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JOINT INSPECTION UNIT

Note by the Secretary-General

SUMMARY

<i>Executive summary:</i>	This document addresses the recommendations made by JIU in its report “Review of management and administration in the International Maritime Organization (IMO)” (JIU/REP/2007/7); and provides, where applicable, the Secretary-General’s comments
<i>Strategic direction:</i>	4
<i>High-level action:</i>	4.5.1
<i>Planned output:</i>	Not applicable
<i>Action to be taken:</i>	Paragraph 73
<i>Related documents:</i>	C 86/9; C/ES.24/12(e)

BACKGROUND

1 The “Review of management and administration in the International Maritime Organization (IMO)” (attached at annex) was undertaken by the Joint Inspection Unit (JIU) as part of its work programme for 2007. The review (JIU/REP/2007/7) is one of a series of reviews of management and administration of participating organizations undertaken by the JIU.

2 The objective of the review was to identify areas for improvement in the management and administration practices in IMO within the framework of ongoing reform processes, notably regarding the implementation of results-based management (RBM) in governance; planning, programming and budgeting; human resources management; information management; and oversight mechanisms. It also includes the verification of the status of the implementation of the 2001 MANNET report.¹

¹ “Challenges, Opportunities and Evolution, Review of the Secretariat of the International Maritime Organization”, MANNET, Switzerland, 26 March 2001, submitted to the 86th session of the Council (18 to 22 June 2001) attached to document C 86/9.

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3 In accordance with the internal standards and guidelines of the JIU and its internal working procedures, the methodology followed in preparing this report has included a preliminary review, questionnaires, interviews and in-depth analysis. On the basis of the preliminary responses received to the detailed questionnaire sent to IMO, the Inspectors conducted interviews with officials of the Organization at its headquarters in London.

4 This document follows the format of the report and offers comments and proposals on the recommendations under the headings:

- .1 Governance and executive management**
- .2 Strategic, financial and operational planning and monitoring**
- .3 Human Resources management**
- .4 Central support services**
- .5 Oversight**
- .6 Cooperation and coordination with other organizations of the United Nations system and technical cooperation**

GOVERNANCE AND EXECUTIVE MANAGEMENT

GOVERNANCE

Recommendation 1

5 The JIU has noted that Governance reform issues were discussed in the 2001 MANNET report and that the only specific recommendation made was for a comprehensive review of governance and of the technical committees, sub-committees and working groups to be undertaken. The JIU has also noted that IMO has made substantial progress with regard to governance reforms in formulating a long-term strategy for the Organization and by adopting strategic plans for the periods 2004-2010 and 2006-2011, respectively². The JIU further noted that the Assembly and the Council, based on the views of the MSC and MEPC chairmen, decided to make no major changes to the existing structure of the sub-committees as the chairmen discuss, on a regular basis, ways in which to improve their work and output. Notwithstanding the Organization's decision not to restructure the subcommittees, the JIU was of the view that changes are needed to improve the efficiency of committees, sub-committees and working groups by making an attempt to reduce the number of meetings or at least to be flexible about the number of meeting days.

6 In noting the steadily increasing volume of documents processed by the Conference Division (average 34,000 pages per year during the last three biennia), the Inspectors gained the view that the documentation rules and guidelines adopted by the Council and those of the technical committees regulating the processing and consideration of documentation in the meetings of the IMO committees, sub-committees and working groups were not always

² The 25th session of the Assembly has since adopted resolution A.989(25) updating the Strategic Plan for the period 2008-2013.

consistently enforced. The JIU considered that this resulted in a substantial increase in the workload of the Conference Division, especially as regards translation and word processing services, and, further, as the increase in the workload is often unpredictable and without prior notice, it also led to disproportionate cost increases.

On the basis of the above, the JIU has recommended that:

The Council should request the Secretary-General to submit for its consideration a long-term strategy for the reduction of costs of international meetings. This strategy should include, *inter alia*, measures aimed at:

- (a) **reducing the number of meetings of the committees, subcommittees and working groups and their duration; and**
- (b) **enforcing the documentation rules and guidelines adopted by the Council and the technical committees more consistently and reducing the volume of documentation.**

Secretary-General's comments

7 This recommendation, which is addressed to the Governing Bodies of the Organization, was amongst those brought to the attention of the Council at its 24th extraordinary session (C/ES.24/12(e)). As the Council is fully aware, in one form or another, the issues raised by the JIU are ones that have been exercising the minds of the Council and the Committee chairmen for some time. Related issues are also currently being considered by the Council's *ad hoc* Working Group on the Organization's Strategic Plan (CWGSP). In responding to the JIU recommendation, the Council may wish to consider the recommendation in 3 parts, viz:

- .1 reducing the number and duration of meetings;
- .2 enforcing guidelines; and
- .3 reducing the volume of documentation.

Reducing the number and duration of meetings

8 Implementation of the proposals could, in principle, have the desired effect of reducing the costs of international meetings in some areas (e.g. interpretation costs); however, they would not necessarily have the same full effect in others, e.g. reducing significantly the volume of documentation (i.e. translation and related costs), if the Organization's work programme – which is basically established by the IMO Membership through the various IMO bodies – were to remain at the level it is now.

9 The Council may wish to invite the Committees to consider the recommendations on reducing the number and duration of meetings in the context of the work planned for the 2008-2009 biennium to meet the objectives in the Strategic Plan (resolution A.989(25)) and the planned outputs in the High-level Action Plan (resolution A.990(25)). In addition, the Council may wish to invite its *ad hoc* Working Group (CWGSP) to consider, taking into account the views of the Committees, how work might be alternatively organized in future biennia, taking into account technological and other developments, in order to meet the Organization's strategic objectives. In tasking the Group with this work, the Council may wish to ensure that any

proposals for reducing the number and duration of meetings will not entail a reduction in resource needs and, in particular, that there will be no reduction in the ability of the Organization to provide the timely and quality service expected by its Member States, taking also into account the possible consequences of a tardy response to emergency issues.

Enforcing guidelines

10 This recommendation is a key issue for the Organization's Translation Services, which have to deal with increasingly longer reports (the 50-page rule is less and less enforced) emanating from an increasing number of (*ad hoc*, correspondence, intersessional) working groups being established to deal with an increasing number (and urgency) of work programme items. This, together with the increased Membership of the Organization and interest in the work of the Organization, has resulted in a considerable increase in the number of submissions by Member States.

11 From the Secretariat's standpoint, every effort will be made to ensure that the provisions in the Guidelines on the Organization and Method of Work of the Maritime Safety Committee and the Marine Environment Protection Committee and their Subsidiary Bodies (MSC-MEPC.1/Circ.1) and the relevant guidelines adopted by the Council (Circular letter No.2601) relating to the submission of documents continue to be strictly enforced. In addition, the Secretariat will continue assisting Committee and sub-committee chairmen to comply with the relevant provisions in the guidelines as appropriate. The Council may, however, in the context of the work of its *ad hoc* Working Group (CWGSP) on developing guidelines on the application of the Strategic and High-level Action Plans, seek guidance from that Group on how both sets of guidelines (i.e. the Committees' and those under development) might be appropriately rationalized, enhanced and effectively enforced.

Reducing the volume of documentation

12 The current work of the CWGSP is anticipated to have some positive effect with respect to the reduction of documentation through a more streamlined reporting system, closely linked with the achievement of the objectives in the Strategic Plan and the outputs in the High-level Action Plan. This work is not, however, expected to have any effect on the volume of documentation submitted by Member States to the various IMO bodies. The Council may, therefore, wish to invite the Committees to consider how this might also be reduced, possibly through taking advantage of enhanced information systems and the opportunity they provide for the electronic sharing of data.

13 The Committees might, for example, wish to insist on documents being short and to the point and to focus on the results, which they are expected to achieve. This effort could be assisted by the Secretariat when preparing its own documents by avoiding submitting excessive amounts of information in support of proposals. Another possible option, as far as translation is concerned, would be to consider not translating the reports of some groups which work in English only, as is the practice in several sister organizations (e.g. ICAO, IAEA, WHO).

EXECUTIVE MANAGEMENT, DELEGATION OF AUTHORITY AND ACCOUNTABILITY

Recommendation 2

14 The JIU has noted that the 2001 MANNET report had highlighted the need for a better balance between the centralized authority at the level of the Secretary-General and a

results-based culture based on delegation of authority and greater accountability of programme managers. The JIU has also noted that progress has been made in supporting the implementation of a results-based management (RBM) structure and culture in the Organization, but expressed the view that efforts should be made to achieve full implementation of RBM in IMO in order to enhance its efficiency and effectiveness using the benchmarks formulated in the JIU report JIU/REP/2004/5 to facilitate its implementation.

15 In making its recommendation, the JIU expressed the opinion that a formal affirmation by the Council would facilitate and speed up the comprehensive adoption of an RBM structure in IMO. The JIU also noted that the implementation of an RBM system would require either additional resources or reprogramming of the budget. Therefore, adequate action in this respect for the implementation of RBM should be made by Member States.

The JIU has, therefore, recommended that:

The Council should affirm its commitment to results-based management (RBM) and should request the Secretary-General to speed up the transition to a results-based management structure and culture in accordance with the benchmarks formulated in the JIU report JIU/REP/2004/5. The Council should ensure adequate resources for its implementation.

Secretary-General's comments

16 This recommendation, which is addressed to the Governing Bodies of the Organization, was also amongst those brought to the attention of the Council at its 24th extraordinary session (C/ES.24/12(e)). In response to previous JIU recommendations on RBM (JIU/REP/2004/5 and JIU/REP/2004/6), the Secretary-General has accepted, in principle, the proposed benchmarks and, as noted by the JIU, the Organization as a whole is making significant strides towards achieving the benchmarks through the strategic planning process. In the context of the move to IPSAS accounting standards and the development of a new budget manual, work is on-going within the Secretariat to further integrate the JIU RBM benchmarks into the Organization's budgeting and planning processes. The Council may, nevertheless, wish to affirm its commitment to RBM and continue to monitor implementation across the work of the Organization.

Deputy Secretary-General

17 The JIU has also noted that the post of Deputy Secretary-General had been vacant for more than 20 years and that there were no plans to fill the post, and expressed the view that, as it is an established post, it should be filled. The JIU made no recommendation in this regard other than to encourage the Council, in consultation with the Secretary-General, to review the situation and to either fill or abolish the post of Deputy Secretary-General.

Senior Management Committee

18 The JIU has noted that a Senior Management Committee (comprised of the Secretary-General, the directors of the divisions and the head of the Policy and Planning Unit) was established following a recommendation in the 2001 MANNET report.

19 The JIU fully supports the need for, and usefulness of, the Senior Management Committee, as well as its composition, and expresses the opinion that the consultative involvement of concerned staff and staff representatives should be ensured, in order to enhance

transparency and openness. The Inspectors, therefore, encourage the Secretary-General to make further efforts to ensure greater consultative involvement of staff representatives and concerned staff regarding relevant discussions of the Senior Management Committee.

Comments by the Secretary-General

(a) *On the recommendation concerning the Deputy Secretary-General*

20 The Council will be aware that the post of Deputy Secretary-General is unbudgeted and, pending any significant changes in the work or responsibilities of the Organization, the Secretary-General does not consider it necessary, at least for the time being, to make provision in the budget to fill the post and, therefore, he would not recommend action to either fill or abolish it. The Council may wish to endorse this view and retain the *status quo* pending any developments (e.g. a possible restructuring of Divisions to ensure a more equitable distribution of human resources), which may merit necessary appropriate action being taken.

(b) *On the recommendation concerning the SMC, etc.*

21 The Staff Committee are regularly apprised of developments affecting staff through meetings with the Management (through the Administrative Division) and each Director is requested and/or expected to 'cascade' relevant information to staff within their Division following decisions taken by the SMC. The Secretary-General also addresses all staff at the Staff Assembly and on other, *ad hoc*, occasions. However, due to the Organization's relocation from Headquarters and the limited meeting space at 55 Victoria Street, it has not been possible to have meetings to address all staff there (and a meeting to do so had to be organized at the United Kingdom Department for Transport in May 2007) but the opportunity of reinstating them, as appropriate, will be provided following return to Headquarters.

STRENGTHENING EXTERNAL OUTREACH

Recommendation 3

22 The JIU expresses the view that, whilst the Sub-Division for External Relations appeared to fulfil its mandate with regard to external outreach, there is a need for a more proactive external outreach programme to create a positive and favourable image and perception of IMO and its work which, in turn, may result in increased political support by the public and Member States and thus provide a good complement to resource mobilization activities.

The JIU has, therefore, recommended that:

The Secretary-General should establish a cross-functional team to develop a comprehensive and proactive external outreach strategy, which should be submitted as soon as possible to the Council for its review and approval. The external outreach strategy should also include measures for the more active mobilization of extra-budgetary resources.

Comments by the Secretary-General

23 In line with the strategic objective to enhance the Organization's status and effectiveness, the Organization is steadily expanding its outreach activities (e.g. WMD parallel event, Bravery Award, etc.) within its current limited human and budgetary resource constraints.

Implementation of a more comprehensive and proactive strategy will require additional resources which, to a limited extent within this biennium, might be achieved through some re-allocation of duties within the Secretariat and resources within the budget. In order to develop a longer term comprehensive strategy, the Secretary-General intends to establish an in-house cross-functional group to review the situation and make proposals (including proposals for a public information strategy as well as a strategy for resource mobilization), the outcome of which will be reported to the Council in due course.

STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING AND MONITORING

IMPLEMENTATION OF RESULTS-BASED MANAGEMENT (RBM), BUDGETING AND MONITORING PERFORMANCE INDICATORS

Recommendation 4

24 While the Organization's Strategic Plan, complemented by the High-level Action Plan, provides adequate means for monitoring performance against the predefined objectives and high-level actions, the JIU expresses the view that the performance indicators applied should be further refined based on continuous subsequent statistical analysis and increased experience with their use. The JIU states that this would enhance the planning and monitoring capacity of the Organization and would contribute to a further improvement of the Organization's efficiency and effectiveness.

The JIU has, therefore, recommended that:

The Secretary-General should ensure that starting from the financial period 2010-2011 further refined performance indicators based on continuous subsequent statistical analysis and increased experience with their use should be applied. All performance indicators should be SMART (specific, measurable, achievable, realistic and time-based).

Secretary-General's comments

25 The Council has previously agreed to the addition of resources in the Organization's budget to employ a statistician, the recruitment of which was delayed for budgetary reasons until May 2008. The further refinement of the Organization's performance indicators, and related statistical analysis, is one of the duties with which the statistician will be tasked, in line with the work of the CWGSP on reviewing the performance indicators in the Strategic Plan and the possible development of performance target levels.

LINKAGE OF INPUT/RESOURCES WITH OUTPUT/RESULTS

Recommendation 5

26 The JIU has noted that, whilst the High-level Action Plan describes the objectives, activities and planned output for the programmes and subprogrammes of the Organization, no information on the direct linkage between input/resources and planned output/results is provided. The JIU expressed the view that such a linkage is an essential planning and monitoring mechanism in the context of RBM. The JIU has further noted that, although significant progress has been made in this regard through the Organization's Strategic Plan, further improvement is needed in establishing an adequate direct linkage at the programme, subprogramme and work programme level.

The JIU has, therefore, recommended that:

The Secretary-General should ensure that starting from the financial period 2010-2011, an adequate direct linkage between input/resources and output/results at the programme, subprogramme and work programme level is established in order to further improve the Organization's planning and monitoring capacity.

Secretary-General's comments

27 This recommendation is closely linked to the work related to recommendations 2 and 4 above and will be taken into account in the implementation of RBM. Further support to enhanced linkage between resources and output is provided through the recently introduced staff performance management system, which links individual performance to the Organization's overall programme of work.

BUDGET MANUAL

28 In noting that, in the context of the updating of the ERP system and the implementation of IPSAS, information is being collected and collated with the aim of producing a budget manual, the JIU encourages the Secretary-General to keep to the planned timeframe and to complete this exercise without undue delay utilizing budget manuals of similar organizations of the United Nations systems as a model.

Secretary-General's comments

29 The draft of a manual as proposed has already been developed utilizing examples from within the UN system and elsewhere. Further refinement of the manual will be undertaken during this biennium to incorporate some IPSAS components and to ensure that it meets the Organization's planning and budgeting needs as it moves towards RBM.

ADDRESSING ZERO NOMINAL GROWTH (ZNG) AND ZERO REAL GROWTH (ZRG) BUDGETING

Recommendation 6

30 The JIU has noted that, for three biennia from 1997 to 2001, the Organization experienced Zero Nominal Growth (ZNG) budgets, followed by Zero Real Growth (ZRG) budgets up to the current biennium (2008-2009). As a result, the resources allocated to the Organization have remained static while the workload of the Organization has steadily increased.

31 During interviews, and on the basis of responses to the questionnaires, the JIU received conflicting views concerning the adequacy of resources for the delivery of the Organization's expected programme outputs. In this regard, the Inspectors draw attention to Article XIII of the IMO Financial Regulations and Financial Rules, Regulation 13.1, which states that "No committee, commission or other competent body shall take a decision involving expenditure unless it has before it a report from the Secretary-General on the administrative and financial implications of the proposal." Furthermore, Regulation 13.2 states that "Where, in the opinion of the Secretary-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Assembly has made the necessary appropriations, unless the Secretary-General certifies that provisions can be made under the condition of the resolution of the Assembly relating to unforeseen and extraordinary expenses."

32 While noting that organizational reforms and the streamlining of work processes and procedures can lead to increased efficiency, the JIU considers that these exercises can compensate workload increases only to a certain extent. The Secretary-General should, therefore, ensure that Member States requesting additional tasks and duties to be performed by the Secretariat should provide additional and appropriate resources and Article XIII of the IMO Financial Regulations and Financial Rules, Regulation 13.1 and 13.2 should be applied in a consistent manner in this regard.

The JIU has, therefore, recommended that:

The Secretary-General should, in accordance with Article XIII of the IMO Financial Regulations, inform Member States of the administrative and financial implications of additional mandates/tasks requested by them in order for Member States to ensure the provision of adequate resources.

Secretary-General's comments

33 In the normal biennial budgeting process, the provisions of Article XIII are met through the preparation of draft budgets for consideration by Member States when they are informed of the implications arising from additional work decided during a biennium in process or from anticipated new initiatives. In the course of a biennium, when new items of work have arisen, it has been the practice to either absorb their cost or defer other items and thus only take on additional mandates/tasks whilst remaining within the biennial appropriations, and thereby avoiding any need to seek additional resources through the provisions of Article XIII. However, as the Organization moves towards RBM, the link between activities and resources will become clearer and the administrative and financial implications of adding or deferring tasks more explicit.

REGULAR SELF-EVALUATION AND NEEDS ASSESSMENT

Recommendation 7

34 The Inspectors have expressed the view that the Organization should engage regularly in evaluations and needs assessments of its programmes in order to not only identify new activities, which require additional efforts by the Organization, but also to determine those activities that have become obsolete, inefficient or of marginal usefulness to Member States. In this context, the JIU proposes that IMO should draw on the results and experience of the objective assessments of Convention implementation undertaken under the Voluntary IMO Member State Audit Scheme (VIMSAS).

The JIU has, therefore, recommended that:

The Council should request the Secretary-General to develop a mechanism for regular evaluation and needs assessments of programmes in order to identify activities which might have become obsolete, inefficient or of marginal usefulness to Member States. IMO should draw on the results and experience of the Voluntary IMO Member State Audit Scheme in this regard.

Secretary-General's comments

35 This recommendation, which is addressed to the Governing Bodies of the Organization, was amongst those brought to the attention of the Council at its 24th extraordinary session (C/ES.24/12(e)). As the Council will be aware, currently, consideration of activities, which might have become obsolete, inefficient or of marginal usefulness, is part of the process undertaken by each committee and sub-committee when regularly considering their work programme and agenda priorities and also by the Council in its development of, and monitoring of progress against, the Strategic Plan; the High-level Action Plan; the biennial work programme; and corresponding budgets. The Council may wish to consider the efficacy of this arrangement and whether, in its view, an alternative or additional mechanism should be developed and whether the experience gained through VIMSAS can assist in this regard.

FUNDING POLICY OF THE ORGANIZATION**Recommendation 8**

36 In view of the ZNG and ZRG policies of Member States and the heavy reliance on the transfer of the Printing Fund surplus to the regular budget, the IMO administrative funds and the Technical Co-operation Fund, the JIU has expressed the view that the Secretariat should strengthen its fundraising efforts in order to generate additional funds from donors and, accordingly, has encouraged the Secretary-General to develop a comprehensive fund-raising policy, which should be linked with the Organization's public outreach policy.

Secretary-General's comments

37 The Council is aware of the Organization's ongoing efforts to generate additional funds, particularly for TC activities and special projects such as the Scientific Group of Experts on Fuel options related to the revision of MARPOL Annex VI or the update of IMO's Greenhouse Gas Study. The Secretary-General will review the experience in this area gained by other similar United Nations bodies and, on the basis of any successful initiatives adopted by them, consider the possibility of a more comprehensive policy, in conjunction with colleagues and major donors, tailored to the needs of the Organization.

HUMAN RESOURCES MANAGEMENT**NEED FOR THE DEVELOPMENT OF A HUMAN RESOURCES POLICY WITHIN THE CONTEXT OF RBM**

38 The JIU has noted that, following the 2001 MANNET report, progress has been made to implement the Action Plan established as a basis for the development of a comprehensive human resources strategy and policy supporting the RBM approach. One important step forward noted by the JIU was the adoption of a new performance appraisal system tailored to the specific needs of the Organization.

Gender balance

39 In considering the gender balance as at March 2007, the Inspectors have noted that it was in line with common United Nations practice. Nevertheless, the JIU has encouraged the Secretary-General to further proactively pursue an appropriate gender-balanced recruitment and promotion policy, in order to achieve adequate gender distribution in all staff categories of the Secretariat.

Geographical distribution

40 The JIU has noted that the biggest Member State contributors to IMO are Panama, Liberia and the Bahamas, whereas no post was occupied by a national of the Bahamas and only one national of Panama and Liberia respectively are occupying Professional posts. Nationals of the United Kingdom occupy 15 Professional posts, followed by French nationals, who occupy 8 Professional posts. Nationals from other countries do not occupy more than two Professional posts per nationality. The Inspectors encourage the Secretary-General to review the situation and to make efforts to ensure an equitable geographical distribution.

Vacancy rate

41 In considering the number of vacant posts, the JIU has noted a vacancy rate of 8.9 per cent as a result of deliberate action due to budgetary constraints, and that vacant posts are often filled with short-term staff instead of making appointments against established posts. The Inspectors express the view that these figures were fairly high compared with the average vacancy rates of about 5-6 per cent at headquarters duty stations within the United Nations system. The Inspectors, therefore, encourage the Secretary-General to review the situation and to develop and implement an adequate and more effective vacancy management system without undue delay.

Training

42 In considering the budget for training, the JIU has noted that, for the 2008-2009 biennium, the proposed training budget corresponded to 0.3 per cent of the total appropriations of the regular budget. The training programme of the Secretariat could, therefore, be considered very modest, and below the levels of annual training provisions of many other organizations, which typically invest one per cent of their annual budgets in training and development.

43 The Inspectors encourage the Secretary-General to request the Council to allocate realistic financial resources for training, equivalent to at least one per cent of the regular budget, preferably two or three per cent, with emphasis on training to respond to the current and future needs of the Organization.

Comments by the Secretary-General

(a) *On geographical distribution*

44 The Council will be aware of the efforts made by the Secretary-General to ensure equitable geographical representation and gender balance which is, by definition in an Organization with a limited number of professional posts, always a challenge. The Secretary-General will, nevertheless, continue to pursue recruitment, selection and promotion policies which take fully into account, within the inherent limitations of the Organization's staff complement, the need to ensure geographical representation and gender balance.

(b) *On vacancy rate*

45 The Secretary-General notes the comments made by the JIU with respect to vacancy management and is determined, within the constraints imposed by the current biennial budget, to ensure that the Organization continues to have sufficient numbers of appropriately qualified staff to meet the demands of the membership. Whilst he will continue to pursue flexible policies to

achieve this, he intends to review the current arrangements in order to ascertain whether the current policies might need to be revised.

(c) *On training*

46 The Secretary-General agrees with the JIU on the low level of funding available to the Organization for staff training and development (particularly in view of the anticipated staff movements (retirements and new entrants) over the next few years) and will seek to increase the percentage of funding allocated to training over the same period, if funding so permits. Any proposals will not, however, be based on an arbitrary percentage of appropriations, but rather on an analysis of the funding requirement to address any gaps in the skills required to perform the tasks assigned to the Organization by its governing bodies.

OMBUDSMAN

Recommendation 8

47 The JIU has noted that the Organization does not have an ombudsman and that work-related issues of staff can currently only be shared with representatives of the Staff Assembly or the Staff Committee. Appeals of staff against the administrative decisions of the Secretary-General can be made before an appeals board against procedures described in detail in article XI of the IMO Staff Regulations and Staff Rules. All decisions can be taken to final appeal before the United Nations Administrative Tribunal (UNAT). The JIU express the view that, through the establishment of an ombudsman function, all types of staff-management disputes could be settled through informal conciliation or mediation, which would complement the existing administration of justice system at IMO and that the advantages, including the financial advantages, to be gained from these informal procedures for settling disputes would far outstrip the costs of the function.

The JIU has, therefore, recommended that:

The Secretary-General should establish an ombudsman post, even as a dual function post, in accordance with the best practices of the United Nations system.

Secretary-General's comments

48 The Organization does not have a significant number of staff-management disputes; however, the Secretary-General can see merit in this recommendation and will consider the feasibility of implementing it in the short-term (i.e. within this biennium). However, given the costs associated with establishing the post of Ombudsman, and noting the limited experience with the role of Ombudsman in the UN system, the Secretary-General would welcome a review of the effectiveness of such a mechanism within the UN system on the part of the JIU, before making a decision on the recommendation for an Ombudsman at IMO.

RECRUITMENT SYSTEM

49 The JIU noted that the recruitment process is regulated in article IV of the IMO Staff Regulations and Staff Rules and that all recruitment and promotion decisions are at the discretion of the Secretary-General.

PERSONAL PROMOTIONS AND DIRECT RECRUITMENT

Recommendation 9

50 In keeping with recent JIU recommendations concerning personal promotions and direct recruitment, the Inspectors have expressed the view that the practice of limited personal promotion and direct recruitment practice should be discontinued at IMO as they are considered to be contrary to the standards of fairness and transparency and distort the principle that promotion is a recognition of past, and an expectation of future, performance.

The JIU has, therefore, recommended that:

The Secretary-General should discontinue the practice of personal promotion and direct recruitment in order to enhance competitiveness, transparency and fairness with regard to recruitment and promotion.

Secretary-General's comments

51 The Senior Management Committee recently endorsed revised policies on the advertising of vacancies and recruitment of staff in order to enhance competitiveness, transparency and fairness. This development is complementary to the introduction of the staff performance management system and the establishment of a staff development programme. The Secretary-General retains his discretion on appointments and promotions in the Staff Regulations and Staff Rules and, in limited cases where circumstances so dictate, reserves the right to promote staff on a personal basis and to recruit staff directly to certain posts. In an Organization of the small number of IMO Professional officers and the limited opportunities to recognize exceptional performance on long stay at the same grade, he considers personal promotions as a fair tool to reward deserving staff while, in parallel, motivating others to enhance their performance in the knowledge that their output will be rewarded in due course.

PRIVILEGES AND IMMUNITIES

52 The Inspectors have noted that there is no formal administrative issuance/compendium containing a list of all applicable privileges and immunities or explanations of their nature and extent. The Inspectors, therefore, encourage the Secretary-General to issue such a compendium and to maintain an ongoing dialogue with the host government to continuously monitor and improve the status of IMO staff members.

Secretary-General's comments

53 The Secretary-General acknowledges the benefits to be gained from such a compendium and this will be prepared as a complement to existing information provided to new entrants to the Organization and for dissemination to staff already in its service.

CENTRAL SUPPORT SERVICES

CONFERENCE SERVICES

54 In considering the IMO meetings programme, the JIU has noted that expenditure under this programme is mainly determined by the costs of interpreters and translators and that the total volume of documents processed for translation into each of the Organization's working languages has increased by some 45-50 per cent over the two preceding biennia. Despite the

increased workload, the number of translators has remained at the same level. Translation services required for the additional workload are outsourced.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SYSTEMS

55 In considering ICT systems, the JIU has noted that substantive progress had been made in developing and improving the Organization's information technology (IT) systems and that further developments, particularly enhancement to the SAP ERP system, were planned. The JIU has noted that IMO maintains an agreement with the International Computing Centre (ICC) in Geneva concerning the provision of information and communications technology services. The JIU has learned that there is an outstanding balance of about US\$66,000 in favour of the ICC as of 27 February 2007 and urged IMO to settle this account. The JIU has also noted the plans to market-test the provision of back-up and disaster recovery services.

Secretary-General's comments

56 The issue of the outstanding balance due to ICC was pending clarification of invoices and has now been settled satisfactorily. The continuation of the IMO relationship with ICC will depend on the outcome of the market-testing exercise.

PUBLICATION SERVICES

Recommendation 10

57 The JIU has noted that the revenue of net sales of IMO publications amounted to £6.32 million in 2005 and to £7.61 million in 2006 and that this has, therefore, become an important source of income and also a highly valued tool to promote the technical and legal work of the Organization. The JIU has also noted that IMO authorizes commercial publishing companies to translate and publish its materials in languages other than the Organization's three working or six official languages, as long as these include a disclaimer stating that the respective publications have not been originally translated and issued by IMO. IMO does not receive any royalties from sales of these publications.

58 As IMO publication activities include publishing and selling books and other materials in the Organization's three main working languages and, for IMO conventions and codes, in the six official languages, the JIU considers that IMO should charge an appropriate royalty from the publishing companies in order to generate additional income.

The JIU has, therefore, recommended that:

The Secretariat should consider entering into licence agreements with publishing companies translating IMO publications into languages other than the six official languages of the Organization in order to establish an additional source of income.

Secretary-General's comments

59 Similar proposals have been considered in the past; however, they were discounted as the benefits to be gained were estimated to be minimal and there was doubt about the cost-effectiveness of establishing the necessary financial arrangements and systems. As, however, it has been some time since a review has been undertaken of the possible opportunities

for establishing additional sources of income through publication royalties, a review will be undertaken and its outcome reported to the Council in due course.

FACILITIES MANAGEMENT AND REFURBISHMENT PROJECT

60 The JIU has noted that the IMO Headquarters building was, at the time of inspection, undergoing a comprehensive refurbishment with a cost-sharing quota 10:90 in favour of IMO and that the host government had agreed to pay for the additional costs of the temporary relocation of the IMO Secretariat and meetings programme. As the refurbishment process was still underway at the time of inspection, the Inspectors abstained from specific comments concerning the IMO refurbishment project.

OVERSIGHT

61 The JIU has noted that, in October 1999, an Internal Oversight Services (IOS) was established primarily to assist the Secretary-General in the implementation of Financial Regulation 10.1 and in fulfilling his internal oversight responsibilities. Subsequently, the roll-out and implementation of the Member State audit scheme (MSA) was also entrusted to IOS. Although within the mandate of MSA & IOS, the JIU has noted that no evaluations had been conducted in the last three biennia. While evaluation is the main duty of programme managers, the Inspectors expressed the view that MSA & IOS should increase its capacity with regard to its evaluation function.

Audit committee

62 The JIU has noted that the Council's Intersessional Working Group on Accounts and Audit did not support the proposal of establishing an oversight committee but, nevertheless, expressed the view that the independence of the internal oversight function is of great importance; it, therefore, encourages the Council, in consultation with the Secretary-General, to review the situation and to consider the establishment of an oversight committee in accordance with the criteria elaborated in the recent JIU report "Oversight lacunae in the United Nations system" (JIU/REP/2006/2).

Risk assessment and management

63 The Inspectors have noted that the process of establishing a comprehensive risk management framework for the Organization had started and reaffirmed the importance of such an exercise recommending that efforts should continue towards establishing such a framework.

Secretary-General's comments

64 As has been noted by the JIU, consideration had previously been given to a proposal for the establishment of an oversight committee, which, however, had received no support. As the Internal Oversight Section has concentrated its efforts on areas identified on the basis of an assessment of the risks involved, the lack of programme evaluations by the Section as noted by the JIU should not be unexpected. The Council may wish to consider whether, in the light of the JIU comments, there is a need to provide additional resources to programme evaluations and establish an oversight committee – a development, which the Secretary-General does not consider necessary at present.

COOPERATION AND COORDINATION WITH OTHER ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AND TECHNICAL COOPERATION

TECHNICAL COOPERATION

65 The JIU has noted that, following the recommendations in the 2001 MANNET report, IMO had engaged in significant reform processes regarding its Technical Cooperation Programme. As a result, delivery levels of the Organization's Technical Cooperation Programme had increased substantially in terms of the level of funds disbursed.

MANAGEMENT FRAMEWORK

66 The JIU has also noted that the management of technical cooperation has been restructured under a consolidated line of authority for the overall management of the Integrated Technical Cooperation Programme (ITCP), and a management framework introduced comprised of the Programme Implementation Document (PID); the "Contract Manager" function; and the definition of measurable milestones and indicators against which the progress of delivery could be assessed. A comprehensive Technical Cooperation manual has also been drafted.

FUNDING

67 The JIU has noted that core funding of the ITCP is provided by the Technical Cooperation Fund (TCF), which is mainly replenished through transfers from the net annual surplus of the Printing Fund while contributions to the TCF from Member States, industry, organizations and individuals are encouraged and welcomed. The Inspectors have welcomed and supported the first draft of a fund-raising strategy, which they wished to see integrated into an Organization-wide fund-raising strategy.

REGIONAL COORDINATION

68 The Inspectors have noted, with satisfaction, that the IMO Regional Presence Scheme ensures the effective presence of IMO in the field in a cost-effective fashion drawing upon the UNDP country presence structure and facilitating networking among the Member States of the regions concerned. The scheme also facilitates the convening of IMO conferences in the regions. The JIU considers this scheme as an example of best practice that could be emulated by other United Nations agencies that do not have adequate field presence.

COORDINATION AND COOPERATION WITH OTHER UNITED NATIONS ORGANIZATIONS

Recommendation 11

69 The JIU has noted that IMO had developed a systematic programme to achieve coordination and cooperation with other United Nations organizations and that, in its strategic planning and programme and budget documents, conscious efforts have been made to identify specific activities in that regard.

70 It has also noted that, in order to avoid duplication of efforts and resources, the Secretariat supports the "Delivering as One" approach, based on agreement in the CEB regarding the Report of the High-level Plan on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and Environment. It further noted that, to ensure the Organization's linkage with the Millennium Development Goals (MDGs), an Intersessional Working Group on

the linkage between the Integrated Technical Cooperation Programme and the MDGs had been established.

71 The Inspectors were pleased to note that coordination and cooperation between IMO and other United Nations organizations in all fields of activity is efficient and effective. Furthermore, they appreciate IMO's contribution to the "One United Nations" approach.

The JIU has, therefore, recommended that:

The Secretary-General in his capacity as a member of the United Nations System Chief Executives Board for Coordination (CEB) should share the experience of IMO concerning its Regional Presence Scheme and its programme to achieve coordination and cooperation with other United Nations system organizations.

Secretary-General's comments

72 The Secretary-General welcomes the positive comments from the JIU on these issues and intends to act accordingly at a future session of the CEB for the information of its members. With regard to the linkage between the ITCP and the MDGs, the Council will recall that, in addition to the work already done through the TCC (which was noted by the JIU), the 25th Assembly subsequently adopted resolution A.1006(25) on the same topic.

ACTION REQUESTED OF THE COUNCIL

73 The Council is invited to:

- .1 consider recommendations 1, 2 and 7 addressed to the legislative organs of the Organization, taking into account the comments thereon by the Secretary-General;
- .2 note the Secretary-General's comments on the recommendations addressed to the Executive Head of the Organization; and
- .3 note the Secretary-General's comments on all the other issues raised by the JIU.

ANNEX

**REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE
INTERNATIONAL MARITIME ORGANIZATION (IMO)**

(JIU/REP/2007/7)
