



IMO

E

COUNCIL
90th session
Agenda item 27

C 90/27
18 March 2003
Original: ENGLISH

JOINT INSPECTION UNIT**Note by the Secretary-General****SUMMARY**

Executive summary: This document provides information on the status of JIU reports received since the eighty-ninth session of the Council.

Action to be taken: Paragraph 11.

Related documents:

1 Since the eighty-ninth session of the Council, the Secretary-General has received in the working languages of IMO the requisite number of copies of three JIU reports. These are entitled:

- .1 “Support Costs Related to Extrabudgetary Activities in Organizations of the United Nations System” (JIU/REP/2002/3);
- .2 “Reform of the Administration of Justice in the United Nations System: Options for Higher Recourse Instances” (JIU/REP/2002/5); and
- .3 “United Nations System Revenue-Producing Activities” (JIU/REP/2002/6).

Copies of these reports are attached in annexes 1 to 3*.

2 The Secretary-General has received the English version of the reports entitled “Managing Information in the United Nations System Organizations: Management Information Systems” (JIU/REP/2002/9) and “Implementation of Multilingualism in the United Nations System” (JIU/REP/2002/11). These formal reports issued by the JIU together with the Secretary-General’s comments thereon will be submitted to the Council, as in the past, on receipt of the required number of copies in the three working languages of the Organization. The Chairman of the JIU has been advised accordingly.

“Support Costs Related to Extrabudgetary Activities in Organizations of the United Nations System” (JIU/REP/2002/3)

3 This report, unlike previous JIU studies which looked at traditional policies and established practices on cost measurement and support costs recovery, considers the prevailing policy environment, the degree of influence by legislative bodies on programming, mobilization

* For reasons of economy, the distribution of the annex is limited to one copy each per Council Member.

and use of extrabudgetary resources and the associated recovery of support costs. The report concludes that given the differences in extrabudgetary policies and practices between the United Nations funds and programmes and the specialized agencies and their impact on budgeting and programming processes within the system, there is a need to consider the harmonization of policies in this context.

4 The report, however, has limited applicability to IMO's technical co-operation (TC) activities, since the latter are primarily funded through extrabudgetary sources, and none are funded from the core budget. Therefore, in order to fulfil the Organization's TC mandate, it is necessary to secure funding wherever possible for the implementation of TC activities in the developing regions, irrespective of the level of support costs. While it is acknowledged that the integration of extrabudgetary resources with core resources in budget presentations will promote greater transparency in the presentation of programme budgets and encourage clearer definition of programme priorities, nevertheless, the Secretary-General shares the concern of the United Nations System Chief Executives Board for Coordination (CEB) on recommendation 1 on the practicality of subjecting extrabudgetary resources to sometimes long and difficult legislative review and approval since extrabudgetary amounts are only an indication of what may be forthcoming from donors

5 Currently, IMO's legislative body are not involved in the issue of support cost negotiation. The data is, however, reported to the Technical Co-operation Committee. The average level of support costs for IMO in 2001 registered 6.3%, reflecting a range of 0% to 13%. The driving objective is to secure funding for the Integrated Technical Co-operation Programme activities. In cases where support costs are low or non-existent, IMO covers the administrative costs through the existing staff salary budget, for the planning and implementation of the relevant activities. The relatively small scale of IMO's ITCP makes it difficult to negotiate any preferential rates with donors.

“Reform of the Administration of Justice in the United Nations System: Options for Higher Recourse Instances” (JIU/REP/2002/5)

6 This report deals with various issues concerning options for higher recourse as part of the reform of the internal administration of justice in the United Nations system. The report concludes that any reform should consider the needs of the organizations in the system, but should not compromise the importance of adequate mechanisms for swift and fair administration of justice. The Secretary-General is generally supportive of the report and the principles behind it.

7 The following are the Secretariat's comments on the recommendations:

- (a) The Secretariat agrees with recommendation 1 that those concerned with the administration of justice should be independent. However, the volume of work does not justify an independent and separate office in IMO.
- (b) Recommendation 2 reflects IMO's concerns regarding the strengthening of the process of informal conciliation, mediation and negotiation. The Secretariat agrees that IMO's capacity for the informal resolution of problems should be strengthened, but does not agree that ILOAT or UNAT should be enabled to act as mediators.

- (c) On recommendation 3, the Secretariat's reservations about the practical issues surrounding a merger of ILOAT and UNAT are reflected in paragraphs 56 to 59 of the report.
- (d) With respect to recommendation 4, the Secretary-General agrees with the general principle and practice of accepting the unanimous recommendation of internal advisory bodies, except when he believes that there are compelling reasons of law or departure from established practice. In such situations the reasons for non-acceptance are fully documented. The Secretariat also holds the view that organizations should be enabled to give oral evidence to UNAT.
- (e) Recommendation 5 reflects IMO's concerns regarding the revision of judgements. The question of recursing to a higher level of appeal is problematic since the International Court of Justice (ICJ) exists. At the same time, IMO's experience of recourse to the ICJ has not been successful and the Committee on Applications for the Review of Judgements of the Administrative Tribunal has been discontinued.
- (f) A more detailed study will be required on the implications and the viability of the proposal in recommendation 6 for a comprehensive legal insurance scheme before any decision can be taken.

“United Nations System Revenue-Producing Activities” (JIU/REP/2002/6)

8 This report reviews UN system policies and practices relating to revenue-producing activities with a view to establishing a coherent policy and improving efficiency and effectiveness. Improving profitability of UN commercial activities and the development of new income-generating measures are underlying issues in the report. Current activities range from the small scale sale of souvenir items to fee-for-service activities such as patent applications and registration of trademarks. Common to all or most of the 14 organizations referred to in the report are the following revenue-producing activities: publications (hard copy and electronic), public information products, electronic databases, procurement for third parties and catering services.

9 The report finds room for improvement in the general financial picture but focuses on the sale of publications which is the most important common revenue-producing activity. IMO is significantly above the average of performance in this area with its publications revenue representing 21.4% of its regular budget (1998-1999) compared to ITU, the next highest, at 6.5%. By comparison WHO, ILO and FAO publications revenue is 1% or less of regular budgets. Several parts of the report highlight and praise the success of the IMO publications sales. IMO is mentioned as a good performer in generating revenues from publications, particularly since these represent a relatively high percentage of the Organization's regular budget. A number of the recommendations offered in the report are already practised at IMO. The report makes 13 recommendations, the first five of which are directed at the United Nations, the remainder to all the organizations reviewed.

10 The following are the Secretariat's comments on those recommendations of relevance to IMO:

- (a) Recommendation 6 – Policy objectives: This recommendation proposes that the competent legislative organ sets objectives to address the long-term financial sustainability of revenue-producing activities within the objectives of the Organization and the UN system values. The Council may wish to take this into

account when determining its future strategic direction, in particular, recommendation 6(d) which underlines the need to tap the financial benefits of intellectual property rights.

- (b) Recommendation 7 – Increasing revenue from publications: This recommendation addresses issues including the aim of executive heads to increase revenues from publications, the balance between free and charged publications, expanding geographical coverage, the shaping of best practice and establishing common printing services. The report also notes that “it becomes difficult to maximize revenue when publications sold in hard copy or book format are equally accessible freely in electronic format and can be downloaded from the organizations’ web sites.” The outcome of the discussion in Council and TCC with respect to the provision of information in electronic format will influence IMO’s policy here.
- (c) Recommendation 8 – Public information products: This recommends the identification of products of marketable value that could be developed to promote the Organization and also generate income without prejudice to information distributed without charge. As the IMO News is the only substantial publication distributed free, and income is created through sale of advertising space, there appears to be little scope to identify products within existing publications.
- (d) Recommendation 9 – Electronic databases and related products: Emulation of best practice in the UN and ICAO with respect to fee income from access to databases is recommended. This may be an avenue to explore for future additional revenue producing activities.
- (e) Recommendation 10 – Procurement for third parties: This relates to the introduction of bidding or registration fees to private sector contractors tendering to provide equipment and services. As the volume and value of such activities in IMO is relatively modest, there does not appear to be much benefit to be gained in this recommendation in financial terms.
- (f) Recommendation 12 - Substantive training and public lectures: This recommends charging fees for providing training or public speaking to non-State entities and also the possible provision of web-based training courses. Many staff members have contributed to the commercial success of workshops organized around the world dealing with maritime issues by their fee-free delivery of lectures and participation in discussion panels, etc., taking into account that it is not appropriate to seek fees for participation at meetings where the Organisation wishes to deliver its message to industry. However, organisers of commercially arranged conferences seeking IMO speakers are normally required to pay all travel and subsistence costs of attendance.

Action requested of the Council

11 The Council is invited to take note of the information contained in this document and to comment, as it may deem appropriate.

ANNEX 1

**SUPPORT COSTS RELATED TO EXTRABUDGETARY ACTIVITIES IN
ORGANIZATIONS OF THE UNITED NATIONS**

JIU/REP/2002/3

ANNEX 2

**REFORM OF THE ADMINISTRATION OF JUSTICE IN THE UNITED NATIONS
SYSTEM: OPTIONS FOR HIGHER RECOURSE INSTANCES**

JIU/REP/2002/5

ANNEX 3

UNITED NATIONS SYSTEM REVENUE-PRODUCING ACTIVITIES

JIU/REP/2002/6
