

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

Prepared by

Tadanori Inomata
Victor Vislykh

Joint Inspection Unit

Geneva 2007



United Nations

JIU/REP/2007/7

Original: ENGLISH

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

Prepared by

***Tadanori Inomata
Victor Vislykh***

Joint Inspection Unit



United Nations, Geneva 2007

EXECUTIVE SUMMARY

Review of management and administration in the International Maritime Organization JIU/REP/2007/7

This “Review of management and administration in the International Maritime Organization (IMO)” is one of a series of reviews of management and administration of participating organizations undertaken by the Joint Inspection Unit (JIU) in recent years. The objective of the review is to identify areas for improvement in the management and administration practices in IMO within the framework of ongoing reform processes. The main findings and recommendations are summarized below. Recommendations 1, 2 and 7 of the report are specifically addressed for action by legislative organs.

1. Changes are needed to improve the efficiency of committees, subcommittees and working groups by reducing the number of meetings and the volume of documentation. The Council should request the Secretary-General to submit for its consideration a long-term strategy for the reduction of the costs of meetings and encourage the enforcement of the documentation rules and guidelines.
2. The Council should affirm its commitment to results-based management (RBM) and should request the Secretary-General to speed up the transition to a RBM structure and culture in accordance with the benchmarks formulated in the Joint Inspection Unit (JIU) report JIU/REP/2004/5.
3. Given the importance of the external outreach function in the International Maritime Organization (IMO), a cross-functional team should be established to develop a comprehensive and proactive long-term external outreach strategy. The external outreach strategy should also include measures for more active mobilization of extra-budgetary resources.
4. In the planning and budget process, performance indicators, further refined, 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 timely).
5. Adequate direct linkage between input/resources and output/results at the programme, subprogramme and work programme level should be established in order to further improve the Organization’s planning and monitoring capacity.
6. 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.
7. 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.

8. An ombudsman post, even as a dual function post, should be established in accordance with the best practices of the United Nations system.

9. The practice of personal promotions and direct recruitment should be discontinued in order to enhance competitiveness, transparency and fairness with regard to recruitment and promotion.

10. 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.

11. 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.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
EXECUTIVE SUMMARY		iii
ABBREVIATIONS		vi
<i>Chapter</i>		
I. INTRODUCTION	1-11	1
II. GOVERNANCE AND EXECUTIVE MANAGEMENT	12-37	3
A. Governance	12-19	3
B. Executive management, delegation of authority and accountability	20-30	5
C. Senior Management Committee.....	31-32	7
D. Strengthening external outreach	33-37	7
III. STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING AND MONITORING	38-57	9
A. Implementation of results-based management, budgeting and monitoring	39-47	9
B. Addressing Zero Nominal Growth (ZNG) and Zero Real Growth (ZRG) budgeting.....	48-55	11
C. Funding policy of the organization.....	56-57	12
IV. HUMAN RESOURCES MANAGEMENT	58-73	14
A. Need for the development of a human resources policy within the context of results-based management	58-67	14
B. Recruitment system.....	68-71	16
C. Privileges and immunities.....	72-73	17
V. CENTRAL SUPPORT SERVICES	74-86	18
A. Conference services.....	74-76	18
B. Information and communication technology systems.....	77-79	18
C. Publication services.....	80-83	19
D. Facilities management and refurbishment project.....	84-86	20
VI. OVERSIGHT	87-93	21
VII. COOPERATION AND COORDINATION WITH OTHER ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AND TECHNICAL COOPERATION	94-106	23
A. Technical Cooperation.....	94-98	23
B. Regional Coordination.....	99-101	24
C. Coordination and cooperation with other United Nations organizations.....	102-106	24
ANNEXES		
I. Overview of action to be taken on recommendations		26

ABBREVIATIONS

CCA	Common Country Assessment
CEB	United Nations System Chief Executives Board for Coordination
CPC	Committee for Programme and Coordination
CMP	Change Management Programme
CWGRM	The Council's Risk Review, Management and Reporting Working Group
CWGSP	The Council's Ad Hoc Working Group on the Organization's Strategic Plan
ERP	Enterprise Resource Planning System
GEF	Global Environment Facility
ICC	International Computing Centre
ILO	International Labour Organization
IT	Information Technology
IMO	International Maritime Organization
IOS	Internal Oversight Section
IPSAS	International Public Sector Accounting Standards
ITCP	Integrated Technical Co-operation Programme
JIU	Joint Inspection Unit
MEPC	Marine Environment Protection Committee
MSA & IOS	Member State Audit and Internal Oversight Section
MSC	Maritime Safety Committee
PID	Programme Implementation Document
RBM	results-based management
SOLAS	International Convention for the Safety of Life at Sea
SMC	Senior Management Committee
TCC	Technical Co-operation Committee
TCF	Technical Co-operation Fund
TCD	Technical Co-operation Division
UNAT	United Nations Administrative Tribunal
UNCLOS	United Nations Convention on the Law of the Sea
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
ZNG	Zero Nominal Growth
ZRG	Zero Real Growth

I. INTRODUCTION

1. The objectives of the International Maritime Organization (IMO) are “to provide a machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships”.¹ The purpose of IMO can be summarized by the phrase “Safe, secure and efficient shipping on clean oceans”.

2. IMO administers 50 multilateral conventions in the field of maritime safety, security and the marine environment. Its mission is to develop global shipping standards and to promote the implementation of such standards. The Secretariat provides support to Member States in negotiating and formulating international instruments, and in monitoring compliance with these instruments. The work of IMO is to a great extent of a very technical nature.

3. IMO can be considered a small organization of the United Nations system, with 335 staff of which 149 are Professional staff. The total appropriations of the regular budget amounted to 46.19 million pounds sterling for the biennium 2004-2005, and amounted to 49.73 million pounds sterling for the current biennium 2006-2007. IMO has four administrative funds (Printing Fund, Headquarters Capital Fund, Termination Benefit Fund, Training and Development Fund) and a Technical Co-operation Fund (TCF). The Printing Fund generates significant income for the Organization through the sale of IMO publications. The greater part (75%) of its surplus is transferred to the Technical Co-operation Fund, the remaining part being transferred to the regular budget and to the other administrative funds.

4. The tasks and the workload of the Organization have grown significantly over the last few decades. The policy of Zero Nominal Growth (ZNG) for several bienniums; the continuation of the Zero Real Growth (ZRG) budget policy maintained by Member States since the 2002-2003 biennium; the culture of absorption of an increased workload within the available resources; the technical nature of its work; and the sales of publications as a major income-generating activity for the Organization, have kept the shape and the style of budgeting, administration and management of the IMO unique and distinct from other organizations within the United Nations system.

5. The “Review of management and administration in the International Maritime Organization (IMO)” is part of the work programme of the Joint Inspection Unit (JIU) for 2007.² The review is one of a series of reviews of management and administration of participating organizations undertaken by JIU.

6. The objective of the review is 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

¹ Article 1(a) of the Convention, adopted at the Geneva Conference of 1948 and followed by various amendments.

² Report of the Joint Inspection Unit for 2006 and programme of work for 2007, A/62/34, paragraph 68.

major reform proposals submitted in 2001 by an external consultant on the basis of a comprehensive review of the Secretariat.³

7. The JIU review covered operations at headquarters and an assessment of the cooperation and coordination with the IMO regional coordinators. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report 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 IMO headquarters in London.

8. In the preparation of this report, the Inspectors sought to use as benchmarks best practices in other organizations of the United Nations system, while remaining mindful of the unique aspects of IMO.

9. Comments of the Organization on the draft report have been sought and taken into account in finalizing the report. In accordance with article 11.2 of the JIU statute, this report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

10. To facilitate the handling of the report, the implementation of its recommendations and the monitoring thereof, annex I contains a table indicating whether the report is submitted to the organizations concerned for action or for information and review. The table identifies those recommendations relevant for each organization, specifying their intended impact and whether they require a decision by the organization's legislative or governing body or can be acted upon by the organization's executive head.

11. The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, and particularly to those who participated in the interviews and so willingly shared their knowledge and expertise.

³ "Challenges, Opportunities and Evolution, Review of the secretariat of the International Maritime Organization", MANNET, Switzerland 26 March 2001.

II. GOVERNANCE AND EXECUTIVE MANAGEMENT

A. Governance

12. The governing bodies of the Organization are the Assembly and the Council. The IMO Assembly is the highest governing body of the Organization and consists of all 167 Member States. It meets once every two years in regular sessions, and if necessary in extraordinary sessions. The Assembly is, among other things, responsible for approving the work programme and the budget, determining the financial arrangements of the Organization and electing the Council. The Council is the executive organ of the Organization and responsible, under the Assembly, for supervising the work of IMO. It meets in regular session twice a year but also in extraordinary session every biennium and comprises 40 Member States elected for a two-year term. Technical matters within the scope of the mandate of IMO are dealt with in technical committees,⁴ which are supported by subcommittees and working groups and other bodies. The technical committees are open to all Member States.

13. Governance reform issues were discussed in the 2001 report of the external consultant,⁵ especially concerning the flexibility of the Organization in responding to new challenges, its capability of setting strategic goals and the efficiency of its working procedures and processes. However, the external consultant made no specific recommendations in this regard, except that a comprehensive review of governance and of the technical committees, subcommittees and working groups should be undertaken.

14. Although no comprehensive review of governance was conducted as proposed by the external consultant,⁶ governance issues were reviewed and 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 2004-2010⁷ and 2006-2011⁸ respectively. These plans link IMO's mission statement with its strategic direction, taking into account emerging trends, and developments and challenges affecting the environment in which the Organization operates. They are complemented by the High-level Action Plan,⁹ which constitutes the basis for monitoring and reporting on progress against the Organization's strategic objectives.

15. Concerning the issue of restructuring the subcommittees, which provide support to the technical committees¹⁰, the chairmen of the Maritime Safety Committee (MSC) and the Marine Environment Protection Committee (MEPC) prepared terms of reference and work plans.¹¹ After discussions in the Assembly and the Council based on the views of the aforementioned two committees, it was decided to make no major changes to the existing structure

⁴ The Maritime Safety Committee (MSC), the Marine Environment Protection Committee (MEPC), the Legal Committee (LC), the Technical Co-operation Committee (TCC) and the Facilitation Committee (FAL).

⁵ See footnote 3.

⁶ See footnote 3.

⁷ A.944(23).

⁸ A.970(24).

⁹ A.971(24); C 95/D.

¹⁰ See footnote 4.

¹¹ MSC 47/20; MEPC 44/20, section 17; MSC 73/21, section 17.

of the subcommittees.¹² The chairmen of all committees and subcommittees discuss on a regular basis ways in which to improve their work and output.

16. Overall, the volume of documents processed by the Conference Division increased from 13,691 pages in 1996 to 43,977 in 2000, while on average about 34,000 pages per year were processed within the last three bienniums¹³. During interviews the Inspectors learned that the documentation rules and guidelines adopted by the Council and those of the technical committees regulating the use of documentation in the meetings of the IMO committees, subcommittees and working groups¹⁴ were not always consistently enforced. This resulted in a substantial increase in the workload of the Conference Division, especially as regards translation and word processing services. Further, as the increase in the workload is often unpredictable and without prior notice, it also led to disproportionate cost increases.

17. While the Inspectors note the decision not to make any major modifications concerning the restructuring of the subcommittees, they are of the view that changes are needed to improve the efficiency of committees, subcommittees 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. Additional efforts should also be made to reduce the volume of documentation, and to enforce the documentation rules and guidelines adopted by the Council and the technical committees more consistently.

18. These measures would increase the efficiency of the work of the committees, subcommittees and working groups, and therefore enhance the Organization's ability to fulfil its mandate. Furthermore, as the budget of the Secretariat for servicing international meetings was 10.11 million pounds sterling for the biennium 2004-2005, and 11.10 million pounds sterling for the biennium 2006-2007, representing 21.9 per cent and 21.7 per cent of the total appropriations of the regular budget respectively, cost savings in this area would free resources, which would then be available for other programmes and activities of the Organization.

19. The implementation of the following recommendation is expected to achieve financial savings.

Recommendation 1

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.**

¹² A 22/9/1; A 22/11/1 and C 90/16.

¹³ Information provided by the IMO Conference Division in the context of JIU questionnaires.

¹⁴ See Council Resolution C 63 (XIII), adopted 25 May 1979; as it concerns the technical committees, please refer to their respective rules of procedure.

B. Executive management, delegation of authority and accountability

20. The Organization is headed by the Secretary-General, who is supported by the Office of the Secretary-General coordinating the flow of information from the Secretariat to the Secretary-General. The organizational structure of the Organization also includes the function of a Deputy Secretary-General, although this post has not been filled for more than 20 years. The directors of the six major divisions, and the heads of the Member State Audit and Internal Oversight Section and the Policy and Planning Unit, report directly to the Secretary-General. The Senior Management Committee (SMC), consisting of the Secretary-General, the directors and the head of the Policy and Planning Unit, discuss decisions on policy issues relating to the work of the Secretariat.

21. Following the 2001 review of the external consultant,¹⁵ the Organization underwent reform with regard to its executive management. The external consultant concluded in 2001 that the hierarchical structure of the Secretariat was too rigid to facilitate information sharing and easy collaboration, and that the organizational processes were archaic, cumbersome and bureaucratic. The external consultant highlighted the need to find 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. JIU concurs with this view.

22. In order to respond to these shortcomings, the Organization embarked on a Change Management Programme (CMP), which supported the adoption and implementation of a results-based approach, focusing on the following four areas: reform of the accounting and budgetary control systems; human resources reforms; leadership and management programme; technical cooperation.

23. Although some relevant progress has been made in supporting the implementation of an RBM structure and culture in the Organization, the Inspectors are of the view that efforts should be made to achieve full implementation of RBM in IMO in order to enhance its efficiency and effectiveness. The benchmarks formulated in the JIU report JIU/REP/2004/5 should be used to facilitate the implementation of RBM in IMO.¹⁶

24. While the Council considers the reports periodically issued by the Council's Ad Hoc Working Group on the Organization's Strategic Plan (CWGSP) relating to the implementation of a results-based approach in the Organization, it has not yet formally expressed its adherence to the implementation of an RBM structure and culture in IMO. The Inspectors are of the opinion that such a formal affirmation by the Council would facilitate and speed up the comprehensive adoption of an RBM structure in IMO.

25. The Inspectors are also aware of the fact 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.

26. Progress has been made in decentralizing management structures, and in delegating authority on the use of resources to line managers. Nevertheless, delegation of authority in IMO is still limited in scope. Line managers have only limited flexibility in the use of resources, and the amounts involved are small. Further, decisions on personnel issues are still

¹⁵ See footnote 3.

¹⁶ Reference is also made to JIU reports JIU/REP/2004/6, JIU/REP/2004/7 and JIU/REP/2004/8.

at the full discretion of the Secretary-General. Human resources policy, especially as regards the performance appraisal system, is not yet fully implemented and integrated into an RBM approach.

27. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization. Reference is also made to General Assembly resolution A/RES/60/257 of 8 May 2006, which approved the conclusions and recommendations of the Committee for Programme and Coordination¹⁷ (CPC) concerning the RBM benchmarking framework proposed by JIU.¹⁸

Recommendation 2

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.

28. The post of Deputy Secretary-General is vacant and has been unoccupied for more than 20 years. During interviews, the Inspectors were informed that there is currently no imminent need to fill the post, as the tasks and duties of the Deputy Secretary-General function are adequately performed by other Secretariat staff.

29. The Inspectors are of the view that the post of Deputy Secretary-General, as it is established, should be filled. An appointed incumbent would reinforce the executive management of the Organization by supporting and assisting the Secretary-General, who in turn could delegate some of his responsibilities to the Deputy Secretary-General. In addition, the appointment of a Deputy Secretary-General would ensure the continuous presence of executive management at the headquarters of the Organization, especially when the Secretary-General is absent. It might also enhance the accessibility of staff to executive management.

30. In the absence of the Secretary-General's action proposed above and in order to achieve compliance with generally accepted United Nations budgeting principles, the Inspectors would like 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.

¹⁷ "Report of the Committee for Programme and Coordination", Forty-fifth Session, A/60/16, paragraph 248(d): "(a) endorse the benchmarking framework proposed by the Joint Inspection Unit as a tool for the Secretary-General and the oversight bodies and for itself in order to measure the progress towards an effective implementation of results-based management in the United Nations; and [...] (d) request the Secretary-General to implement the recommendations for achieving the benchmarks suggested by the Joint Inspection Unit, in particular benchmarks with regard to accountability and performance management, in working on current management reform initiatives undertaken by the Secretary-General and, where appropriate, adopted by the General Assembly, and to report on the implementation thereof."

¹⁸ See JIU/REP/2006/6.

C. Senior Management Committee

31. The Senior Management Committee consists of the Secretary-General, the directors of the divisions and the head of the Policy and Planning Unit, and deals with key policy, strategic and managerial issues, including organizational strengthening measures. It was established following a recommendation of the external consultant.¹⁹

32. During interviews, the Inspectors learnt that there have been cases in which concerned staff and staff representatives have not been sufficiently consulted on and involved in managerial issues discussed in the Senior Management Committee. While the Inspectors fully support the need for and usefulness of the Senior Management Committee, as well as its composition, they are of the opinion that the consultative involvement of concerned staff and staff representatives is of great importance and should be ensured, in order to use the expertise and experience available within the Organization and to enhance transparency and openness. Greater consultative involvement of staff representatives and concerned staff would also have a positive impact on the working atmosphere of the Organization. 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.

D. Strengthening external outreach

33. The Sub-Division for External Relations under the Legal Affairs and External Relations Division is mandated to carry out traditional external outreach functions, including dealing with the press and other media, protocol, information dissemination and enquiries management, and coordinating external outreach activities within the Organization.

34. The 2001 review by the external consultant²⁰ studied the external outreach activities of the Organization. It concluded that this function is important to IMO, and that a cross-functional team should be established to develop a draft strategy on external outreach, considering, inter alia, the purpose of the Organization's outreach activities; the role(s) and main activities that should be carried out; the stakeholders and target groups IMO intends to service, and the nature and quality of the services to be provided; the opportunities that the use of advanced technology might offer including a cost/benefit analysis; and policies on the handling of inquiries. JIU concurs with this view.

35. While the Sub-Division for External Relations appears to fulfil its mandate with regard to external outreach, the Inspectors are of the opinion that there is a need for a more proactive external outreach programme. External outreach activities are important in creating a positive and favourable image and perception of IMO and its work. In turn, this may result in increased political support by the public and Member States and could be a good complement to resource mobilization activities.

36. Given the importance of the external outreach function, the Secretary-General should establish a cross-functional team to develop a draft strategy for a more proactive long-term external outreach programme, which should include measures to enhance the mobilization of

¹⁹ See footnote 3.

²⁰ See footnote 3.

extra-budgetary resources. Adequate resources should be allocated to the development and implementation of the strategy.

37. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

Recommendation 3

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.

III. STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING AND MONITORING

38. In the last five years, IMO has engaged in a process of reform and made substantial progress in changing its management system towards RBM. Among other things, strategic plans²¹ with corresponding strategic directions and performance indicators have been adopted, the Organization's work programme and budget has been restructured, an Enterprise Resource Planning System (ERP) has been implemented, and progress has been made with respect to the delegation of authority and accountability.

A. Implementation of results-based management (RBM), budgeting and monitoring

Strategic plans and High-level Action Plan

39. The strategic plans²² formulate the strategic directions and objectives of the Organization and define the corresponding performance indicators. A High-level Action Plan has been developed with the aim of developing a fully integrated work planning and budgeting system. It identifies the high-level actions necessary to achieve the objectives of the strategic plans and links priorities for the work programme and budget 2006-2007 to the established high-level actions.

40. The Organization's strategic and high-level action plans constitute the mechanisms for monitoring organizational performance and progress against agreed strategic directions and high-level actions, thereby enabling the various IMO bodies to be held accountable for the delivery, or not, of approved programmes and planned outputs. The Council's Ad Hoc Working Group on the Organization's Strategic Plan (CWGSP) regularly reviews the status of the implementation of the strategic plans.

Performance indicators

41. While the Organization's strategic plans, complemented by the High-level Action Plan, provide adequate means for monitoring performance against the predefined objectives and high-level actions, the Inspectors are of the view that the performance indicators applied should be further refined based on continuous subsequent statistical analysis and increased experience with their use. This would enhance the planning and monitoring capacity of the Organization, and would by this means contribute to a further improvement of the Organization's effectiveness and efficiency. All performance indicators should be SMART (specific, measurable, achievable, realistic and timely).

42. The implementation of the following recommendation is expected to enhance efficiency.

Recommendation 4

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 timely).

²¹ See paragraph 14 and footnotes 6 and 7.

²² See paragraph 14 and footnotes 6 and 7.

Linkage of input/resources with output/results

43. The strategic and high-level action plans and their implementation in the work programme and budget for the biennium 2006-2007 provide a basis for linking input/resources with output/results. However, the Inspectors are of the view that no adequate direct linkage between input/resources and output/results is made at the programme, subprogramme and work programme level. The work programme and budget for 2006-2007 describes the objectives, activities and planned output for the programmes and subprogrammes of the Organization, but no information on the direct linkage between input/resources and planned output/results is provided.

44. The Inspectors are of the view that adequate direct linkage between input/resources and output/results at the programme, subprogramme and work programme level is an essential planning and monitoring mechanism in the context of RBM. The Inspectors note that in the context of the establishment of the new work programme and budget, and through the implementation of the Organization's strategic plans, significant progress has been made in linking input/resources with output/results. But they are of the opinion that further improvement is needed in establishing an adequate direct linkage between input/resources and output/results at the programme, subprogramme and work programme level.

45. The implementation of the following recommendation is expected to enhance efficiency.

Recommendation 5

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.

Budget manual

46. The Secretariat does not have a budget manual. The Inspectors learned that reforms relating to budgeting and accounting procedures are underway, including the introduction of a new programme budget structure for the current biennium 2006-2007, and the implementation and continuous updating of ERP. The Management Accounting Service of the Secretariat, taking into account the experience gained during the reform exercise, is currently collecting material and information to be incorporated into the Organization's budget manual, with the aim to produce a draft manual during the second half of the year 2007.

47. The Inspectors attach the utmost importance to the finalization of a budget manual and encourage the Secretary-General to keep to the planned timeframe and to complete this exercise without undue delay. Budget manuals of similar organizations of the United Nations systems could serve as a model and be adapted to the specific needs of the Organization. Requirements arising out of the implementation of the International Public Sector Accounting Standards (IPSAS), which should be implemented by the United Nations system organizations by the year 2010, should also be taken into account.

B. Addressing Zero Nominal Growth (ZNG) and Zero Real Growth (ZRG) budgeting

48. The Organization experienced Zero Nominal Growth (ZNG) budgets for three bienniums from 1997 to 2001, followed by Zero Real Growth (ZRG) budgets up to the current biennium (2006-2007). As a result, the resources allocated to the Organization remained static while the workload of the Organization has steadily increased.

49. During interviews, and on the basis of responses to the questionnaires, the Inspectors were provided with conflicting views concerning the adequacy of resources for the delivery of the Organization's expected programme outputs. On the one hand, it was stated that resources are sufficient and appropriate for the Organization to deliver the programmes expected by Member States. The reduction of resources, originally proposed by the Secretary-General in his budget proposals to the Council, was accompanied by consequential and not significant programme reductions. The reduction of resources has, naturally, resulted in an increased workload for the Secretariat. Like all other entities facing public expenditure constraints, the Secretariat has, nevertheless, continuously sought to enhance its efficiency through improved methods and organizational reform. On the other hand, some managers and staff explained that the lack of appropriate resources has led to an unmanageable workload increase which negatively affects the Organization's work.

50. According to Article XIII of the IMO Financial Regulations, Regulation 13.1 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".

51. While noting that organizational reforms and the streamlining of work processes and procedures can lead to increased efficiency, 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. Article XIII of the IMO Financial Regulations, Regulation 13.1 and 13.2 should be applied in a consistent manner in this regard.

52. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

Recommendation 6

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.

Regular self-evaluation and needs assessment

53. The IMO framework for RBM should include regular assessments of the needs of Member States for the services of the Organization concerning the implementation of IMO conventions, as well as the development of normative and operational capacities to support these efforts. In addition, ongoing self-evaluation should be an integral part of the budgetary process in order to continuously assess the effectiveness and efficiency of the Organization's work and programme implementation. The Inspectors are of the view that the Organization should engage regularly in such 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.

54. In this context, IMO should draw on the results and experience of the Voluntary IMO Member State Audit Scheme, which was established in 2003 and which is intended to provide an audited Member State with a comprehensive and objective assessment of how effectively it administers and implements IMO instruments covered by the scheme. Through the implementation of the Voluntary IMO Member State Audit Scheme, capacity-building needs of Member States should be identified and the results of the audits should be systematically fed back into the IMO regulatory process in order to improve the effectiveness of the IMO international regulatory framework for shipping.

55. The implementation of the following recommendation is expected to enhance the effectiveness of the Organization.

Recommendation 7

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.

C. Funding policy of the Organization

56. The IMO budget comprises the regular budget, the IMO administrative funds and the Technical Co-operation Fund. As already stated, the level of resources allocated to the Organization has effectively remained static as a result of the ZNG and ZRG policies followed by Member States. The Organization is further heavily reliant on the income generated by the Printing Fund through the sales of publications, whose surplus is transferred to the regular budget, the IMO administrative funds and the Technical Co-operation Fund. The Integrated Technical Co-operation Programme also suffered a substantial decrease in extra-budgetary funding, due in particular to reduction of funding by the United Nations Development Programme (UNDP), which has further increased the Secretariat's reliance on the surplus generated by the sales of IMO publications.

57. In view of the ZNG and ZRG policies of Member States and the heavy reliance on the surplus of the Printing Fund, the Inspectors are of the opinion that the Secretariat should strengthen its fundraising efforts in order to generate additional funds from donors. The

Inspectors therefore encourage the Secretary-General to develop a comprehensive fundraising policy, which should be linked with the Organization's public outreach policy.²³ This would enable the Organization to fulfil its mandate and objectives more effectively. It would also help the Organization to maintain its role as the leading institution in the field of international shipping issues, especially in view of emerging regional initiatives, for example, of the European Union. Reference is made to recommendation 3 in this regard.

²³ Please refer to paragraphs 33-37.

IV. HUMAN RESOURCES MANAGEMENT

A. Need for the development of a human resources policy within the context of RBM

58. IMO follows the United Nations common system in the area of human resources management. The Organization's Human Resources Services underwent reforms following recommendations made in the 2001 review of the external consultant.²⁴ An Action Plan was established serving as a basis for the development of a comprehensive human resources strategy, including training and staff development, performance management systems, and delegation of and accountability for human resources management to managers and supervisors. Progress has been made to implement the Action Plan and to establish a human resources policy supporting the RBM approach of the Organization. One important step forward was the adoption of a new performance appraisal system, based on examples of best practices from both within and outside the United Nations system and tailored to the specific needs of the Organization.²⁵

Gender balance

59. As of March 2007, the overall percentage of female staff in the Professional and higher categories of the Secretariat was 38.9 per cent, compared to 37.4 per cent on 1 October 2005. For grades P-1 to P-5 this was 43.7 per cent (41.3 per cent) while D-1 and above was 20.1 per cent (18.2 per cent) with 33.3 per cent (33.3 per cent) in the D-2 category.²⁶ The figures in parenthesis correspond to the situation as of 1 October 2005. While the Inspectors note that the staffing situation with regard to gender balance is in line with common United Nations practice, they would like to encourage 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

60. As of 1 October 2005, the allocation of Professional posts subject to geographical distribution was as follows²⁷: 53 per cent of Professional posts were occupied by nationals from Western Europe and Northern America, 40 per cent by nationals from Africa, Asia and Latin America and the Caribbean, and 6 per cent by nationals from Eastern Europe and Russia. Although the biggest contributors to IMO are Panama, Liberia and the Bahamas, no post was occupied by a national of the Bahamas, and only one national of Panama and Liberia respectively occupied Professional posts. Nationals of the United Kingdom occupied 15 Professional posts, followed by French nationals who occupied 8 Professional posts. Nationals from other countries do not occupy more than two Professional posts per nationality.

IMO staff regulation 4.2 states that "due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible". The Inspectors encourage the

²⁴ See footnote 3.

²⁵ C 98/4(a)/1 and C 98/5(a)/2.

²⁶ Information provided by the IMO Human Resources Services Division in the context of the JIU questionnaires.

²⁷ C/ES.23/3(a)/Add.1, Annex 3.

²⁸ C/ES.23/3(a)/Add.1, Annex 3.

Secretary-General to review the situation and to make efforts to ensure an equitable geographical distribution.

Vacancy rate

62. As of 31 March 2007,²⁹ of the 335 established Secretariat posts,³⁰ 36 were vacant corresponding to a vacancy rate of 8.9 per cent. Moreover, during interviews, the Inspectors learned that the average annual vacancy rate was around 10 per cent in the last biennium 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 are of the view that these figures are 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

63. Expenses for training in the Secretariat are funded from the Training and Development Fund,³¹ established by the Council in 2002. The training budget for the biennium 2004-2005³² was 376,000 pounds sterling, and for 2006-2007³³ it was 132,000 pounds sterling, which corresponds to 0.8 per cent of the total appropriations of the regular budget for 2004-2005, and 0.3 per cent for 2006-2007, respectively. For the 2008-2009 biennium³⁴ the training budget is envisaged at 189,400 pounds sterling, corresponding to 0.3 per cent of the total appropriations of the regular budget. The training programme of the Secretariat can be considered very modest, and falls 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.³⁵

64. 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. Emphasis should be placed on project and other types of management training, and IT training, to respond to the current and future needs of the Organization.

Ombudsman

65. The Organization does not have an ombudsman, in contrast to normal practice within the United Nations system. Work-related issues of staff can currently only be shared with staff 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,

²⁹ Document "IMO, Established Posts with Incumbents, 31 March 2007".

³⁰ A/24/Res.969, Appendix 2.

³¹ IT training has been funded from the Headquarters Capital Fund until the end of the current biennium 2006-2007.

³² A.23/Res.942, Appendix 7.

³³ A.24/Res.969, Appendix 5.

³⁴ C/98/6, Table 18.

³⁵ Investing in the United Nations: for a stronger Organization worldwide, Report of the Secretary-General, A/60/692, paragraph 25 (j).

which consists of three representatives of the Secretariat. One representative of the appeals board is selected from a list compiled by staff representatives. The appeal procedures are described in detail in chapter XI of the IMO staff rules and regulations. All decisions can be taken to final appeal before the United Nations Administrative Tribunal (UNAT).

66. The Inspectors concur with the staff representative that the establishment of an ombudsman post would be a significant improvement to the current system of administration of justice in IMO, even if established as a dual function post. Through the establishment of an ombudsman function, all types of staff-management disputes could, in addition to the aforementioned procedures, also be settled through informal conciliation or mediation. The Inspectors are of the view that this would complement well 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. It would further have a positive impact on the working conditions of staff and the working atmosphere in general, due to the independence, objectivity and special status of such a representative. Reference is made to the JIU reports JIU/REP/2000/1 and JIU/REP/2002/5 in this regard.

67. The implementation of the following recommendation is expected to enhance the Organization's administration of justice.

Recommendation 8

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.

B. Recruitment system

68. The recruitment process is regulated in chapter IV of the IMO staff rules and regulations. According to article 4.1 of the staff rules and regulations, all recruitment and promotion decisions are at the discretion of the Secretary-General. Further, article 4.3 stipulates that, as far as possible, all recruitment and promotion decisions should be made through a competitive selection process. The IMO Appointment and Promotion Board, consisting of a staff representative and representatives of all divisions, is involved in an advisory capacity in the selection process for the recruitment of staff from General Service up to P-3.³⁶ The Secretariat applies a fixed-term appointments policy, and staff are in general recruited for a two-year term with a probationary period, and contracts are then renewed for two, three or five years.

Personal promotions and direct recruitment

69. The Secretariat has a limited personal promotion and direct recruitment practice. As regards personal promotions, there have, for example, been four personal promotions to the D-1 level with effect from 1 January 2005. The total number of D-1 personal promotions stands at nine as of 4 April 2005³⁷ and totalled 5 at April 2007.³⁸ Personal promotions are

³⁶ See regulation 104.9 of the IMO staff rules and regulations.

³⁷ C 94/3(a), paragraph 9.

often granted for staff members close to retirement. During interviews the Inspectors learned that there have also been cases of direct recruitment.

70. In keeping with recent JIU recommendations concerning personal promotions and direct recruitment,³⁹ the Inspectors believe that these practices should be discontinued at IMO. The scheme is contrary to the standards of fairness and transparency in the system of recruitment and promotion. It distorts the principle that promotion is a recognition of past, and an expectation of future, performance. It deviates from United Nations common system practices. Instead, competitive selection procedures should be applied to the extent possible, as stipulated in article 4.3 of the IMO staff rules and regulations.

71. The implementation of the following recommendation is expected to enhance competitiveness, transparency and fairness with regard to recruitment and promotion.

Recommendation 9

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.

C. Privileges and immunities

72. During interviews, the Inspectors learned that managers and staff are not always adequately informed about the nature and extent of their privileges and immunities, and that there is no formal administrative issuance/compendium containing a list of all privileges and immunities, and explanations of their nature and extent.

73. The Inspectors therefore encourage the Secretary-General to issue a compendium of all privileges and immunities granted to staff members including a comprehensive explanation of their nature and extent. In keeping with recent JIU recommendations concerning headquarters agreement issues,⁴⁰ the Inspectors further encourage the Secretary-General to maintain an ongoing dialogue with the host government to continuously monitor and improve the status of IMO staff members. Reference is made to the JIU reports JIU/REP2006/4 and JIU/REP/2004/2 in this regard.

³⁸ C 98/5(a)/2, Annex I.

³⁹ JIU/REP/2005/1, paragraph 18 and the following including recommendations 9 and 10.

⁴⁰ See JIU/REP/2004/2 and JIU/REP/2006/4.

V. CENTRAL SUPPORT SERVICES

A. Conference services

74. The programme of meetings for IMO for the current biennium 2006-2007⁴¹ shows a total of 41.2 meeting weeks (42.2 meeting weeks for the biennium 2004-2005⁴²) with a total budget for Programme 5, International Meetings, amounting to 11.10 million pounds sterling corresponding to 21.7 per cent of the regular annual budget of the Organization (10.11 million pounds sterling for the biennium 2004-2005, corresponding to 21.9 per cent of the total regular budget). Expenditure under this programme is mainly determined by the costs of interpreters and translators.

75. During interviews the Inspectors learned that since 1999 the workload of the Conference Services Division has approximately doubled 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 bienniums.⁴³ Despite the increased workload, the number of translators has remained at the same level. Translation services required for the additional workload are outsourced.

76. The Inspectors further learned that the documentation rules and guidelines, adopted by the Council to regulate the documentation of committees and subcommittees, are not always strictly followed by Member States, resulting in an increased workload for the Conference Services Division. Reference is made to Recommendation 1 in this context.

B. Information and communication technology systems

77. Following the recommendations in the 2001 review of the external consultant,⁴⁴ substantive progress has been made in developing and improving the Organization's information technology (IT) systems. An ERP system has been implemented, and the IMO public website, the IMO Intranet, the IMODOCs system for the electronic distribution of documents to Member States, and various other information systems of the Organization have been improved.

78. The Organization has an Information Management/IT strategy that spans from 2003 to 2009, and has already resulted in the development, implementation and updating of specific information management initiatives, information systems and database applications for the Organization. For the next biennium, 2008-2009, it is planned to implement the ERP-SAP Human Resources/Payroll module, drawing on the experience of the United Nations Children's Fund (UNICEF). In order to move towards reporting on the basis of IPSAS, IMO plans in the near future to implement the SAP Fixed Assets module and to make some adjustments to the SAP Inventory Management module; this exercise should be finalized at the latest by 2010.⁴⁵

⁴¹ A.24/Res.969, Appendixes 1 and 3.

⁴² A.23/Res.942, Appendixes 1 and 3.

⁴³ See also C 94/6, section 2, paragraph 5.2.8.

⁴⁴ See footnote 3

⁴⁵ C 98/4(a); C 96/4(a).

79. IMO maintains an agreement with the International Computing Centre (ICC) in Geneva concerning the provision of information and communications technology services. During interviews with representatives of IMO and ICC, the Inspectors learned that IMO has been able to obtain cost-effective benefits from these services, not only for consultancy on the development of IT projects, but also for SAP disaster recovery, which sustained the advanced introduction of ERP. As ICC works on a non-profit basis and only charges the real costs of services provided, its services are very competitive. Further, the security of information is guaranteed, in particular as national security laws, e.g. the USA Patriot Act, do not apply to ICC because of its diplomatic status. The Inspectors learned that there is an outstanding balance of about US\$ 66,000 in favour of the ICC as of 27 February 2007. The secretariat of IMO informed them of its intention to market-test ICC services. The Inspectors trust that, irrespective of the outcome of this exercise, IMO will make timely payment of its contributions to ICC in accordance with the agreed modalities.

C. Publication services

80. The publication activities of the Organization are revenue producing, and are accounted for under the Printing Fund. The surplus is transferred to the regular budget, the IMO administrative funds and the Technical Co-operation Fund. The revenue of net sales amounted to 6.12 million pounds sterling in 2004, to 6.32 million pounds sterling in 2005 and to 7.61 million pounds sterling in 2006.⁴⁶ The sale of IMO publications is therefore an important source of income, and is also highly valued as a tool to promote the technical and legal work of the Organization. The Organization's printing activities were outsourced in 2006 resulting in various benefits, including cost savings in excess of 300,000 pounds sterling per year.

81. 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. It is not in the IMO mandate to provide translations into languages other than the six official languages of the Organization. However, IMO authorizes commercial publishing companies to translate and publish their materials in other languages, as long as these include a disclaimer stating that the respective publications are not originally translated and issued by IMO; IMO does not receive any royalties from sales of these publications.

82. The Inspectors are of the view that the Organization may use the potential demand for IMO publications in languages other than the six official languages in order to generate additional income. The Organization should make efforts to promote the publication and sale of IMO conventions, codes, books and other material in additional languages in cooperation with interested publishers, and should charge an appropriate royalty from the publishing companies. An adequate quality control mechanism and disclaimer policy should also be established in this context.

83. The implementation of the following recommendation is expected to generate additional income for the Organization.

⁴⁶ Information provided by the IMO Publishing Services Section in the context of the JIU questionnaires.

Recommendation 10

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.

D. Facilities management and refurbishment project

84. The premises of the IMO headquarters are the property of the host country. According to the agreement with the host country, IMO pays an annual rent of 1.19 million pounds sterling for the use of the premises. Costs for major repairs concerning the premises are shared between the Organization (20 per cent) and the host country (80 per cent). The Inspectors were informed that the current agreement is advantageous for IMO, especially because of the regularly occurring high repair expenses.

85. Currently the IMO headquarters building is undergoing a comprehensive refurbishment, and the Organization's headquarters is temporarily relocated. The cost-sharing quota for the refurbishment is 10/90 in favour of IMO. This was individually negotiated between the Organization and the host government. The host government also pays for the additional costs of the temporary relocation of IMO.

86. Representatives of IMO have been closely involved and consulted during all stages of the refurbishment process, and various project boards and an IMO refurbishment project steering group, consisting of IMO representatives, have been established. The Inspectors were informed that all major demands and needs of the Organization have been recognized to the extent possible, and that, overall, IMO has benefited from a fair deal regarding the refurbishment of its headquarters. As the refurbishment process is still underway, the Inspectors would like to abstain from specific comments concerning the IMO refurbishment project at this stage.

VI. OVERSIGHT

87. The Secretary-General established the Internal Oversight Section (IOS) in October 1999, following a merger of the Internal Audit and Evaluations Units. The Council formally approved the terms of reference (TORs) of IOS at its 89th session in November 2002. The Assembly, in its resolution A.946 (23) adopted on 27 November 2003, approved the establishment and development of the Voluntary IMO Member State Audit Scheme, leading to the creation of the Member State Audit and Internal Oversight Section (MSA & IOS), effective 1 January 2004.

88. The primary purpose of MSA & IOS is to assist the Secretary-General in the implementation of Financial Regulation 10.01 and in fulfilling his internal oversight responsibilities. MSA & IOS provides independent and objective assurance, review and advice, designed to add value and improve the effectiveness of the risk, RBM and control processes, as designed by management to attain the objectives of the Organization.

89. Although within the mandate of MSA & IOS, no evaluations have been conducted in the last three bienniums. While evaluation is the main duty of programme managers, the Inspectors are of the view that MSA & IOS should increase its capacity with regard to its evaluation function.

Audit committee

90. IMO does not have an oversight committee. This issue was discussed in the Council's Intersessional Working Group on Account and Audit, which did not support the proposal of establishing an oversight committee.⁴⁷

91. While the Inspectors note and acknowledge the decision of the Council's Intersessional Working Group on Account and Audit, they are of the view that the independence of the internal oversight function is of great importance. The Inspectors encourage 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

92. IMO does not have a risk assessment and management framework which could serve to identify risk areas and to adopt a risk-based auditing approach. In order to address this issue, the Council at its 96th session agreed that management of risk should become a formalized on-going process, and decided to establish a Risk Review, Management and Reporting Working Group (CWGRM), open to all Members of the Organization.⁴⁸ The Council further agreed to establish an Intersessional Correspondence Group to prepare terms of reference for the CWGRM, taking into account the Secretary-General's proposals and the suggestions made during discussions in the Council.⁴⁹ CWGRM had its inaugural session in March 2007, and is closely cooperating with CWGSP and also the Policy and Planning Unit.

⁴⁷ C 89/19(b)/Add.1, Annex 1, paragraphs 10-12.

⁴⁸ C/ES.23/4(a)/1.

⁴⁹ C 97/3(b).

93. The Inspectors note that the process of establishing a comprehensive risk management framework for the Organization has started. They would like to reaffirm the importance of such an exercise, and recommend that the Organization should continue its efforts to establish such a framework.

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

A. Technical cooperation

94. Although it is the responsibility of the Member States to implement the international regulations adopted by IMO, the Organization has developed a Technical Co-operation Programme which is designed to help developing countries improve their ability to comply with international rules and standards relating to maritime safety and the prevention and control of maritime pollution. The Technical Co-operation Programme gives priority to technical assistance programmes that focus on human resources development and institutional capacity building. The expenditures under the programme amounted to US\$ 14.02 million in 2004, US\$ 13.08 million in 2005 and US\$ 12.00 million in 2006.⁵⁰

95. In its 2001 review,⁵¹ the external consultant recommended that programme management responsibilities should be assigned to the Technical Co-operation Division; project management expertise, systems and tools for technical cooperation should be strengthened; and a resource mobilization strategy should be developed. On the basis of these proposals, the Organization engaged in significant reform processes regarding its Technical Co-operation Programme. As a result, delivery levels of the Organization's Technical Co-operation Programme have increased substantially in terms of the level of funds disbursed.

Management framework

96. Following the Organization's Change Management Programme in 2002, the management of technical cooperation was restructured under a consolidated line of authority for the overall management of the Integrated Technical Co-operation Programme (ITCP), and a management framework was developed and introduced. Cornerstones were the establishment of a contractual framework; the Programme Implementation Document (PID) which specified the expected outputs on the basis of agreed parameters; the introduction of the "Contract Manager" function; and the definition of measurable milestones and indicators by which the progress of delivery could be assessed. A comprehensive Technical Co-operation manual was also collated.

Funding

97. Core funding of the Integrated Technical Co-operation Programme is provided by the Technical Co-operation Fund (TCF) which is replenished through transfers from the net annual surplus of the Printing Fund. IMO encourages contributions to the TCF from Member States, industry, organizations and private individuals.

98. In April 2007 a first draft of a fundraising strategy for consideration by the Technical Co-operation Committee was prepared.⁵² The Inspectors welcome and support this initiative and would like to see this strategy being integrated into an Organization-wide fundraising strategy. Reference is made to paragraphs 56, 57 and recommendation 3 in this context.

⁵⁰ Information provided by the IMO Technical Co-operation Division in the context of the JIU questionnaires.

⁵¹ See footnote 3.

⁵² TC 57/5/2.

B. Regional coordination

99. The overall objective of the IMO Regional Presence Scheme is to establish a modest presence in selected developing regions, thereby facilitating the input of IMO into national and regional development policies and providing active field-level participation in the development, execution and coordination of the delivery of the Organization's Integrated Technical Co-operation Programme. UNDP country offices, in accordance with UNDP rules and regulations, handle the administrative and financial management of the IMO field presence offices.

100. The operational activities of the IMO Regional Co-ordinators are closely and continuously monitored by the respective Desk Officers of the Technical Co-operation Division (TCD), and annual reports on the activities of the Regional Co-ordinators are submitted to the Technical Co-operation Committee (TCC). The Regional Co-ordinators are also subject to the audits and evaluations of MSA & IOS.

101. The Inspectors note with satisfaction that the IMO Regional Presence Scheme ensures the effective presence of IMO in the field in a cost-effective fashion. This scheme draws upon the UNDP country presence structure, and facilitates networking among the Member States of the regions concerned. The scheme also facilitates the convening of IMO conferences in the regions. This scheme is an example of best practice and could be emulated by other United Nations agencies that do not have adequate field presence, in order for them to participate in the Common Country Assessment (CCA)/United Nations Development Assistance Framework (UNDAF) processes promoted by the United Nations General Assembly.

C. Coordination and cooperation with other United Nations organizations

102. IMO has developed a systematic programme to achieve coordination and cooperation with other United Nations organizations.⁵³ In its strategic planning and programme and budget documents, conscious efforts have been made to identify specific activities in that regard. Thus, IMO collaborates in various areas with other organizations and agencies of the United Nations system, and has concluded various Memorandums of Understanding (MoUs) with these entities based on legal provisions of the IMO conventions and related conventions of other agencies. Further, the Organization is involved, as executing agency, in the implementation of various projects funded by other entities such as: The Global Environment Facility (GEF) and UNDP; GEF and the World Bank; the United Nations Office for Project Services (UNOPS); the United Nations Environment Programme (UNEP); and the United Nations Industrial Development Organization (UNIDO).

103. The Inspectors were informed that the United Nations Convention on the Law of the Sea has provided IMO and other United Nations agencies with an umbrella framework for their coherent response to international maritime and environmental events. Active participation and contribution of IMO reciprocated by its counterparts in the implementing mechanism of the United Nations Convention on the Law of the Sea (UNCLOS) such as the UN Ocean, have greatly facilitated coordination of the implementation of maritime and environment related conventions among the United Nations agencies such as UNEP, the International Labour Organization (ILO) and the International Atomic Energy Agency (IAEA).

⁵³ C 94/6, section 1, paragraph 6.1 and 6.2.

104. 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.⁵⁴ To ensure the Organization’s linkage with the Millennium Development Goals, the Secretariat has established an Intersessional Working Group on the linkage between the Integrated Technical Co-operation Programme and the Millennium Development Goals.⁵⁵

105. The Inspectors are pleased to note that coordination and cooperation between IMO and other United Nations organizations in all fields of activity is effective and efficient. Furthermore, they appreciate IMO’s contribution to the “One United Nations” approach.

106. The implementation of the following recommendation is expected to facilitate the dissemination of best practices.

Recommendation 11

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.

⁵⁴ Consolidated comments on the “Delivering as One”, Report of the High-Level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment, by IMO, UPU, WMO, UNWTO and UNESCO.

⁵⁵ TC/ISWG 1/3.

26
ANNEX I

Overview of action to be taken by participating organizations on JIU recommendations
JIU/REP/2007/7

		Intended impact	United Nations, its funds and programmes											Specialized agencies and IAEA													
			United Nations*	UNCTAD	UNODC	UNEP	UN-HABITAT	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	OTHERS	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Report	For action		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For information and review		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Recommendation 1	f																								L	
	Recommendation 2	e																								L	
	Recommendation 3	e																								E	
	Recommendation 4	g																								E	
	Recommendation 5	g																								E	
	Recommendation 6	e																								E	
	Recommendation 7	e																								L	
	Recommendation 8	a																								E	
	Recommendation 9	a																								E	
	Recommendation 10	f																								E	
	Recommendation 11	b																								E	

Legend: L: Recommendation for decision by legislative organ
E: Recommendation for action by executive head
□: Recommendation does not require action by this organization

Intended impact: a: enhanced accountability b: dissemination of best practices c: enhanced coordination and cooperation d: enhanced controls and compliance
e: enhanced effectiveness f: significant financial savings g: enhanced efficiency o: other

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR, UNRWA.