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**CONSIDERATION OF THE STRATEGY AND POLICY OF THE ORGANIZATION,
INCLUDING THE REPORT OF THE WORKING GROUP**

Strategic Plan

Submitted by Brazil

SUMMARY

<i>Executive summary:</i>	This paper intends to discuss further the preparation of the strategy and policy of the Organization, following Brazil's submission to the recent Council Working Group on IMO's Strategic Plan.
<i>Action to be taken:</i>	Paragraph 10
<i>Related documents:</i>	A 22/21/Add.3, CWGSP 1/3/3

Introduction

1 After Council and Assembly's decisions, an open Working Group was formed to discuss the basis for a Strategic Plan for IMO. The group met for three days in September and, as reflected in its report, found it extremely difficult to fulfil its task in such a short period.

2 It seems necessary to discuss further the meaning of a Strategic Plan, in order to reach common ground among the Member States. Moreover, it would be convenient to recognize beforehand that this is a complex task that requires not only time but also precise techniques.

3 Since words like *strategic*, are frequently used in a very broad sense it seems reasonable to begin by defining some of them. The following definitions are found in "The New Oxford Dictionary of English":

"policy - noun a course or principle of action adopted or proposed by a government, party, business or individual: *the government controversial economic policies*"

"mission - noun an important assignment carried out for political, religious or commercial purposes; an operation carried out by an aircraft at a time of conflict: *he was shot down in a supply mission*"

"strategic – adjective relating to the identification of long term or overall aims and interests and the means of achieving them: *strategic planning for the organization is the responsibility of top management*"

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IMO Policy

4 In order to initiate a strategic plan it is essential to understand clearly what the broad IMO policy is, that is, what course of action is to be adopted by IMO to discharge its responsibilities. As a rule, the course of action so far has been to establish requirements in international law, where the Parties take the sole responsibility for implementation, relying on their exchange of information on the relevant issues. Thus, IMO itself is left with the very limited role of observer and forum for discussion. As pointed out in document CWGSP 1/3/3 submitted by Brazil for the Strategic Plan discussion (summarized in annex 1), the need has arisen for IMO to act more effectively as the “system’s central body”. Without previously clarifying this policy, it would not be proper to proceed with the strategic planning.

IMO Mission

5 A mission is an assignment, which consists of a task to be performed and a clearly stated objective or purpose – the aircraft “was shot down in a supply (task) mission”. Article 1 of the IMO Convention states its purposes but fails to specify the means of achieving them. Therefore it is not a mission in the strictest sense of the word. The purpose by itself could have been adopted by any other UN body or NGO. The way each Organization carries out its tasks in order to fulfil its purpose will define its mission. Strategic planning calls for the identification and assignment of the tasks falling to IMO in order to achieve its goal. We must base our actions on a common policy.

Strategic Plan

6 In order to be strategic, a plan shall encompass both overall aims and the means of achieving them. It is not enough to identify subjects or trends under the IMO mission responsibilities. The means of achieving the solutions for them are also required. Both are lengthy, complex tasks that could not be performed in a short time or without the help of a proper methodology.

Prospective Analysis

7 The modern methodology in system analysis incorporates tools for prospective analysis, which are extremely important when searching for the future trends relevant to a field of interest. The broad responsibilities of IMO in a changing world cannot be approached by putting together the ideas of several people, no matter how extensive their expertise, without professional help to bring them to a decision making body in an orderly way.

Planning Methodology

8 After having established the policy, the overall mission and identified the trends, the adoption of a planning methodology (which IMO currently does not have) is required for the development of a strategic plan. That is fundamental because we will not be dealing with trivialities. Quite the opposite, we will be tackling issues which demand programming and control, and which will involve a good number of individuals - at least all Member States and the Secretariat. Such methodology was included in the offer Brazil made to IMO for a budget planning and control programming system that would also incorporate the finance control package (document A 22/21/Add.3).

Layers of Decision and Iteration

9 Further attention should be paid to the fact that complex issues cannot be grasped and decided upon in a single stage. Even the policies and overall mission, essentially stable matters, call for minor adjustments as knowledge increases in the course of the studies being carried out on the issues. The decisions initially taken on a specific strategic plan should be kept under review in an iterative process that only ceases at a well-advanced stage. That is another reason to stress the need for a strongly founded planning system, to avoid the risk of losing control and not fulfilling the objectives. Caution must be exerted during what may appear a logical sequence of events since its wisdom, in a dynamic process, does not require waiting for its full outcome in a later stage. As in life, where all stages coexist, from cradle to grave, IMO has a history, a culture, a broadly understood remit and substantial experience of dealing with its problems and does not require completion of a strategic plan to make certain decisions, since they are part of the plan.

Action requested of the Council

10 Considering the above-discussed topics, Brazil suggests the Council to analyse with a view to adopting the following decisions:

- .1 During C 89 - State the IMO Policy and Mission (a text for discussion is presented in annex 2).
- .2 During C 89 - Decide to procure and adopt urgently a system for planning and controlling programs, preferably capable also of controlling budget and finances, easily accessible to the governing bodies' members, and suitable to government actions.
- .3 During C 89 - Decide to procure and contract urgently consultancy for prospective research and strategic planning with expertise in government actions.
- .4 During C 89 - Start a planned programme for identification of trends and issues to be considered for the IMO Strategic Plan, with the help mentioned in 10.3.
- .5 During C 89 - Decide on the first steps of the IMO restructuring to be dealt with as a programme under the system mentioned in 10.2, taking into account the Policy and Mission decided as per 10.1, current knowledge and the studies already developed.
- .6 During C 90 - Decide on the result of the prospective study referred to in 10.4 and on the contents of the IMO Strategic Plan to be developed under the system mentioned in 10.2.
- .7 During C 90 - Revise the restructuring programme, taking into account the decisions of 10.6.
- .8 During C 91 - Decide on the IMO Strategic Plan as per 10.6.
- .9 During C 91 - Decide on the re-structuring programme and any other programme presented under the new planning system adopted following 10.2.

- .10 Empower the President of the Council to approve the choice of the systems and consultancy named in 10.2 and 10.3, following consultation with the Council Members and the written consent of its majority. A budget of US \$1,000,000.00 and \$200,000.00 should be allocated for 10.2 and 10.3 respectively.

ANNEX 1

EXCERPTS FROM DOCUMENT CWGSP 1/3/3

Preparation of the Organization's Strategic Plan

4.1 Governance

- 4.1.1 Member States are clearly responsible for the governance of the Organization. In order to make realistic the discharge of such responsibilities, the IMO Convention established two formal bodies, i.e., Assembly and Council.
- 4.1.2 All Member States participate in the General Assembly, as indicated by name, which is convened every two years and which considers broad, essentially political issues, even in cases where technical decisions are involved. The General Assembly normally makes decisions based on studies previously carried out by other bodies within the structure of the Organization.
- 4.1.3 The Council, in turn, is formed by a smaller number of Member States, delegated through election by fellow Members. The Council will meet more frequently, usually every six months, with a view to following more closely the work carried out by IMO; expediting decisions, according to assignments referred by the Assembly, and informing the latter on the activities of the Organization.
- 4.1.4 As for the Assembly with its broader functions, there is little to comment on. The role of the Council, however, requires analysis and discussion, and this should be prioritised within the Strategic Plan.
- 4.1.5 All Members have regularly been invited to participate in open sessions of the Council. A recent Resolution of the Assembly (A909(22)) actually recommends that discussion on political matters involve wide participation. Agreeing with such practice, it would seem reasonable to suggest that there would be no need for an elected Council of only a few Members. It would be better to have an Assembly in two types of meetings: a formal session, such as the current General Assembly sessions, and other routine meetings, such as those of the Council.
- 4.1.6 There are, however, other reasons that justify the existence of the Council, which have been currently overlooked: that is the Member States' permanent detailed follow-up of the activities of IMO Administration so that timely recommendations can be made regarding the conduct of business, whenever it is deemed convenient, in view of the approved policies and strategies, or even propose modifications to those policies.
- 4.1.7 The Council should keep a close look over the Organization's accounts and activities at its bi-annual meetings. However, little is produced by current procedures. Instead of presenting the Council's reports for the formal approval in plenary and information of the other Members at those meetings, the Secretariat submits copious documents, usually within a few days before the meetings. This makes their careful analysis impractical. However, these documents are hastily discussed and approved, and Members are somewhat obliged to agree with them without proper examination of the matter. The last alternative is to defer

decisions until the next session six months later, without any prospect of altering the scene.

- 4.1.8 The constitution of a Council with limited participation of Member States would be justified under a permanent and daily follow-up of the activities. The Council could be subdivided into sub-groups, each one responsible for continually overseeing one sector of the Administration, according to volume of work. The sub-groups would meet frequently and informally so that the whole of the Council is brought up to date on the activities of its committees. At the formal bi-annual session of the Council, consolidated reports prepared with the help of the Secretariat would inform other Member States of the work being done. Thus Members and non-Members would debate political and strategic issues.

4.2 System's Central Body

- 4.2.1 New topics for discussion emerge just about every day. Most of the time, resolution of these new topics clearly indicates the need for a central body that would gather and circulate information of general interest, comprising a global record of all data of common concern. IMO would be such central body, although admittedly is still not ready for such a role.
- 4.2.2 Recent examples, to which there would be simple solutions, given the current available technology, which IMO should be capable of adopting, are as follows:
- a) Seafarers' Certificate – registration of certificates validated by the various Administrations;
 - b) Ship Registration – repository for all pertinent data informed by the Administrations;
 - c) Inspection Conditions – registration of the inspection status, according to information passed on by the entities authorized to carry them out and to issue certificates;
 - d) Ownership and responsibility for the operation of ships (as appropriate);
 - e) Global picture of ship tracking, through the consolidated information received by the several authorities responsible for the tracking areas;
 - f) Various technical types of information.
- 4.2.3 Other examples could also be listed here, if not *a priori* considered inappropriate in view of current capabilities.
- 4.2.4 A system's central body would also rely upon a significant core of technical assistance, in order to conduct and integrate the Technical Cooperation as well as to support more fully the work of the Committees and Sub-Committees and concentrate assistance in cases such as oil spill or request for refuge.
- 4.2.5 Taking IMO as the aforementioned central body is a significant decision to be made regarding policies and objectives of the Organization.

4.3 Planning and Budgetary Control System

- 4.3.1 The idea that IMO needs to update its planning and budgetary control system is already ingrained. Nonetheless, it seems that this matter has been provided with a minor solution, as one gathers by the invitation to tender for the supply and installation of Enterprise Resource Planning Systems (ERP) prepared by Deloitte & Touche.
- 4.3.2 In reality, a system is needed that would assist with the preparation, follow-up and constant updating of a budget programme, which is easily accessible to those responsible for the Governance, i.e., Member States and, in particular, Members of the Council. In addition, though necessary, the system should allow the execution, recording and reporting of the several administrative and financial activities essential to the overall management.
- 4.3.3 Yet, the specification made public only deals with the complementary section and concentrates on the accounting mechanisms to be handled by information technology processes. There is no reference to the key aspects of the problem, i.e., those that lead to decisions, to the feasibility of objectives and its control. Typically, the specification refers to a company-based solution when the points in question should be dealt with at governmental level.
- 4.3.4 Thus, a strategic plan needs to define what the actual target is, before millions of pounds are unduly invested.

4.4 Administrative Structure

- 4.4.1 Administrative reform has been on the agenda for a while and several actions are under way to refine it. However, the question regarding the adjustment of work methods of the technical bodies is a political one that needs to be put to the Organization and also requires prompt attention. Such amendments will ensure real technical-scientific substance and the global participation of Member States in the Organization's work.
- 4.4.2 A proposal has been made earlier on this subject, which seems to broadly meet the purpose. By significantly reducing the number of unproductive, resource-draining plenary sessions, such a proposal would allow considerable savings that could be redirected to finance other activities, mainly the Technical Cooperation, and other activities attributed to the System's Central Body.

ANNEX 2**SUGGESTED TEXT FOR IMO POLICY AND MISSION****POLICY**

IMO shall be restructured in order to:

- provide technical and administrative support to Member States to study issues within their remit so as to create, consolidate and simplify the required international legislation;
- keep register of data required from the Administrations and make it available to those entitled through legislation;
- make technical advice available to Member States, should they require it;
- gather and compile data for assessment of the efficacy of IMO instruments and regulations; and
- act, in all respects, as the central body of a system, under control of the governing entities formed by the Member States.

MISSION

Develop all actions necessary, as empowered by Member States, to perform the technical and administrative duties related to establishing, consolidating and simplifying the pertinent legislation, to render operational the stipulations of the same legislation and to provide required technical assistance in order to achieve safe, secure and easy shipping, while preserving the marine environment from pollution, as detailed in Article 1 of the IMO Convention.
