognized. It would be up to the Council to decide on the percentage increase in the Administrative Part of the Budget for 2001 and to strike a balance between the Administration's need for flexibility and the need to allocate funds to developing countries and countries in transition. He hoped that the Council would be able to achieve consensus in November 2000.

82. The Chairman invited the Subcommittee to recommend the revised draft resolution to the Council, with the exception of two Member States. He recalled that the Council had the final decision on this matter.

**83. Having examined in detail document MC/2010, the Subcommittee recommended that the Council adopt the Programme and Budget for 2001, on the basis of the revised draft resolution on the Programme and Budget for 2001.**

#### **VIII. APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE PERIOD 2001-2003**

84. The Chairman drew attention to document MC/2013 and recalled that Italy had withdrawn the offer to act as external auditor. The three other offers, from Norway, the Philippines and the United Republic of Tanzania, remained standing. All three were prepared to work free of charge, except for travel expenses and per diem. The document made no recommendations regarding the selection of the external auditors and the SCBF was not in a position to make a choice, not having seen the information on file concerning the three offers. He therefore suggested that the SCBF should not enter into substantive discussion of the matter, that the Administration should send all Member States copies of the files received from the three candidates, and that during the next Council meeting the candidates should be given the opportunity to make presentations or reply to questions. The interested Member States may submit additional information concerning their respective candidatures. The appointment by the Council was subject to a simple majority vote, by secret ballot. As no procedure existed in IOM previously for the selection of external auditors, he suggested that a procedure similar to that adopted in 1999 for the election of the Deputy Director General might be considered, calling for a round of

preliminary ballots, after which the candidate with the least number of votes would be eliminated. The three countries concerned could meet to further discuss the matter and submit proposals to the Chairman of the Council.

85.     **The Subcommittee agreed to the above proposal.**

## IX. HUMAN RESOURCES POLICY

86. The Director of Human Resources introduced document MC/INF/242 which outlined the Organization's policies and practices in respect of several human resources management areas. The policies and criteria that underpinned the process selection and recruitment practices in IOM were set out in the Constitution, as well as the IOM gender policy and the principle of equitable geographical distribution. IOM had for several years been making efforts to harmonize conditions of service for employees in the field, specifically regarding salary scales (by adopting the United Nations salary scales), and social security (i.e. health insurance and pension or provident fund). All staff worldwide were covered against occupational accidents and illnesses but, despite efforts to achieve similar or equal conditions of service, situations in the field varied: in 36 countries IOM's employees participated in the national social security scheme; in 51 missions IOM provided for medical insurance; and 32 missions participated in the Provident Fund. The situation was under review in nine Missions which did not have any form of social security and six additional Offices which did not have a pension or provident fund, although medical coverage was provided. In some cases, the difficulties in applying the IOM package of health insurance and provident fund were financial; the staff member had to contribute a certain share of the total cost and the Organization another share. For IOM donors, that might mean an addition to the staff costs included in projects. She trusted, however, that donors would accept such a slight increase in view of the importance of having adequate coverage for IOM staff.

87. Regarding staff development and training, emphasis was placed on the development and training of field-based staff, for whom over 70 per cent of the resources were being spent. With regard to performance management in IOM, it was proposed to set up an internal working group to review the previous system or design a new one. The document outlined the system used by IOM for the classification of positions (in line with the ICSC job classification standards) and appeal procedures, and a section on staff mobility policy which explained why the policy, as established in 1996-1997, would be difficult to apply, since the number and grading of posts in Headquarters and the field did not match. Furthermore, new projects might require staff or finalization of projects might require staff redeployment. The Administration was considering the adoption of certain measures to ensure that staff in hardship positions had the possibility to relocate and fill vacancies in other parts of the world. One of the strategic objectives for the Human Resources Division was to foster good staff relations through regular dialogue between the Administration and the Staff Association, with a view to reaching mutual agreement on issues of concern to staff. Standards of conduct would soon be finalized and distributed to all staff members. Document MC/INF/242 contained a statistical overview, giving figures as at June 2000 and covering the period 1997 to 2000. Regarding the gender issues policy, the target set for 2000 - that 35 per cent of the staff would be women - had not been reached, despite some progress having been made in the ratio of women at the senior and decision-making level.

88. The delegate of Pakistan, welcoming the more detailed information on staffing patterns and procedures, referred to equitable geographical distribution (section 7 of document MC/INF/242), expressing concern that some 130 out of 206 posts were held by nationals of countries which were large contributors to IOM, with only one person in the D1 category from a developing country. It was important that the concerns raised in the statement made by the representative of the Staff Association

should be taken into account by the Administration with a view to maintaining high staff morale, which was essential to the efficiency of the Organization, a view supported by the delegate of Norway who emphasized that IOM's personnel policy should be harmonized with that of the United Nations. The gender dimension was also important, in particular issues concerning work/family responsibilities. IOM should also be encouraged to maintain close contact with UNHCR regarding questions of risk and other aspects of staff security.

89. The delegate of Australia suggested that, in the interests of transparency and accountability, statistical data such as those provided in the annex to document MC/INF/242 should be provided at regular intervals, either to the SCBF or to the Council. Regarding staff recruitment, she asked whether the Director General had the ability to make appointments without a recommendation from the Appointments and Postings Board, whether any appointments or contracts had been made without advertising and, if so, at what level and how many. She also requested a statistical overview showing the number of staff trained in each particular area with an indication of priority fields, as well as further details on the type of staff grievances that arose. With respect to standards of conduct, she asked whether consideration had been given to similar codes of conduct produced in the national systems and in the private sector.

90. The Director of Human Resources said that further efforts needed to be made to improve the geographical distribution of staff and that three recent vacancies were to be filled by people from developing countries. She also urged delegations to submit good qualified candidates. Work would continue with the Staff Association in order to reach agreement on contentious points of staff policy and achieve a high standard of staff morale in the interests of the Organization. A representative of the gender issues working group was present at meetings of the Appointments and Postings Board, a number of measures had been introduced which should help staff to balance their work and family responsibilities and a statistical overview of staffing would be provided annually. She explained that for all contracts of one year or more, a vacancy notice was published and the procedure of the Appointments and Postings Board was followed. The Board did not, however, meet to discuss short-term employment positions, and contracts for such positions might therefore be given without being presented to the Board. Regarding recruitment and selection, the Director General had exercised his prerogative to transfer a staff member from one post to another without a vacancy notice in eight cases in 2000. There had been five additional transfers without vacancy notice where the action had been initiated by the staff member because of family problems. In eight further cases, there had been normal operational and administrative transfers to fill needs in emergencies or to switch staff around (in the case of two medical officers). Some short-term vacancies were published through e-mail, and internal staff were given preference over external candidates. Thus, there might or might not be vacancy notices for short-term temporary posts. The areas in which staff training had been provided were referred to in paragraph 70 of the report.

91. The Legal Adviser added that staff grievances were dealt with at two levels: first, the Joint Administrative Review Board (JARB); and second, where the staff member was not satisfied, the ILO Administrative Tribunal. In 2000, a total of five cases had been submitted to the JARB, four of which had been concluded, presumably successfully, as no further appeal had been submitted to the ILO

Administrative Tribunal. Two cases had concerned post classification. Regarding the document on standards of conduct, he said that the United Nations code of conduct remained applicable but required updating; the IOM document was based on the United Nations code, revised with particular application to IOM, and the objective was to finalize it by the end of the year.

**92. The Subcommittee on Budget and Finance took note of document MC/INF/242 on human resources policy in IOM and invited the Administration to continue to update the information contained therein and to keep the governing bodies of IOM informed on a regular basis, taking into account the comments made by Member States regarding the document.**

## **X. ANY OTHER BUSINESS**

93. The Chairman indicated that two applications had been received for membership of IOM, submitted by the Republic of Benin and the Republic of Slovenia.

94. The Deputy Director General suggested that the proposed assessment, in line with the United Nations assessment scale, should be 0.050 per cent for Benin and 0.072 per cent for Slovenia.

**95. The Subcommittee on Budget and Finance endorsed the recommendation that, in line with the methodology regularly applied for new Members and their assessments, and on the basis of the United Nations assessment scale, the proposed assessments of the two States concerned be as follows: the Republic of Benin, 0.050 per cent; the Republic of Slovenia, 0.072 per cent.**

96. The Deputy Director General informed the SCBF that two additional documents would be prepared for submission to the Council in November 2000, one on IOM policy framework for sub-Saharan Africa and the other on counter-trafficking, describing the current situation and outlining IOM's future activities.

97. The Chairman closed the session, thanking the Administration, the Meetings Secretariat and the interpreters, as well as the SCBF members for their active participation.

Annex I

**EIGHTY-FOURTH SESSION OF THE SUBCOMMITTEE  
ON BUDGET AND FINANCE**

30-31 October 2000

LIST OF PARTICIPANTS

(Trilingual)

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Annex II

EIGHTY-FOURTH SESSION OF THE  
SUBCOMMITTEE ON BUDGET AND FINANCE

30-31 October 2000

AGENDA

1. Election of officers
2. Adoption of the agenda
3. Statement by the Deputy Director General
4. Summary update on the Programme and Budget for 2000
5. Status report on outstanding contributions to the Administrative Part of the Budget
6. Statement by a representative of the Staff Association
7. Programme and Budget for 2001
8. Appointment of the External Auditors for the period 2001-2003
9. Human Resources Policy
10. Any other business

Annex III

STATEMENT BY THE DEPUTY DIRECTOR GENERAL

Mr. Chairman, distinguished delegates,

1. Let me start by saying how pleased I am to be here today and to welcome all of you to this Eighty-fourth Session of the Subcommittee on Budget and Finance, not only in my name, but also on behalf of the Director General.
2. I wish to express my warmest congratulations to you, Mr. Jurkovich, on your re-election to the Chair. I am confident that under your leadership, the agenda will be handled in the most efficient and effective way, and that appropriate recommendations will be developed for the Council. I wish to convey the same appreciation to the outgoing Rapporteur, Mr. Mahasaranond (Thailand) and express my congratulations to his successor, Ms. Callangan-Rueca (Philippines) on her election today as Rapporteur.
3. Mr. Chairman, distinguished delegates, we have an important agenda in front of us. Before I address the items on our agenda today, allow me to share with you some opening remarks.
4. The Organization can only fulfil its mandate if it is able to respond to the needs, as concerns migration management, of the international community as a whole and to Member States in particular.
5. This means that the IOM services should be well organized and that increased use be made of past experiences. Such an organization involves setting up Offices in Member States as well as Regional Offices which would be able to observe migratory phenomena and respond accordingly. This “preventive” action requires investments. This is particularly true in all the regions of the world where potential problems can be detected and in the Third World or “developing countries” where “migration and development” must be linked.
6. In addition to strengthening the structures of IOM itself both at Headquarters and in the national and Regional Offices, the necessary investments also concern the technical cooperation which must be put into place to benefit these countries, so that in the long run they can build up real migration policies and be able to manage migratory movements in their countries. Several of the countries concerned, as well as some of the most important donors, have shown their strong interest in this double strategy. Today it is necessary to provide the IOM staff with the means to follow words with action.
7. With these opening remarks, my comments henceforth will address the principal items on the agenda in the order in which they appear. As you deal with them in the course of the meeting, my colleagues and I stand ready to answer your questions.
8. Let me begin with the agenda item on the Summary Update on the Programme and Budget for 2000 (document MC/2009), which provides an update to both the Programme and Budget for 2000 (MC/1977) and the Revision of the Programme and Budget for 2000 (MC/EX/623), and should therefore be read in conjunction with those documents.

9. No changes are proposed in the Administrative Part of the Budget for 2000, which is based on zero nominal growth and amounts to CHF 34,060,000. The revised Operational Part of the Budget for 2000, which the Executive Committee approved in June 2000, was USD 273.7 million. Estimated expenditure in the Operational Part of the Budget has since increased by some USD 75.9 million, as reflected in the Summary Update on the Programme and Budget for 2000, bringing the total to some USD 349.6 million. The increase is mainly due to new and expanded fully-funded activities related to the Kosovo Emergency Programmes.

10. In addition, the Administration would like to inform you that the deficit of USD 31,468, referred to in the 1999 financial statements under the Operational Part of the Budget, has now been eliminated. In this regard, the Administration reaffirms its commitment to strict financial discipline and will only engage in new activities on a fully-funded and projectized basis.

11. The next agenda item deals with the issue of outstanding assessed contributions. Mr. Chairman, this matter has been addressed in past sessions of this Subcommittee and by the Council, regarding the appropriate action to be taken concerning outstanding contributions. In this regard, I am pleased to be able to report that two Member States, Kenya and Angola, have made significant repayments of their arrears; in Kenya's case, arrears for previous years have been completely amortized while Angola has paid off arrears for the period 1992-1997. Other countries have made partial payments towards their arrears. Furthermore, the Administration has received confirmation from the Government of Guatemala of its intention to settle its arrears in full by the end of the year. Nevertheless, despite these positive developments, the level of outstanding contributions remains high; consequently, I am compelled to emphasize that the Administration's ability to achieve optimal financial management, while implementing the approved changes within the budget, will continue to be compromised if the level of outstanding assessed contributions does not improve.

12. The Administration will provide you with an update on payment of this year's contributions when this agenda item comes up.

13. The next item on the agenda is a statement by the representative of the Staff Association Committee. In this regard, both the Director General and myself attach great importance to a constructive and positive relationship between the Staff Association and the Administration. We have tried and will continue to work together closely and address any issues in an amicable and constructive manner.

14. I would now like to address what I consider to be the most important item on the agenda for this session, which is the Programme and Budget for 2001. You will recall, Mr. Chairman, that the Organization embarked on a service-oriented approach to address migration challenges and implement its activities with the approval of the Programme and Budget for 2000. Some adjustments, mainly at Headquarters, have already been implemented and further adjustments, mainly involving the field structure, are proposed for 2001. This phased-out approach was applied in order to accommodate the adjustments within available resources and minimize any potential disruption to administration and operations.

15. Mr. Chairman, following the order in which the Programme and Budget for 2001 document is presented, I will first address the Administrative Part of the Budget. This part of the budget has been the subject of discussion, both formal and informal, between the Administration and the Member States for most of the year. After five years of maintaining a constant budget

level, the Programme and Budget for 2001 projects an increase in the Administrative Part of the Budget. The exact level of the increase seems still not definitely agreed upon and I hope, Mr. Chairman, that with your continued and valuable help, we will find a solution acceptable to all.

16. Mr. Chairman, I would like to take this opportunity to reiterate the Administration's arguments for an increase in the Administrative Part of the Budget. The request has been necessitated by various compelling factors, including a growing membership, greater demands from Member States to find effective solutions to ever-more complex migration issues and the need for enhancing the resources of certain key core structures. Although five years at a constant Administrative Budget level has forced the Administration to examine all aspects of how it conducts and manages its business, five years is too long a time to maintain such a strict regime in the face of the expansion over the last few years.

17. Mr. Chairman, you will recall that no consensus could be reached on the level of the proposed increase in the Administrative Part of the Budget at the Eighty-third (Additional) Session of the Subcommittee on Budget and Finance held last month. Consequently, as there was no agreed basis on the level of increase in the Administrative Part of the Budget for 2001, the Administration has maintained in the Programme and Budget for 2001 its original proposal of a 9.6 per cent increase. In order to facilitate the decision-making process at this meeting, the Administration has submitted additional information which provides illustrations on two other possible levels of increase, of 6 per cent and 8 per cent respectively, for the Administrative Part of the Budget for 2001. In each case, details of the impact on both the Administrative Part of the Budget and Discretionary Income allocations are provided, as well as the revised assessed contributions of Member States.

18. Mr. Chairman, the Administration is aware of and sensitive to the concerns expressed by Member States on the need to increase the Discretionary Income allocation for migration projects in favour of regions in development and transition. I wish to assure you that we shall identify and allocate additional Discretionary Income for the benefit of regions in development and transition and reflect it in the Revision of the Programme and Budget for 2001, which will be presented to Member States in spring next year.

19. Turning now to the Operational Part of the Budget for 2001, budgeted resources amount to USD 303.4 million. The breakdown of the Operational Part of the Budget for the various functional services and other categories, is as follows:

- Movement – USD 116.3 million
- Migration Health – USD 12 million
- Technical Cooperation on Migration – USD 40.2 million
- Assisted Returns – USD 55.5 million
- Mass Information – USD 0.3 million
- Counter-Trafficking – USD 2.4 million
- Other Programmes – USD 65 million
- General Programme Support – USD 1.7 million
- Staff and Services covered by Discretionary Income – USD 10 million

20. In addition, programmes which still have to attract funding are included in the global edition of "Migration Initiatives", currently being prepared for submission to the Council in November. As these projects receive funding in the course of the year, they will be included in the Revision of the Programme and Budget for 2001 document.

21. The projects proposed under each of these categories are described in detail in the respective chapters of the Programme and Budget for 2001 (document MC/2010). During the discussion on the Programme and Budget for 2001, the heads of the respective Services and the Administration will elaborate on the programmes, indicating priorities, trends and needs, and address any specific questions you may have. In order to provide a regional perspective of IOM's operations, a geographical distribution of activities is also provided in the Programme and Budget for 2001.

22. Mr. Chairman, in concluding my remarks on document MC/2010, I trust that the Subcommittee will find it possible to recommend the level of increase in the Administrative Part of the Budget and approval of the proposed Programme and Budget for 2001.

23. The next item on the agenda deals with the Appointment of External Auditors (document MC/2013). The Austrian Court of Audit has now served for a total of nine years and, notwithstanding their completely satisfactory performance, a rotation, or at least a new bidding process, was judged to be appropriate. For the next three-year period, commencing with the audit for 2001, the Administration was requested to invite competitive tenders from all Member States' auditors general. Four auditors general responded positively to the Administration's invitation. They are:

The Court of Accounts of Italy  
The Auditor General of Norway  
The Commission on Audit, Republic of the Philippines  
The Office of the Controller and the Auditor General of the  
United Republic of Tanzania

24. The paper discusses the criteria which are important in the selection of an external auditor. Mr. Chairman, the Administration considers that international audit experience is very important in the selection process. While the level of international experience varies somewhat between the four auditors general, on the issue of audit fees, all four were willing to limit their charges to travel costs and per diem allowances. Supplementary factors which may be considered are prior experience with IOM and similar organizations, and international retirement plans. In conclusion, each of the four audit submissions presents strong points. It is hoped that the SCBF will be able to make a recommendation to the Council which will decide on the appointment of IOM's external auditors for the period 2001 to 2003.

25. During the Ninety-seventh Session of the Executive Committee held last June, several delegations requested the Administration to prepare a report for submission to the Council in November, outlining IOM's personnel policies and any progress made on issues of concern to the staff.

26. Mr. Chairman, I am pleased to inform you that we have been able to prepare such a report, outlining the Organization's policies and practices in respect of recruitment and selection, current practices and recent developments in working conditions, staff development and training, the review of the performance management system, classification of positions, staff mobility, staff relations and methods for addressing grievances and appeals. There is a statistical annex to this document, giving various figures on the composition of the staff, by gender and nationality, as well as the latest figures on recruitment.

27. Finally, Mr. Chairman, I am very pleased to inform the Subcommittee that the Director General has recently received the official applications for membership in IOM from the Governments of the Republic of Benin and the Republic of Slovenia, which will be submitted to the Council session for approval later next month. Following past practice, I would like to suggest that the Subcommittee, under agenda item "Any other business", endorse the recommendations on these Governments' assessments to the Administrative Part of the Budget, which will be presented to you later.

28. Mr. Chairman, distinguished delegates, I am confident that IOM will continue to be relevant, responsive and reliable in dealing with contemporary migration challenges and will endeavour to further strengthen an open and transparent relationship with all our Member States and partners.

29. In closing, Mr. Chairman, let me assure you once again that we in the Administration will try to be as responsive as possible to any questions raised and to any needs for additional information.

Thank you Mr. Chairman.

Annex IV

DRAFT RESOLUTION  
ON  
THE PROGRAMME AND BUDGET FOR 2001  
(revised draft, 31 October 2000)

*The Council,*

*Having received and examined* the Programme and Budget for 2001 (MC/2010) containing a request for a 9.6 per cent increase in the Administrative Part of the Budget, after four years of zero nominal growth,

*Having taken into account* the comments and recommendations of the Subcommittee on Budget and Finance (MC/2014 and MC/2016),

*Reaffirming* that the principle of zero nominal growth should continue to guide the preparation of the Administrative Part of the Budget,

*Resolves:*

1. To approve the Programme for 2001;

2. To adopt an increase of 5 per cent in the Administrative Part of the Budget for 2001 to respond to needs identified by IOM, and to underline that the Administrative Part of the Budget for the year 2002 shall be prepared on the basis of zero nominal growth;

3. To adopt the Budget for 2001, as revised, in the amount of 35,763,000 Swiss francs for the administrative part as reflected in document MC/2010/Rev.1, and 303,432,100 United States dollars for Part II – Operations of the Programme and Budget;

4. To take note of the amount of ..... United States dollars of funding requirements contained in document MC/INF/243 “Migration Initiatives 2001”;

5. To request the Director General to allocate one million United States dollars from the Discretionary Income for the development of migration projects in favour of developing Member States and Member States in transition, on the basis of an equitable regional distribution;

6. Notwithstanding the provisions of operative paragraph 3, to authorize the Director General, within the limits of available income, to incur obligations and make expenditures arising from any increase in activities;

7. To further request the Director General to report to the Executive Committee at its next session in 2001 any necessary revision of the estimates contained in the Budget for 2001, taking into

account any additional measures that may be necessary in order to achieve a balanced budget by the end of 2001;

8. To authorize the Executive Committee, at its spring session in 2001, to adopt a scale of assessment for the year 2002, on the basis of the principles, guidelines and criteria applied to the scale of assessment to the Administrative Part of the Budget for 2001;

9. To reaffirm the principle of universal participation in the financing of the operational programmes and to appeal to Member States and other interested States to increase their overall contributions and provide the funds required to enable the Director General to carry out in full all the operational programmes for 2001.