

COUNCIL
113th session
Agenda item 4(a)

C 113/INF.4
16 November 2014
ENGLISH ONLY

RESOURCE MANAGEMENT

(a) Human resources matters, including amendments to the Staff Regulations and Staff Rules

Internal functional review of the Administrative Division

Note by the Secretary-General

SUMMARY

Executive summary: This document provides the report of the internal functional review of the Secretariat's Administrative Division announced by the Secretary-General at the 112th session of the Council

Strategic direction: 4

High-level action: 4.0.3

Planned output: No related provisions

Action to be taken: Paragraph 3

Related documents: C 112/3/2 and C 112/D paragraph 3.9(iv)

1 In keeping with his policy on transparency, the Secretary-General attaches a report on the outcome of the internal functional review of the Secretariat's Administrative Division.

2 The Secretary-General will examine the report carefully and implement its proposals and recommendations, as he may consider appropriate in the context of his continuing review and reform process.

Action requested of the Council

3 The Council is invited to note the information contained in this document and its annex.

ANNEX

INTERNAL FUNCTIONAL REVIEW OF THE ADMINISTRATIVE DIVISION



1 Background

1.1 In the context of the Secretary-General's review and reform programme and, in particular, his restructuring and rationalization efforts, the initial proposal on the results-based budget for the current biennium included the commissioning of a thorough functional review of the Secretariat, its structure and staff complement, to be undertaken by an independent third party or a consulting group.

1.2 This was considered by the Council's 110th session, which decided that an external review should not then proceed and noted the Secretary-General's intention to carry out an internal review and to report his findings to the Council in due course. At its 112th session, the Council further noted the Secretary-General's views on the desirability of supporting the restructuring and rationalization efforts through a review of the Secretariat's Administrative Division (AD), as a first step towards a wider review, while bearing in mind recent but partial structural changes made to other Divisions (CD, LED, MED, MSD and OSG, including the creation of a new Department for Member State Audit and Implementation Support (DMSAIS)).

1.3 This paper sets out the outcome of the internal review of AD which was carried out by Secretariat staff during the intersessional period through a critical examination of each Service within the Division, by reference to:

- its goals and objectives;
- the work that needs to be carried out to achieve those goals;
- whether the Services are optimally structured and staffed to carry out the work; and
- what improvements/reforms might be necessary, in terms of both structure and staffing, to address any constraints and to deliver on the goals and objectives with greater efficiency.

1.4 The review was carried out by the respective Heads of each of the divisional Services, which provided data, assessments of, and recommendations on, their own units and, more broadly, on the Division's mandate, workings and structure. These individual contributions were subsequently analysed and integrated by the Director, AD, on the basis of his vision of the Division's requirements and likely future developments affecting it. This was followed by a final, collegial review by the Division's senior management that resulted in the present paper.

2 Objective, structure and clients of AD

2.1 Before considering each Service within the Division, a broad look at the Division shows that it carries out the "back office" operations and business processes that enable the Organization to perform its role in accordance with the IMO Convention and its Strategic Plan. AD's primary objective is, therefore, to provide essential support services and establish, implement and keep under review the enabling policies, procedures and practices that facilitate the day-to-day running of the Organization in accordance with relevant regulations, rules and manuals. Furthermore, the Division plays an important role in supporting IMO's position as a member of the United Nation's inter-agency system, through its participation in the various HLCM networks (HR, Finance, Information and Communication Technology (ICT), Procurement, SAP, Travel, etc.) and other initiatives of the CEB (EMG, Greening the Blue, etc.). It is therefore a strategic partner of senior management in identifying and implementing solutions that help the Organization fulfil its mission.

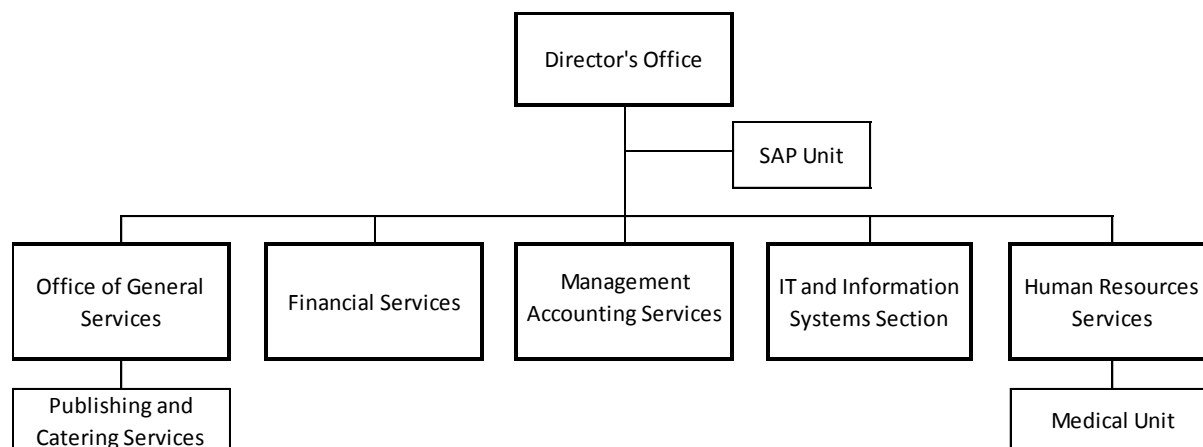
2.2 AD also manages other, revenue-generating functions¹, in which the Organization has opted to engage, notably catering and publishing services. These are financed exclusively through the Organization's Trading Fund (TF), while the essential support services mentioned in the preceding paragraph are financed by its Regular Budget (RB).

2.3 In this context, any reform of AD resulting from a functional review ought, for best results, to derive from the identification of reforms to the Secretariat as a whole, since significant changes in other areas of the Secretariat will necessarily impact on the level of support services that AD needs to provide and, therefore, on its staffing and structure.

2.4 As the present review cannot take that global/holistic approach, it concentrates on the AD services that are presently required in order to achieve the "back office" functions that are its primary objective. These functions include and are distributed among the seven units shown below and in the organogram below:

- overall divisional management, through the office of the Director;
- ERP management (SAP Unit);
- management accounting, including budgeting and development of the Secretariat's business plans (Management Accounting Services);
- financial management, including travel and treasury administration (Financial Services);
- human resources management, including the provision of medical services (Human Resources Services);
- information technology and systems management (Information Technology & Information Systems Section); and
- through the Office of General Services, ancillary functions such as facilities management; mail management; procurement; inventory management; processing of the Organization's and staff members' privileges; as well as the catering and publishing services.

¹ The medical services in AD also charge external partners (e.g. other United Nations or international organizations based in London) for the provision of some medical check-ups to their staff. This, however, is not a significant revenue-generating function and does not feature in this paper.



2.5 Through the variety of its support services and business functions, the Division's direct "clients" are the IMO Member States and Associate Members, other stakeholders in the regulatory process (IGOs and NGOs) and the seven other Divisions² of the Secretariat, including their individual staff members. Through its publishing function, the Division also has commercial relationships with distributors of publications (physical or digital), the shipping and maritime industries, and the general public.

3 Funding of AD

3.1 Unlike other Divisions, AD is financed by both the RB and the TF, as indicated in paragraph 2.2. It must be noted, however, that the latter finances all of the costs of IMO's revenue-generating functions and additionally pays an administrative charge to the RB for the receipt of common support services (finance, human resources, ICT, etc.). The elements covered by the TF include:

- the emoluments, travel costs and post-employment liabilities of all the staff engaged in the catering and publishing services;
- any consultancy and temporary assistance support required by those services (other personnel);
- the operational costs of services required by these functions (consumables, equipment, marketing, printing, storage, etc.), which is calculated, on the basis of headcount and occupied space, as the proportion that they represent in terms of the cost of the IMO Headquarters premises and facilities (rent, utilities, insurance, etc.); and
- the above-mentioned administrative support charge, established at 13% of the TF's annual expenditure.

3.2 With respect to the complement and associated personnel costs of AD, it may be noted that:

- following a review of functional needs in the last biennium, the AD complement was reduced by 17 posts, from 102 to 85. The posts so abolished (nine RB and eight TF) equalled 17% of the total Divisional workforce at that time. Additional reductions are scheduled before the end of 2015, as indicated in subsequent paragraphs, owing to workforce succession and evolution plans (staff retirements and/or restructuring);

² The term "Division" in this paper includes AD, CD, DMSAIS, LED, MED, MSD, OGS and TCD.

- of the current AD staff complement of 85 in total, the posts financed by the RB represent two thirds (67%) or 57 posts, while those financed by the TF represent one third (33%) or 28 posts;
- the 57 AD posts financed solely by the RB represent 21.5% of the total RB staff complement of 265; and
- the personnel costs of AD (£9.5m, covering staff and other personnel) financed solely by the RB represent 18% of the total personnel costs in the RB for the current biennium, of £52.1m.

4 The effect of the TF on other IMO activities

4.1 From the foregoing it might be argued that if the TF activities are activities in which the Organization has selected to engage (in other words, neither catering nor publishing is in principle a service that facilitates the day-to-day running of the Organization) and are entirely self-financed, account should only be taken, in the context of the present review, of what the Division represents within the RB in terms of staffing and cost.

4.2 To do so, however, would be to ignore the importance of the revenue generated by TF activities to the overall financial arrangements of the Organization. The revenue so generated has consistently far exceeded the cost of the TF activities themselves, producing significant annual surpluses which have been redirected to other activities of the Organization.

4.3 In other words, the surpluses so produced are in effect subsidizing activities financed by other IMO Funds. Indeed, resolution A.1063(28) formalizes such subsidies by authorizing the Secretary-General to transfer the annual surpluses in the TF to the following Funds, in the following proportions:

- 5% to the General Fund (or RB, for reductions in Members' assessments);
- 12.5% to the Headquarters Capital Fund (HQCF, for infrastructural improvements);
- 80% to the Technical Cooperation Fund (TCF, for ITCP execution);
- 1% to the Termination Benefit Fund (TBF, for staff separations and post-employment liabilities); and
- 1.5% to the Training and Development Fund (TDF, for staff learning and development).

4.4 In accordance with the above formula, the 2013 TF surplus of £6.2 million was distributed in the following amounts:

- £310,000 to the RB;
- £776,000 to the HQCF;
- £4.97 million to the TCF;
- £62,000 to the TBF; and
- £93,000 to the TDF.

In this regard, it may be noted that the total surplus distribution of £6.2 million is equivalent to 20% of the RB for 2014.

4.5 In view of the foregoing, it is clear that the catering and publishing services under the TF have become fundamental to the financial health of other IMO Funds and to the feasibility of certain beneficial measures and activities, such as:

- delivering consistent reductions in the Member States' contributions to the RB;
- funding a significant proportion of IMO's capacity-building programmes (in 2014, this proportion represents some 96% of the TC Fund contribution to the total ITCP budget for the year);
- investing in Headquarters infrastructure and information systems; and
- enhancing the skills of IMO staff.

4.6 Without the TF's activities, revenues and subsidies, most of the above-mentioned benefits might not be delivered or, more precisely, might need to be financed through other means, notably the RB, with consequential increases in the Organization's biennial results-based budgets and, therefore, in the assessments on Members.

4.7 As such, the TF's catering and publishing functions – quite aside from providing services that are useful to, and used by, a wide variety of internal and external clients – have become fundamental to the continuity of a number of the Organization's activities. While the TF subsidies have thus enabled biennial budgets to be kept at lower levels, it is questionable whether this is sustainable in the long-term, especially if the volume of publication sales, or the revenues earned from them, were to decrease. Over the medium-term, therefore, it would be advisable to consider alternative strategies for reducing the Organization's reliance on TF subsidies, in particular for TC activities.

5 Office of the Director

5.1 This office is responsible for overall management of the Division and the provision of advice and guidance to the Secretary-General and other Divisions on all personnel, budgeting, finance, ICT and procurement matters.

5.2 The office currently comprises three encumbered posts financed by the RB, namely one Professional and higher categories (P) and two General Service (GS) posts, as shown in the table below³. While no significant reform of the office is currently programmed, it is envisaged that one of the GS posts, which provides support partly to the Division and partly to the Staff Association, should be redeployed to other AD services during the 2016-2017 biennium, with the support needed by the Staff Association being assured through other arrangements.

	2014		Plan for 2016 onwards	
	P	GS	P	GS
Management	D2	G7(P2) G5	D2	G7(P2)
Total posts	1	2	1	1

³ The grade of each post is indicated in this and other tables (with figures in brackets representing the actual grades of the incumbents).



6 SAP Unit

6.1 In accordance with earlier decisions of the Council, the Organization's enterprise resource planning (ERP) system, which enables improved management of the Secretariat's business operations, operates with SAP software. While initially catered for as an in-house project, the Council subsequently decided that the SAP system should be outsourced and, today, its maintenance and development is the responsibility of the SAP Unit, which is linked to the Office of the Director, AD. In turn, that Unit manages the outsourced contract (including mitigating associated risks) with a global specialized company named CGI⁴, which provides expertise for infrastructure hosting and maintenance, system maintenance and updating along with technical support and troubleshooting when problems arise, and solution/system development services.

6.2 The overall aim of the SAP system and Unit is to progressively achieve administrative and management processes that are more efficient through automation, streamlining, integration and alignment with business needs, objectives and operations. In so doing, the SAP system should also capture and manage information to support strategic decision-making.

6.3 Today, the SAP system is critical to Secretariat functions such as HR and payroll, financial management, results-based planning and budgeting, procurement of goods and services and TC project management. In providing its support for such processes, the SAP Unit also follows closely relevant developments within the United Nations System, including data exchange and process harmonization.

6.4 After a decade of use, the SAP system is now well-consolidated within the Secretariat's business processes and staff that work with it are well trained, guided and supported by the SAP Unit and CGI. Experience has shown that outsourcing allows the SAP Unit to implement multiple and complex projects through access to multifaceted external support that can be more economical than relying on limited internal resources. The focus for the future is to continue embedding the system in day-to-day operations, while leading, managing and investing in its further development with a view to adopting additional changes in processes and practices that will improve operational and financial efficiency⁵ and strategic reporting and decision-making. As the contract with CGI will be coming to an end in 2015, a major tender process is about to be launched inviting companies to tender for one or more of the required services – hosting, support, development – with a particular focus on the latter.

6.5 To date, the SAP Unit has been staffed by two P posts, both currently filled with the incumbents fully engaged in managing the outsourced contract, providing in-house support, and responding to user and business development needs. A further post had previously been budgeted for but, for reasons of economy, it was decided to transfer it out of AD pending the outcome of the SAP tender process. However, as the Secretariat moves, through the next phase of SAP outsourcing, more towards strategic planning, budgeting and service delivery, there is need for additional support to the SAP Unit and this is discussed further in the next section.

⁴ The Unit also deals with other companies that provide solutions/development services catered specifically to the United Nations system or the public sector.

⁵ An area now being explored is "employee self-service" which comprises web-based applications that enable employees to carry out a number of administrative tasks in an automated and paperless manner and to transact with HRS without physical presence. This could include filing of personnel forms and documents, recruitment software support, temporary employee processing, training registration and management, a performance appraisal management system, and entitlements forms and workflows.

	2014-2015		Plan for 2016 onwards	
	P	GS	P	GS
SAP maintenance & development	P4 P3	-		
Total posts	2	-	See next section	



7 Management Accounting Services (MAS)

7.1 The primary goal of MAS is to support top management in its decision-making on the Organization's current and future operations through budgeting, budgetary control and production of related management information. To achieve this, MAS carries out five essential functions: business planning and alignment to the Organization's Strategic and High-level Action Plans (SP and HLAP); budget formulation; control of funds; monitoring of and reporting on budgetary performance; and recommending and advising on corrective measures and alternative strategies for current and future operations.

7.2 Currently, MAS has three P and one GS posts. One of the former is presently unfilled, although the vacancy is to be announced on approval of the proposals contained herein.

7.3 The core function of MAS is intrinsically linked to organizational planning, both at the level of the Organization (strategic directions, high-level actions and planned/unplanned outputs) and particularly in respect of the Secretariat's business plans, all of which leads to results-based budgeting. Through the decisions of the Assembly and the Council, there is now increased alignment between the planning and budgetary processes and, as indicated in the preceding section, a clear and complementary progression in terms of SAP objectives towards facilitating greater strategic decision-making in business operations.

7.4 Accordingly, it is now proposed to merge the SAP Unit with MAS in order to combine business planning, and business process maintenance and development, within a unified management structure. Additionally, in order to generate greater coherence and efficiency within AD in terms of the processing of SAP transactions, it is proposed to redeploy from the Office of the Director, AD (as indicated paragraph 5.2 above) one GS post into the new MAS/SAP entity, where this Division-wide function would be centralized, freeing up the time of staff elsewhere in the Division to concentrate on other duties.

7.5 The table below therefore shows the present staffing of MAS⁶ and its future complement following merger with the SAP Unit, which should happen in 2015 to ensure that the new structure is in place on commencement of the next phase of SAP outsourcing. In this context, the current MAS complement covers the following areas:

- overall management (P5);
- budgeting (P4);
- management accounting and reporting (P3); and
- management accounting and budget support (G6).

⁶ The incumbent of an existing P4 post in MAS currently holds the grade of P5 but will be retiring in November 2014.

7.6 With this merger, the combined staff complement of the new entity, to be named Management Accounting and ERP Services (MAES), will cover:

- overall management (P5);
- management accounting and ERP operations (P4);
- budgeting (P4);
- ERP operations (P3);
- management and strategic reporting (P3);
- management accounting and budget support (G6); and
- ERP processing (G5).

7.7 The envisaged merger will necessarily entail a review of the terms of reference of two posts and it is envisaged that this should result in a reclassification of grades in view of the higher level of duties and responsibilities to be assigned to them immediately on the merger of MAS and the SAP Unit.

	2014 (MAS)		Plan for 2015 onwards (MAES)	
	P	GS	P	GS
Management	P5(D1)	-	P5(D1)	-
Budgeting & management accounting	P4(P5) P3	G6	P4 P3	G6
SAP maintenance & development	-	-	P4 P3	G5
Total posts	3	1	5	2



8 Financial Services (FS)

8.1 FS has recently undergone comprehensive restructuring, following separation of a staff member, to better align and strengthen its human resource base with the primary responsibilities of its two units, which are charged with Operations (day-to-day transactions processing, including accounts payable, travel, payroll, payments, treasury, Members' assessments and accounts receivable) and Accounts (reconciliation, financial control and financial reporting, including donor funds and IPSAS implementation), while at the same time preserving the necessary separation of functions and control systems required for the integrity of financial management.

8.2 FS has a complement of four P and nine GS posts distributed as indicated in the table below. Management of the Organization's financial resources being a permanent, core function of the Secretariat, all the FS posts are funded by the RB and they are presently all filled, except for two GS posts that are now under recruitment.

8.3 From the examination of the goals, functions, structure and staff complement of FS, the overall conclusion is that it is well organized and staffed to deliver its tasks. This conclusion is supported by the fact that, increasingly over the last few years, the external audits of IMO's financial statements have raised no queries or observations on the accounts presented,

reflecting that FS has in place robust financial management and control systems and the experienced staff to manage and develop them. In order to deal with the increasing volume of transactions within the existing complement, however, it will be necessary to continue to invest in automation and process streamlining, particularly through SAP, most notably through the introduction of electronic document management and electronic invoice processing.

8.4 That said, it is nevertheless considered that FS lacks some additional capacity on the Accounts side, in particular for enhanced financial analysis and reporting. It is envisaged that this may be addressed in due course through succession and evolution, following the anticipated retirement of one staff member in 2015, with the potential to generate budgetary savings on the basis of a reclassification of the post in question. No further reforms of FS are deemed necessary at this time.

	2014		Plan for 2015 onwards	
	P	GS	P	GS
Management	P5(D1) P5	G5	P5	G5
Operations	P3	G7(P2) G7(P2) G7 G6 G6	P3	G7(P2) G7(P2) G7 G6 G6
Accounts	P2	G7 G7 G6	P2	G7 G7 G7 G6
Total posts	4	9	3	10



9 Human Resources Services (HRS)

9.1 The primary role of HRS is to make certain that the Organization recruits, develops and retains the human resources it requires to support the fulfilment of the IMO mission and that, structurally, those resources are appropriately graded and located/relocated in accordance with the priority needs of the Secretariat. Additionally, HRS also aims, by addressing their learning and career development needs and ensuring the timely payment of their benefits, salaries and entitlements, at promoting satisfaction and motivation among the Secretariat staff so that they can work to the best of their abilities.

9.2 HRS therefore provides a core function in the running of IMO and its staff complement, distributed as shown in the table below, is financed solely by the RB. The Services also frequently host interns, usually external under- or postgraduate students, who provide support on specific time-bound projects.

9.3 Of the five P posts, two are presently vacant, with one of these being at the interviewing stage (Career Development Officer), while the duties and responsibilities of the other have been assumed by the remaining staff dealing with entitlements, following the recent retirement of a staff member. One GS post (Staff Nurse) is also presently vacant but is now at the post-interviewing stage.

9.4 In terms of envisaged structural reforms in HRS, the second vacant P post mentioned above is programmed for transfer in 2015 out of the Division and into the DMSAIS, in line with the Secretary-General's policy to assure the new Department's required staff complement through succession and evolution.

9.5 In addition, one GS post, whose incumbent is scheduled to retire in mid-2015, could in principle be redeployed at that time. In view of the clerical duties and responsibilities attached to the post, it would be advantageous for the redeployment to occur on introduction of employee self-service, through the SAP system, which will facilitate the automation of HRS functions and filing systems⁷.

9.6 A further area of potential reform concerns the consolidation of all the human resource management functions carried out by the Secretariat in a single entity. In this regard, it has already been mentioned that HRS takes care of Secretariat staff and this means the staff complement approved by the Assembly under the RB, as well as such temporary assistance as may be required to support that complement. Units in other Divisions handle temporary staff contracted for the IMO meetings programme (interpreters, translators, etc.), the Organization's TC activities (i.e. project experts and consultants) and the audits of Member States (i.e. expert auditors).

9.7 This means that there will eventually be no less than four "recruitment centres" in the Secretariat and, therefore, for reasons of overall efficiency, consistency and control, it is proposed to centralize all such functions within HRS. This would involve the transfer to HRS of one GS post from the Conference Division (CD) and two from the Technical Cooperation Division (TCD), namely one P and one GS post. Such transfers should be done at the earliest opportunity in order to ensure proper assimilation of the staff concerned and a potential realignment of duties and responsibilities, in order to balance the workload within HRS, particularly with regard to the management of entitlements. The timing of such a reform is crucial because, in 2015, HRS will face substantial additional work with the conduct of the ICSC-mandated local salary survey for London, participation in the ICSC discussions on United Nations system-wide remuneration reform, and meetings of the Board of the United Nations Joint Staff Pension Fund.

9.8 In addition to structural changes, through the Secretary-General's review and reform initiative, the HR subgroup has considered process reforms both in terms of automation (see paragraphs 6.2 and 6.3 above) and the potential to buy-in certain tasks, which would free up HRS resources for other essential functions, in particular, coaching and advice to individual staff members, monitoring of performance, training gap analysis, etc. In this context, while many tasks in HRS reflect the complexity of the entitlements and benefits regime of the United Nations system and cannot be easily bought-in, the following are considered appropriate:

- job classification and structural review: this is a specialized and highly labour-intensive skill that has traditionally been carried out in-house. Outsourcing it could provide greater objectivity and transparency in the grading of Secretariat posts;
- testing of candidates: many tests are developed and corrected internally. However, language testing has already been outsourced and this could be extended to other areas (i.e. computer skills) and would additionally include the increased use of assessment centres for managerial positions; and
- reference checking: this too is a time-consuming process that could be rationalized by buying-in external support.

⁷ See footnote 5 on employee self-service.

9.9 The outsourcing of such tasks, which will always require Secretariat resources to manage them and assure quality control, is not overly expensive and this is therefore under close examination.

9.10 Additionally, over the coming years, the Secretariat will examine the feasibility and desirability of offshoring certain services⁸, not only those of HRS, to locations outside the UK, with a view to seeking further reductions in fixed costs.

	2014		Plan for 2015 onwards	
	P	GS	P	GS
Management	P5(D1)	-	P5(D1)	-
Entitlements	P4 P4	G7(P2) G7 G5 G5	P4	G7(P2) G7 G5
Regular staff recruitment & development	P4 P3	G5 G5	P4 P3	G5 G5
Management of non-staff personnel	-	-	P2	G6 G5
Medical (nurse)	-	G6	-	G6
Total posts	5	7	5	8



10 Information Technology & Information Systems Section (IT&IS)

10.1 Over the last three decades, information and communication technology has entirely transformed the work of IMO, particularly with regard to the day-to-day processes of running the Organization and supporting its meetings programme, but also from the regulatory point of view. With constant ICT advances, such transformation is now a permanent dynamic for both institutions and individuals and IMO is no exception.

10.2 Accordingly, IT&IS today underpins the entire work programme of IMO, both as a service delivery mechanism and a catalyst for change. Over the last three years, ICT has facilitated significant advances and changes in the work processes, including through improved management of information, enhanced knowledge capture, and reductions in the Organization's carbon footprint and in its costs. Some of the advances of recent years are indicated hereunder:

- the advent of PaperSmart meetings through IMODOCS;
- audio recording of meetings;
- online registration of delegates;
- digitization of treaties, notes verbales and circulars;
- initial trials on remote participation at IMO meetings;
- introduction of Microsoft Exchange (email software) and development of a SharePoint platform, with the ongoing development and trials of a new Secretariat intranet and e-Docs;

⁸ By way of example, a number of United Nations Organizations based in Geneva have offshored their human resources services to Budapest, Hungary; and the United Nations International Computing Centre has offshored some of its services to clients, to Valencia, Spain.

- ongoing development of a remote working facility with enhancement of technology and security;
- several GISIS upgrades and new modules on various aspects of IMO's work, including mandatory and non-mandatory requirements;
- improved IMO websites, including a blog by the Secretary-General and several social media initiatives; and
- creation of portals for the Secretary-General and the SMC.

10.3 The following additional developments are currently ongoing or in the pipeline:

- finalization of online workspace for correspondence/working groups;
- module for submission of meeting documents;
- development of unified communications;
- finalization of a system for Member State audits;
- development of e-learning capabilities for TC training activities;
- consolidation of a limited multilingual website;
- finalization of e-Forms and correspondence management facilities;
- enhancements to the IMO terminology system and evaluation of machine translations;
- upgrade of the wi-Fi system and other in-house software packages; and
- development of a cloud computing framework, based on progress within the United Nations system and decisions on legal obstacles, if any.

10.4 Some of these developmental initiatives may go beyond the regular work of IT&IS which consists of the continuous maintenance, updating/refreshing, development and security of existing infrastructure, in-house software and systems. IT&IS also manages maintenance contracts with equipment providers, responds to ICT demands emerging from the Secretary-General's review and reform initiative or to requests from IMO bodies, and provides support to users of ICT at IMO which, with very few exceptions, means every single staff member and delegate. It is for these reasons that the human resources within IT&IS, all of which are financed by the RB, are being organized around four principal pillars of work, as shown below. However, this is not a structural division of resources but a flexible arrangement enabling appropriate responses to address the ICT requirements of the Organization (including for the regulatory/monitoring processes) and the support needed by users:

- software solutions (development of in-house systems (GISIS) to meet the needs of IMO bodies);
- information management (office automation, process streamlining, etc.);
- infrastructure support (procurement of equipment and managing the related maintenance contracts for servers, desktops and laptops, tablets, internet and wi-Fi, telephony, applications, videoconferencing, audio-visual aids, etc.); and
- first level support/helpdesk services to ICT users at IMO.

10.5 In the last biennium one GS post was abolished within IT&IS and a second GS post was abolished in 2014, on the retirement of a staff member, as a result of the planned introduction of an automated switchboard. On the other hand, in his examination of the Organization's accounts for 2013, the External Auditor affirmed that the helpdesk service provided by IT&IS requires strengthening and, accordingly, in response to that recommendation, it is now suggested that the GS post in HRS which can be redeployed (see paragraph 9.5) should be assigned to support the helpdesk function from 2015. On that

basis, the current and future staff complement in IT&IS, which would thus remain composed of six P and eight GS posts, is shown below.

	2014 (IT&IS)		Plan for 2015 onwards (ICTS)	
	P	GS	P	GS
Management	P5(D1)	G6*	P5(D1)	G6*
Software solutions	P3(P4) P2	-	P3(P4) P2	-
Information & knowledge management	P3 P2	-	P3 P2	-
Infrastructure support	P3	G7 G7 G6 G6	P3	G7 G7 G6 G6
User support/Help Desk	-	G4	-	G4 G4
Switchboard	-	G5	-	G5
Total posts	6	7	6	8

* The incumbent of this post also supports the Help Desk and will continue to do so.

10.6 Finally, in keeping with developments within the United Nations system and industry, it is also proposed to rename IT&IS as Information and Communication Technology Services (ICTS). And, in view of the reassignment of some duties under the four pillars of work already mentioned (paragraph 10.4), a review of the terms of reference of two posts within ICTS is envisaged and this should result in a reclassification of grades in view of the higher level of duties and responsibilities to be assigned to them.



11 Office of General Services (OGS)

11.1 As noted in paragraph 2.2, OGS provides a range of essential services linked to the running of the Headquarters building and certain Secretariat operations. OGS also provides the catering and publishing services which are revenue-generating and therefore separately financed through the TF.

Catering and Publishing

11.2 To begin with the latter two, the Catering Services provide a range of options to staff members and others (for example, delegates, visitors, contractors) including: breakfast, lunch, tea/coffee breaks on working days; as well as breakfast, lunch and evening receptions, when contracted to do so. Arguably, none of these is a service that is essential to the day-to-day running of the Organization, because staff, delegates, visitors and contractors alike could relatively easily find alternatives in the market if IMO did not provide them. That said, the fact remains that the offer by the Catering Services, whether delivered in-house or through outsourcing, remains highly in demand and it is difficult to conceive that it could ever be abolished. Indeed, it would be hard to find an organization or company equivalent in size to IMO that did not offer some kind of catering service, at least to its staff.

11.3 In the past, the catering function was financed by the RB and, over the last three decades, it has been outsourced twice in an effort to reduce the fixed costs to, or subsidy by, the RB. Now falling under the TF, this function represents no cost whatsoever to the RB. It is entirely self-financed and, in fact, pays the RB, proportionally, for its use of the IMO Headquarters premises and facilities (rent, utilities, insurance, etc.) thus reducing costs to the RB. In 2013, a study was commissioned with a view to improving the operation, quality and revenues of the Catering Services. While recommending a range of improvements, the study also concluded that IMO should not revert to the outsourcing model at this time as it may not be cost-effective. Nevertheless, it is foreseen that, following consolidation of the recommendations made (and most have already been or are being implemented), a further examination of the outsourcing potential should be undertaken during the 2016-2017 biennium with a view to reducing the fixed costs of the Catering Services to the TF.

11.4 Regarding the Publishing Services, it can be argued that this function is even less essential to the day-to-day running of IMO than catering. However, it remains the case that publishing is the function that generates the majority of revenue for the TF. For the most part, this function is run on a commercial basis (a significant exception being the continued free distribution of new publications to Member States), it covers its costs entirely and produces significant annual surpluses. As already discussed in section 4, such surpluses have become fundamental to the undertaking of certain IMO activities.

11.5 The Publishing Services are structured around the following functions: overall management; editorial and production; and sales, marketing and distribution. IMO no longer prints its own publications; this function was outsourced more than ten years ago, the change being made possible by a decision of the Council that was accompanied by a one-off opportunity to offer voluntary redundancies/redeployments to the staff concerned.

11.6 It may be argued that other functions of the Publishing Services might also be similarly outsourced (desktop publishing, editing) and, to some extent, they already are, but this can only be done in the knowledge that complete outsourcing must entail the redeployment of staff to other areas of the Secretariat and that, where this is not possible, because the staff may not have appropriate or transferable qualifications and skills, voluntary redundancies (or "agreed separations", to use IMO terminology) may need to be budgeted for, as part of a conscious change towards outsourcing those functions to a contractor.

11.7 The table below shows the distribution of the TF personnel:

	2014		Plan for 2015 onwards	
	P	GS	P	GS
Management	D1	G7* G5*	D1	-
Catering	P3	G6 G4 G4 G4** G3 G3 G1(G2)	P3	G6 G4 G4 G4 G3 G3 G1(G2)
Publishing: Editorial & Production	P4 P3 P3(P2) P3(P2)	G7 G7 G6 G6** G6**	P4 P3 P3 P3	G7 G7 G6 G6 G6
Publishing: Sales & Marketing	P4(P5) P3	G6 G6 G6 G5 G5 G5** G4 G3	P4 P3	G6 G6 G6 G5 G5 G5 G4 G3
Total posts	8	22 now 20	8	20

* These posts were abolished in 2014 on the retirement of the respective incumbents.

** Posts are currently vacant, or recently advertised.

11.8 As already indicated in paragraph 3.3, two TF posts at the GS level have been abolished as of mid-2014. Four other GS posts are presently vacant, two of which will soon be filled. The duties of the remaining two posts, which are engaged in desktop publishing, are presently being carried out by freelancers. This is set to continue and, through agreed separation or further natural attrition, it may be feasible in the future to outsource this entire function, keeping the contractual management and quality control at Headquarters under one single position.

Headquarters and other operations

11.9 Services linked to the Headquarters building, which the Organization rents from the Host Government, involve management of a variety of contractual arrangements with external partners of both IMO and the Host Government with a view to ensuring: continuous maintenance, repair and updating of the furnishings, office equipment, physical structure, plant and vehicles of the Headquarters building; the health and safety of all its occupants; and the management of cleaning, security, utilities and waste-disposal services. Some of these services have been successfully outsourced for at least four biennia and they include building maintenance, cleaning, and security.

11.10 Services that support Secretariat operations include: procurement of goods and services, stores management and servicing of the Contracts Committee; asset management; mail management; and processing of the Organization's and staff members' privileges and immunities.

11.11 The foregoing building and other services are funded by the RB and provided through two P and eight GS posts as indicated in the table below. These services are minimally staffed and, therefore, no significant reform is envisaged at this time. The one possible exception concerns the management of mail, which entails the receipt, registration and distribution of hard-copy correspondence. Owing to the advent and growth of internet-based communication, the volume of physical mail received at IMO has dropped considerably and this is a continuing trend. With three long-serving staff members that are not yet at retirement age involved in mail management, consideration needs to be given to alternative arrangements, including, possibly, agreed separations for such staff or their redeployment elsewhere in the Secretariat.

	2014-2015		Plan for 2016 onwards	
	P	GS	P	GS
Building management	P4	G7 G5	P4	G7 G5
Procurement and stores	P2	G5 G4(G5)	P2	G5 G4(G5)
Inventory and privileges	-	G7(P2)	-	G7(P2)
Mail management	-	G5 G1(G4) G1(G3)	-	G5 G1(G4) G1(G3)
Total posts	2	8	2	8

12 Conclusions

12.1 The Administrative Division is today structured to provide services that, for the most part, are essential to the day-to-day operations of IMO (management of budget/planning, facilities/procurement, finance, human resources, ICT, SAP), as well as revenue-generating activities (catering, publishing). Generally, these services are fairly modestly staffed and, with the development of new management concepts and computer- or web-based processes, it has been possible to reduce the Division's fixed cost base and its staff complement while simultaneously making those services more efficient and effective.

12.2 Indeed, having shed 17 posts since the beginning of 2012, the Division continues to seek ways of further improving its service delivery. This entails a permanent examination of whether existing administrative functions are still needed to support the core business of the Organization and, if so, whether it is more advantageous to deliver them with in-house resources or to outsource them.

12.3 This internal review of AD Services shows that the scaling back of staff over recent years (which is still continuing, with one more post to be transferred out of the Division before the end of 2014) has left little latitude for significant structural/staffing reform. Some refinements to some of the Services is warranted for operational reasons, as proposed in earlier sections of this paper and summarized below:

- transfer of one GS post from the office of the Director to MAES, to integrate all SAP processing within the Division (paragraphs 5.2 and 7.4);
- merger of the SAP Unit with MAS, to become MAES (paragraphs 7.4 to 7.7);
- reclassification of one senior P post in FS, or retirement of its incumbent, to strengthen financial analysis (paragraph 8.4);

- transfer of one senior P post (already vacated) from HRS to the newly-established DMSAIS (paragraph 9.4);
- possible redeployment of one GS post from HRS to ICTS (paragraphs 9.5 and 10.5); and
- centralization, within HRS, of recruitment functions for regular staff and non-staff personnel, which are currently scattered in AD, CD and TCD and, in future, in DMSAIS too (paragraph 9.6).

12.4 Taking a longer-term view, however, additional developments could be considered, but these are likely to be advantageous only in the context of a more Secretariat-wide review of functional requirements, staff complement and consequent re-engineering. One such development might entail the reorganization of the Secretariat within two Departments, one carrying responsibility for all of the Organization's regulatory and implementation work (e.g. audits, environment, facilitation legal, safety/security, TC), the other providing support services common to the entire Organization (e.g. conference, external relations, planning and all the services provided through AD).

12.5 By integrating all the technical and support services while keeping them separate, it ought to be possible to consider some streamlining of functions through consolidation (e.g. joint secretarial support, rather than service-specific) and redeployment of resources to services lacking them. Such developments may also have the potential for a flatter management environment, as well as cost reductions generated through attrition or agreed separation and outsourcing.

12.6 With respect to the latter, a typical example for many private and public institutions would be the outsourcing of basic ICT infrastructure, together with its maintenance and updating, while leaving in the institution the talent to concentrate on strategy and specialized in-house applications. Similar results may also be achievable by buying services in from, or sharing services with, sister organizations which could diffuse the fixed cost base of such services. It must be emphasized, however, that outsourcing is not solely about cost reductions; flexibility in being able to bring in temporary talent in a variety of fields is also a significant benefit, as is the assurance of always receiving up-to-date expertise from contractors. Similarly, outsourcing does not mean that, when a function is contracted out, in-house staff is no longer required. On the contrary, there will always be a need to preserve some expertise in that particular function, at the very least to ensure that the contractor fulfils its obligations and to control quality.

12.7 The modalities by which outsourcing might be introduced at IMO would require careful consideration, particularly in view of the one-off costs associated with the outsourcing of a unit or service as a whole, rather than opting for a gradual and increasing reliance on external resource as existing staff leave the Organization through retirement.

12.8 As a result, a serious consideration of outsourcing as an option to increase flexibility and reduce "fixed" costs in the Secretariat requires both a strategic, long-term view of the needs of the Secretariat, and a holistic view across all divisions, since outsourcing is typically based on process and function, rather than necessarily on organizational structure. While the long-term plan for the future financial sustainability of the Organization, submitted as INF.2 to C 109, sets out a methodology to assess each business process's suitability for outsourcing (by considering the feasibility, value and risk of so doing⁹), before proceeding to such an analysis, it would be necessary to develop the long-term view of the Secretariat, its core and

⁹ C 109/INF.2, paragraphs 5.2.24 – 5.2.27

non-core roles and functions, and for policy decisions to be taken with respect to the desirability of outsourcing (and other modalities such as offshoring), recognizing the upheaval and short-term financial implications of such changes.

12.9 To a considerable extent, the longer-term and organization-wide developments suggested in the preceding paragraphs would also depend on the eventual outcome of the ongoing reflection by Member States on the possible reorganization of IMO's Strategic and High-level Action Plans, because any significant reorientation of strategic directions, say, will necessarily impact on both the structure and staffing of the Secretariat.
