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COUNCIL
89th session
Agenda item 12

C 89/12/Add.2
9 October 2002
Original: ENGLISH

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

Work Programme and Budget 2004-2005

Note by the Secretary-General

SUMMARY

<i>Executive summary:</i>	This document recalls the linkages between the Strategic Plan and the Work Programme and Budget and invites guidance for the biennium 2004-2005
<i>Action to be taken:</i>	Paragraph 6
<i>Related documents:</i>	C 88/D (section 13), C 88/WP.5 and C 89/12 and Add.1

Introduction

1 The Secretary-General welcomes the progress which the Working Group has made in providing the Council (C 89/12/Add.1) with:

- a possible **Mission Statement**, which is drawn from the Organization's Convention and supplemented by resolutions A.900(21) and A.901(22), and Council document C 86/10;
- the elements of a **framework** for the Strategic Plan and, in particular, a draft of nine **preliminary Strategic Directions**;
- a proposed **hierarchical structure** which would underpin the Organization's Mission Statement and each of the Strategic Directions; and
- **examples of** the Objectives, Goals, Performance Indicators and an Action Plan by reference to three Strategic Directions.

Work Programme and Budget

2 The Council will wish to have in mind the evident linkages between the development of the Strategic Plan and the process of developing and approving the Organization's Work Programme and Budget. However, for the 2004-2005 biennium, there is the practical difficulty that the two exercises are being developed concurrently and therefore the draft Work Programme

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and Budget, to be prepared by the Secretary-General (for distribution in early March 2003 in good time for the Council's 90th session in June 2003), will not benefit from a complete and agreed Strategic Plan. However, the Secretary-General will take account, as far as possible, of the work which has been done and is expected to be done by the *Ad Hoc* Council Working Group which, if the Council agrees, will meet again in the early part of 2003 for five days.

3 The linkages are illustrated by the need for the accounting and **budget structure** in the Work Programme to take account of the High-Level reporting requirements of the Strategic Plan, so that the accounting methodology for capturing resources and expenditure within the regular budget and the ITCP can be matched to the hierarchy of Objectives, Goals etc. defined in the proposed Strategic Plan. The Council will recall that the structure of the Work Programme approved by the Assembly, and reflected in amendments to the Organization's Financial Regulations and Rules, is based on a hierarchy of Major Programmes, Programmes and sub-programmes, which requires a statement of Programme objectives and expected outputs. The required symmetry between the respective hierarchies of the Strategic Plan and of the Work Programme and Budget will be addressed as part of the development of the proposed Enterprise Resource Planning (ERP) system during 2003 which is to be implemented with effect from 1 January 2004.

Planning Guidelines

4 Although the draft Strategic Plan will not immediately provide a framework for the Work Programme and Budget for 2004-2005, the Council will recall that it had decided it would take the opportunity, at its forthcoming 89th session, to establish broad guidelines for the Work Programme and Budget for the biennium 2004-2005 (see C 88/WP.5, paragraph 1.5). In developing such guidelines, the Council might wish to have in mind the following considerations:

- prospective resource implications of any new obligations pertaining to maritime security which the December 2002 SOLAS Conference may impose on the Organization;
- prospective implications of the contemplated IMO Model Audit Scheme and establishing a common platform through technical assistance;
- the prospective 'donor' gap in financing technical co-operation;
- possible environmental initiatives following the 2002 Johannesburg World Summit on Sustainable Development; and
- possible new initiatives on the safety of non-convention ships.

5 Finally, the Secretary-General would draw the Council's attention to the emphasis placed by the Ad Hoc Working Group on the importance of establishing targets for organizational performance and of the value of establishing performance indicators which track achievements against the benchmarks which have been established, as part of the development of the Strategic Plan. The Secretary-General shares the emphasis which the Ad Hoc Working Group has placed on target-setting, as he had recommended in the Work Programme and Budget for the 22nd financial period. In this context, the Secretary-General would note that as part of his presentation in the Work Programme and Budget for 2004-2005, he will include suggested indicators which the Ad Hoc Working Group might develop and adopt at subsequent meetings, building on the data which has featured in his Work Programme and Budget proposals in recent years.

Action requested of the Council

6 The Council is invited:

- .1 to note the linkages between the Strategic Plan and the Organization's Work Programme and Budget; and
- .2 to provide preliminary guidance to the Secretary-General to assist him in his preparation of the Work Programme and Budget for 2004-2005.
