



International Organization for Migration (IOM)  
Organisation internationale pour les migrations (OIM)  
Organización Internacional para las Migraciones (OIM)

**STANDING COMMITTEE ON PROGRAMMES AND FINANCE**

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**WORKING GROUP ON BUDGET REFORM**

**PROGRESS REPORT**

(submitted by the Chairperson of the Working Group)



## **WORKING GROUP ON BUDGET REFORM PROGRESS REPORT**

### **I. BACKGROUND**

1. In view of the significant growth in the Organization in recent years, the Administration has regularly brought to the attention of Member States the overstretched resources for the core structure of the Organization. This has sometimes led to prolonged budget discussions as there are currently limited funding possibilities to close this gap and address this issue.

2. In order to find a sustainable solution that would address the issue of core structure funding in the medium to long term, the Standing Committee on Programmes and Finance (SCPF) in May 2010, established a Working Group, open to interested Member States under the Chairmanship of the SCPF Chairperson. The Working Group was tasked with examining the question of budget reform and to present appropriate recommendations to the SCPF. The Administration was invited to support the Working Group. It was agreed that the Chairperson would submit progress reports at subsequent SCPF sessions.

3. A progress report (SCPF/53) was submitted to the Seventh session of the SCPF in November 2010 which outlined the Working Group's terms of reference and agenda. An addendum to the progress report (SCPF/53/Addendum 1) was later circulated on 18 January 2011 detailing the Working Group's initial discussions on the definitions of core structure and core functions, as well as some preliminary observations on finding alternative sources of funding for the core structure.

4. The Working Group met three times on 22 February, 5 April and 3 May 2011 since the last progress report was presented to the SCPF. At the 22 February 2011 meeting, a drafting group consisting of five Member States was appointed to prepare a concept paper to serve as a basis for further discussion. The concept paper was discussed and refined at the subsequent meetings and a copy is attached as an annex to this report.

5. While there has been active engagement by many Member States, the concept paper and resulting recommendations are still a work in progress. The Working Group has now largely framed the key issues to be addressed, and adopted measures to move the agenda forward. Below is a summary of recent discussions on the four sections of the concept paper, as well as the next steps to be taken to finalize specific recommendations as mandated by the SCPF.

### **II. DISCUSSIONS**

#### **Definition of the core structure**

6. A range of views were expressed regarding the definition of the core structure. In an attempt to reach a common understanding, many delegations agreed it was important to refer to, and align with, the UN system to the extent possible. While some delegations preferred the current definition under Council Resolution No. 949 dated 20 November 1996, others favoured a definition where the Administrative Part of the Budget would be clearly based on UN definitions of "fixed and variable costs". Others believed more study was needed, including of practices in comparable organizations.

### **Possible alternative funding sources**

7. Recognizing the financial constraints faced by many Member States, the Working Group encouraged IOM to explore alternative funding sources for the core structure. A number of options were proposed including targeting new donors, non-traditional and private sector donors, joint fund-raising, unearmarked voluntary contributions, focused fund-raising on issues of international concern, secondments by Member States, co-financing from partner organizations, and adding the assessed contributions for new Member States to the total Administrative Part of the Budget. A suggestion was made for the Administration to elaborate a sound and broad public fund-raising strategy.

### **Ideas for consolidation and revision of existing budget resolutions and mechanisms**

8. The Working Group acknowledged that the Council resolutions and mechanisms that govern the budget process in relation to the core structure have evolved over time and it is opportune to consolidate those resolutions and mechanisms at this juncture in order to streamline the budget process, facilitate decision-making and eliminate inconsistencies. This is closely linked to the discussion under Section II on the definition of the core structure.

### **Possible new structures or initiatives**

9. The need to ensure that the Organization was adequately resourced to rapidly respond to migration emergencies was highlighted. It was against this backdrop that the possibility of establishing, based on voluntary contributions, an international migration emergency fund was raised. It was noted that such a fund should not be a burden on the core structure and should have clear guidelines to distinguish it from existing mechanisms such as CERF. While some delegations believed this topic was perhaps outside the mandate of the Working Group, others supported the initiative.

10. Another proposal was to establish a "Public Fund-raising Unit" to improve outreach to individuals and the private sector. A number of delegations indicated that this initiative should be based on clearly defined strategy, cost-benefit analysis and feasibility study.

## **III. NEXT STEPS**

11. At the conclusion of the informal consultations on 3 May 2011, the next steps of the Working Group were outlined as follows.

- Noting that a number of possible alternative funding sources have been proposed, the Administration was invited to investigate the proposed alternatives; and to provide a progress report.
- Acknowledging the need to revise and consolidate existing budget resolutions and mechanisms and streamline the cost structure of the Organization's activities, an open-ended drafting group will be established to review the issue further with a view to suggesting appropriate solutions, which will be carried out in a neutral manner, being guided by practices in similar UN-based organizations.
- Recognizing the need to adequately resource the Organization to respond to migration emergencies, further discussions will be undertaken to explore the appropriate mechanism(s) to address this issue, including the proposed emergency fund.



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Annex  
(English only)

Annex to document SCPF/63

**WORKING GROUP ON BUDGET REFORM**  
**CONCEPT PAPER ON A FRAMEWORK FOR IOM BUDGET REFORM**  
**(UPDATED)**

(English only)

**Sixth meeting (3 May 2011)**



**WORKING GROUP ON BUDGET REFORM  
CONCEPT PAPER ON A FRAMEWORK FOR IOM BUDGET REFORM  
(UPDATED)**

## **I. INTRODUCTION**

1. With the significant growth in the Organization over the last fifteen years, the Administration has regularly brought to the attention of Member States the overstretched resources for the core structure of the Organization. This has sometimes led to prolonged budget discussions as there are currently limited possibilities to close this gap. The Administration has highlighted that funding the core structure should be considered within the context of the growth in the Organization and coverage of statutory increases in the light of the policy of zero nominal growth.

2. Currently less than 50 per cent of the core structure is covered under the Administrative Part of the Budget. This structural underfunding has created a growing dependence on temporary funding sources to cover the cost of permanent organizational functions. This situation has sometimes limited the Organization's capacity to address administrative weaknesses and emerging migration challenges.

3. In order to find solutions to address funding for the core structure, Member States agreed at the Sixth Session of the SCPF in May 2010 to establish a working group, open to interested Member States, under the chairmanship of the SCPF Chairperson. Three meetings were organized in 2010, during which the Working Group on Budget Reform (WGBR) established its terms of reference and agenda, and began reviewing the Organization's core "structure" and "functions", as well as options to address the structural underfunding.

4. At the meeting of the WGBR on 22 February 2011, it was decided to establish a drafting group, which would produce a concept paper, incorporating ideas on possible alternative funding, budget structures and consolidation of budget resolutions, among others. The draft concept paper was presented and discussed at the meeting on 5 April 2011, where Member States were invited to submit written inputs to the Administration, which would then revise the concept paper under the guidance of the Chairperson. This revised document incorporates feedback received from Member States.

## **II. DEFINITION OF CORE STRUCTURE**

5. In reaching a better understanding and definition of what constitutes the core structure, the drafting group agreed it was important to refer to the UN system's definition of fixed and variable costs while recognizing that it is not fully applicable to IOM, given some of the Organization's specificities.

### **Classification and definition of costs**

6. In the IOM system, the core structure is currently defined as "costs of all staff who serve as advisers and plan, organize, supervise and monitor the overall activities of the Organization ... and whose work is not tied to the implementation of a single identifiable

programme or project.”<sup>1</sup> That includes: (a) core staff in Headquarters; (b) core staff in the two Administrative Centres located in Manila and Panama; and (c) core staff dealing with regional and special liaison functions.

7. The statutory costs of the Organization, which are covered by its administrative budget and Discretionary Income, relate to salaries and entitlements as established by the UN common system for all categories of staff. Like other organizations following the conditions of services based on the UN common system, IOM has no influence on decisions relating to the statutory costs. Furthermore, statutory costs have fixed elements for which 80 per cent of the budget is assigned; these include core staff costs (75%) such as: (a) base salaries; (b) advancement within grade; (c) post adjustment; (d) health and accident insurances; (e) provident fund; and (f) terminal emoluments; and core non-staff costs (5%) such as: (a) amortization, rental and maintenance of premises in Headquarters; and (b) UNSECOORD fees.

8. Likewise, statutory costs have variable elements for which 20 per cent of the budget is destined; these also include core staff costs (8%) such as: (a) mobility and hardship allowance; (b) family allowance; (c) language allowance; (d) rental subsidy; (e) education grant; (f) home leave; and (g) travel upon appointment/transfer and installation grant; and core non-staff costs (12%) such as: (a) communications; (b) general office; (c) contractual services; (d) governing body sessions; (e) travel and representation; and (f) other costs.<sup>2</sup>

9. However, in the UN system,<sup>3</sup> costs are normally defined as:

(a) Direct and indirect costs

When examining the costs associated with supporting extrabudgetary activities, it is important to distinguish between direct costs and indirect costs.

- Direct costs are those that can be attributed to individual activities.
- Indirect costs are those that cannot be attributed to individual activities.

(b) Fixed and variable costs

The two basic cost categories mentioned above (direct/indirect) can be further divided into fixed and variable costs.

- Fixed costs are those that do not increase with the volume of activities.
- Variable costs are those that increase with the volume of activities.

(c) “Indirect fixed costs”

These are costs that do not increase with the volume of activities of the Organization and cannot be attributed to individual activities. They should be financed through regular/core resources. “Indirect fixed costs” relate to the Organization’s management, central legal services, routine internal and external audit functions, and the operation and maintenance of information technology infrastructure, financial management systems, central human resources management functions, security, and so on.

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<sup>1</sup> Resolution No. 949 of 20 November 1996.

<sup>2</sup> For more explanation, see document MC/EX/660 (2004), p. 1–3.

<sup>3</sup> JIU document “Support costs related to extra-budgetary activities in organizations of the United Nations system” (JIU/REP/2002/3), p. 5, A. Defining support costs.



10. According to a UN system paper,<sup>4</sup> the following list of services should be covered by project support costs (project-related overhead): project appraisal; project formulation; support to procurement; preparation, monitoring of work plans; preparation, monitoring of budgets; maintenance of project accounts; non-technical supervision/implementation of projects; identification of personnel, procurement services; control of project expenditures; receipt, disbursement of funds; assembly of proposals to donors; negotiation of agreements; recruitment and human resources servicing; financial reporting; and support to external/internal audits. It should be noted that costs mentioned in IOM document MC/EX/660 do not precisely correspond to the UN system's direct/indirect and fixed/variable costs.

11. The main difference between the UN and the IOM budget system is – according to the IOM Administration – that IOM's exponential growth over the past 10 years has not been matched by an increase in the core structure. However, in the UN system, the core structure does not change along with the volume of operational costs, and additional budgetary needs resulting from an increase in the Organization's activities should be considered "indirect variable costs", which are covered by project support costs (i.e., project-related overhead) or project money.<sup>5</sup>

### **Key functions of the Organization**

12. As mentioned above, the core functions of the Organization are those determined by the Council to be necessary to achieve IOM's objectives, namely advising, planning, organizing, supervising, and monitoring the overall activity of the Organization.

13. During the third meeting of the WGBR, Member States discussed certain functions which could be considered key to the Organization's efficient functioning without reaching an agreement. A list of functions considered included: project endorsement; project monitoring and evaluation; identification of best practices; staff training; public relations and communication; staff security; human resources management; donor relations; financial management; financial reporting; liaison with other international organizations; and auditing.

14. Additional resources for the following areas may also be considered by the WGBR: the Media and Communications Division, the Regional Offices, IOM's emergency responses functions, and the resource management functions, as well as activities related to migration induced by sudden-onset climate-related disasters, support to regional consultative processes and technology applications in migration management.

15. In the discussions of the WGBR, a broad range of views were expressed on the definition of the core structure and functions. While some delegations indicated the core structure merited a review to ensure all key structures and functions were adequately covered, others were of the opinion that the definition should be narrowed, perhaps allowing the structure to be accommodated within the existing core budget. Some delegations stated that the Administrative Part of the Budget should be limited to "indirect fixed costs", noting that these costs should not increase with the size of operations. Some delegations noted that further study was necessary, including reviews based on useful comparisons to UN and other agency models.

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<sup>4</sup> Final Report of Working Group on Cost Recovery Policies (CEB/2008/HLCM/FB/3).

<sup>5</sup> Finance and Budget Network, Third Session of the Working Group on Support Costs for Extra-budgetary Activities, Monday 11 July 2005, United Nations Secretariat, New York, paragraph 6.

### III. POSSIBLE ALTERNATIVE FUNDING SOURCES

16. The drafting group believes that a budget reform with a view to creating a more sustainable and stable financial basis for the Administration should seriously consider alternative funding sources in addition to more traditional methods of funding.

17. As traditional funding sources such as government contributions may be stretched to the extent that substantial further increases seem to be unlikely in the near future, new strategies regarding outreach to new and non-traditional donors are needed. These may include potential new Member States as well as private sector donors, both individual and institutional.

18. Alternative funding sources should be based on a clear strategy including a rationale and concrete steps to take. It was noted by some delegations that such a strategy should also take into account the cost-benefit considerations, as well as any resources required to implement a fund-raising strategy.

19. Against this background, the 60th anniversary of IOM presents a unique opportunity to promote awareness of migration and the Organization's work as the world's leading organization for migration management. At the same time, events such as the crises in North Africa or in Côte d'Ivoire have put migration and displacement in general into the spotlight of international media, and thus indirectly the work of organizations that help people affected by such crises.

20. The drafting group therefore suggests that the Administration elaborates a sound and broad "public fund-raising strategy", which should comprise practical steps such as the following:

- (a) Outreach to potential new donor countries such as the Gulf States, BRICS countries, emerging countries;
- (b) Promotion of private sector fund-raising activities, both by individuals and institutions, including outreach to foundations and corporations, which could be facilitated by:
  - (i) Fostering partnerships with private sector partners; Member States could assist IOM in its efforts to reach out to the private sector;
  - (ii) Tailoring projects such a way that they are particularly suited to private sector funding needs;
  - (iii) Establishing a strategy for providing incentives and ensuring visibility of private sector donors;
  - (iv) Approaching those in the private sector that take advantage of migration; for example, money transfer agencies, airlines, travel agencies and multinational enterprises that profit from the brain drain, and similar migration-related entities;
- (c) Focusing fund-raising on issues at the forefront of international concern, and use that as basis to further strengthen core functions in the Organization. This will help focus additional resources on areas of urgent and immediate need;

- (d) Exploring more proactive fund-raising methods:
- (i) Letters by the Director General or the Chairperson of the Council, in particular in situations of emergency operations that attract public awareness;
  - (ii) Organization of public fund-raising events during this anniversary year, along with awareness-raising activities aimed at the broader public (panel discussions, goodwill ambassadors, partnerships with educational institutions);
  - (iii) Joint fund-raising activities depending on respective partners in a given operation, for example joint IOM/UNHCR operation in the Middle East and North Africa. Promote awareness of migration and the Organization's work through a variety of methods – educational, technical, and so on – to expand fund-raising possibilities to broader global audiences such as multilateral organizations involved in regional development. Activities should be coordinated with other agencies to avoid competition with organizations with similar portfolios and donor bases.

21. Apart from these points included in a public fund-raising strategy, the following other options should be pursued:

- (a) Add the assessed contributions for each new Member State to the total Administrative Part of the Budget, rather than distributing it as a rebate to existing Member States. Although one delegation indicated that it did not support adding the assessed contributions for new Member States to the total budget, most delegations were favourable to this initiative.
- (b) Encourage greater unearmarked voluntary contributions by Member States and other donors which would potentially help to relieve the pressure on IOM's core funding situation.
- (c) Review the current funding allocations for the core structure in order to establish whether the burden of delivering projects is adequately supported by donors.
- (d) Compare IOM's overhead rate and cost delivery mechanisms with those of other agencies to determine whether the delivery costs of projects by IOM are competitive and appropriate.<sup>6</sup> The Administration considers that, as IOM has a comparatively small assessed budget, the comparison should cover similarly structured organizations that rely heavily on voluntary contributions.
- (e) Review international best practices in the area of cost allocation mechanisms to determine the most appropriate methods.

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<sup>6</sup> Project support cost (PSC) recovery differs from one organization to the other in certain aspects, in particular, UN system organizations apply different PSC rates. The UN Secretariat and the specialized agencies apply a standard rate of 13 per cent, while the UN funds and programmes, for example, UNDP, UNICEF and UNFPA, usually apply a lower common cost recovery rate of 7 per cent to cover indirect fixed and variable costs on activities funded by extrabudgetary resources. The IOM overhead rate (5%) is lower than that of the UN system organizations. It also seems that the scope of the UN system's activities which should be covered by PSC is broader than that of IOM.

(f) Secondments by Member States to fill certain key functions where the Administration has indentified inherent weaknesses, without prejudice to the geographic representation and balance of staff.

22. The drafting group recommends that the Working Group encourages IOM to seriously explore alternative funding sources and to immediately start work on an outreach strategy to new donor countries as well as non-traditional private sector donors. Member States will assist IOM in its efforts.

#### **IV. IDEAS FOR THE CONSOLIDATION AND REVISION OF EXISTING BUDGET RESOLUTIONS AND MECHANISMS**

23. The various Council resolutions and mechanisms that govern the budget process as they relate to the core structure were adopted over a period of time. During that period, the Organization and its structure have significantly evolved. It is thus advisable to consolidate those resolutions and mechanisms in order to streamline the budget process and facilitate decision-making.

24. The drafting group recommends that all resolutions and mechanisms governing the budget structure be combined into one composite resolution and Member States may propose what should be included in that resolution.

25. In consolidating and/or revising resolutions and mechanisms relating to the core structure and budget, the Member States invite the IOM Administration to bring to the WGBR's attention any possible inconsistencies between resolutions which may have arisen over the years.

#### **Resolutions and mechanisms governing the budget structure and process**

26. The following list of resolutions and mechanisms, which form the basis for budget preparation and govern the budget structure and process, was provided by the Administration in document IC/2010/4.

- ***Council Resolution No. 949 of 20 November 1996: Attribution of staff positions between the Administrative and Operational Parts of the Budget***

This Resolution provides the definition of core positions and forms the basis for the allocation of funds from the Administrative Part of the Budget. It outlines the staff positions and functions that should be covered by the Administrative Part of the Budget and those that should be covered by the Operational Part of the Budget.

**Recommendation:** This Resolution could be reviewed to update the definition of core structure, and reconsider the parts of the budget that should be covered under this structure if needed. This point relates to the broad range of views expressed on the definition of the core structure and functions under paragraph 15.

- ***Council Resolution No. 1110 of 3 December 2004: Use of project-related overhead income to cover staff positions and support costs of administrative nature***

This Resolution provides the basis for the use of overhead income to cover core structures and services. It establishes that the project-related overhead portion of Discretionary Income under the Operational Part of the Budget is to cover costs of an administrative nature.

**Recommendation:** The WGBR recommends that IOM's overhead rate and cost delivery mechanisms should be compared with those of other agencies to determine the competitive impact of an increased overhead rate. As part of this analysis, the WGBR should also consider how best any potential increased income could be used. This analysis should also highlight the broader impact of an increase in overhead rate for consideration, taking into account the impact on public perception, donor response and effect on fund-raising, as well as the length of time and effort in renegotiating overhead rates on existing programmes and projects.

- ***Council Resolution No. 1111 of 3 December 2004: Use of project-related overhead income to cover staff security costs***

This Resolution provides the basis for the allocation of overhead income to cover staff security costs. It authorizes the Administration to cover the costs of participation in the United Nations security mechanism and, within the limits of available resources, compliance with Minimum Operating Security Standards.

**Recommendation:** Review the possibility of an increase in the overhead rate for staff security to determine its appropriateness.

- ***Council Resolution No. 1077 of 4 December 2002: Systemic solution for the use of surplus in the Administrative Part of the Budget***

This Resolution establishes how a surplus under the Administrative Part of the Budget is to be used after having been applied towards the provision for doubtful receivables and having covered any underfunding in the Administrative Part of the Budget brought forward from previous years.

**Recommendation:** The use of surplus funds should be reviewed. Surpluses result mainly from new Member States with substantial contributions which may join the Organization.

- ***Council Resolution No. 1035 of 29 November 2000: Programme and Budget for 2001, through which the 1035 Facility to provide "Support for developing Member States and Member States with economy in transition" was established***

This Resolution establishes the funding mechanism that allocates Discretionary Income for migration projects in favour of developing Member States and Member States with economy in transition, which is commonly referred to as the 1035 Facility – Line 1.

**Recommendation:** It was noted that the name, rather than the substance, of the Facility should be modified to more clearly and accurately reflect its role and purpose, as well as increase its visibility. While some delegations indicated that this Resolution does not need to be reviewed, others were of the opinion that it needs to be reviewed

as the world has changed since its adoption some years ago, with some of the “countries in transition” having significantly advanced since then.

- ***Council Resolution No. 1150 of 7 June 2007: IOM Strategy, through which Line 2 of the 1035 Facility to provide support for developing Member States and Member States with economy in transition was established***

This Resolution, resulting from discussions on the strategy and budget, requests the Director General to allocate 25 per cent of Discretionary Income (excluding security) in excess of the 2007 Programme and Budget Discretionary Income of USD 20.5 million to an expanded 1035 Facility – Line 2, starting in 2008.

**Recommendation:** This resolution does not need to be reviewed.

- ***Discretionary Income projection and reserve mechanism (MC/EX/698) of 22 June 2009***

This mechanism was created to address the unpredictability of Discretionary Income and enhance transparency. It establishes the Discretionary Income projection for a given budget year on the basis of a three-year average. This formula was applied for the first time when drawing up the Programme and Budget for 2010. This is required to be reviewed every three years, but should be reviewed in the context of current ongoing discussions.

## V. POSSIBLE NEW STRUCTURES OR INITIATIVES

27. IOM’s principle of projectization provides donors the flexibility to contribute to activities of specific interest to them and their stakeholders. At the same time, however, it creates major challenges for the Organization and has been shown to result in consistent underfunding of certain key functions that can not be linked to an individual project, but which any international organization must fulfil.

28. Nevertheless, the drafting group believes there are steps the Council can take consistent with the principle of projectization that could provide the Administration greater flexibility in addressing the financial challenges of the Organization.

29. Any new structures should aim, inter alia, to expand IOM’s overall donor base (as described under section III) as well as maintain donor flexibility to support the Organization’s activities over the medium- to long-term without permanently increasing assessed contributions.

30. Likewise, these structures should also create incentives to encourage increased voluntary unearmarked contributions – from Member States as well as non-traditional private sector donors – and facilitate the formation of partnerships with foundations and other private entities that are active in the area of international migration. One way might be to charge different overhead costs – the less flexible the funds, the more overhead costs charged.

31. Among the ideas the Council should consider are:

(a) **Creation of an international migration emergency operations reserve fund**, to be fully funded over a minimum of three years, that includes a mechanism for both Member State and non-Member State donors to contribute on a voluntary basis. The purpose of the fund would be to facilitate IOM's emergency response capacity by providing a source of bridge financing while more stable donor funding is sought to set up operations in areas such as emergency migration evacuations or movements for which CERF funding is not accessible. The current Libyan crisis is an excellent example of the need for such a reserve fund; the large-scale movement of people out of the Libyan Arab Jamahiriya occurred much more quickly than most donors have been able to mobilize contributions.

(i) In a resolution creating this reserve fund, the Council should include:

- A clear statement of the purposes for which the fund is to be used;
- Recommend procedures for the Administration to access the fund, for example, if the Director General (or the Deputy Director General in his/her absence) determines an emergency exists that requires immediate response before a flash appeal is drafted;
- Annual reporting requirements by the Administration to the Council on the size of the reserve fund, a list of contributors, and for what purposes the fund was used;
- The maximum size of the fund, and, if appropriate, the maximum size of any single drawdown;
- Recommendation of the linkage between this fund and the Discretionary Income reserve fund, as described in document MC/EX/698.

(ii) During discussion at the Working Group meetings, some Member States noted that the organization of the fund should be designed in a way that will not add cost to be borne by the core administrative budget, and that the guidelines should provide a clear distinction between this fund and other UN emergency funds such as CERF. Some Members noted that, while the fund would provide a good avenue for voluntary contributions to finance emergency operations quickly, it was actually not a real change to the budget structure, and therefore not within the scope of the Working Group's mandate. Others noted that the fund was relevant to the budget reform issue, since it would help stabilize the Organization's budget and financial situation during major emergencies. Emergencies often require spending funds prior to receiving confirmed donor contributions, thereby introducing an element of financial insecurity. The fund would reduce or eliminate this concern, putting less pressure on the Organization's limited internal resources and core funding.

(b) **Adopt practices that facilitate donor support for core functions** (e.g., improvements to the Organization's monitoring and evaluation functions, training associated with the current structural reform initiative, or staff security upgrades) that

are now covered by the administrative budget and Discretionary Income. This may require streamlining the annual *Migration Initiatives* to a limited number of migration topics of immediate high-profile interest and projects that contribute to an expansion of IOM institutional capacity. The Administration has acknowledged that, to the extent possible, costs are already being covered via direct charges to projects, although there is more that can perhaps be done in this area.

- (c) **Establishment of a “Public Fund-raising Unit”** within the Donor Relations Division specifically tasked with identifying how the Organization can improve outreach to individuals and private sector sources of contributions. A number of delegations indicated that this initiative should be based on the Administration’s clearly defined plans, and should be accompanied by a cost-benefit analysis illustrating the cost of additional posts and resources versus the potential to be gained. A feasibility study should be undertaken by the Administration.