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**THIRD EVALUATION OF THE 1035 FACILITY:
SUPPORT FOR DEVELOPING MEMBER STATES AND
MEMBER STATES WITH ECONOMY IN TRANSITION**

SUMMARY REPORT

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1. Council Resolution No. 1035 of November 2000 requested the Director General “to allocate one million United States dollars from the Discretionary Income for the development of migration projects in favour of developing Member States and Member States in transition, on the basis of an equitable regional distribution, without prejudice to funds already allocated for these purposes”. The IOM Administration allocated USD 1,430,000 for the 1035 Facility in 2001; since then, the total funds allocated each year have reached an amount of around USD 1,420,000, including in 2011.

2. To manage the allocation of these funds, the Revision of the Programme and Budget for 2001 (MC/EX/631) outlined the criteria and guidelines established by the IOM Administration. In June 2001, the criteria were completed to take into account suggestions made by Member States. Amended criteria and guidelines derived from the first evaluation were presented to the Member States at the Ninety-first Session of the Subcommittee on Budget and Finance (SCBF), held on 4 and 5 May 2004, in document SCBF/265; the second evaluation, conducted in 2005, confirmed their validity as established in 2004. It also reaffirmed some principles such as the focus on capacity-building initiatives, the ownership of Facility-funded projects by benefiting Member States and related obligations in terms of performance, follow-up activities and co-funding, when possible.

3. In 2007, at its Ninety-third (Special) Session, the Council adopted Resolution No. 1150 of 7 June 2007, which stated, inter alia, that “25 per cent of Discretionary Income (excluding security) in excess of the 2007 Programme and Budget Discretionary Income of USD 20.5 million will be allocated to an expanded 1035 Facility starting in 2008”, and that “The total amount available for the expanded 1035 Facility (excluding direct voluntary contributions) cannot exceed total miscellaneous income (unearmarked contributions and interest income)”. The Resolution also limits access to those new funds, by stating that “Access to funding under Line 2 will be linked to outstanding contributions, and Member States subject to Article 4 will not be eligible for funding”.

4. The funding made available for Line 2 in 2008, 2009 and 2010 was USD 3,047,491, USD 5,048,569 and USD 4,339,499, respectively. The amounts include the voluntary contributions from Member States which are added to Line 2 of the Facility. In 2011, the total amount for Line 2 should reach USD 5.7 million allocated from the Discretionary Income; however, this amount will be limited to USD 5.1 million in line with the text of the Resolution, which states that the expanded 1035 Facility funding level (Lines 1 and 2) cannot exceed total miscellaneous income.

5. Apart from the budget ceilings per project and the Line 2 restriction regarding Member States subject to Article 4 (which was not reviewed in the evaluation), Lines 1 and 2 use the same criteria and guidelines for allocating 1035 Facility funds. Regarding daily management, two staff members work full time for the 1035 Facility under the responsibility of the Director of the Department of Migration Management. A database is in place and currently records 326 projects; a second database was created in 2010 in order to regularly collect information on a selected sample of projects so as to assess their outcome, impact, follow-up activities and seed funding from other sources. Guidance notes detailing the

procedures for submitting projects and the approval criteria have also been prepared in the three official languages to facilitate the preparation and submission of projects by Member States and IOM offices.

6. Following the establishment of Line 2, it was considered relevant to re-examine the criteria and guidelines, specifically to review the differences between Lines 1 and 2 regarding the list of benefiting Member States, the amounts allocated and the administrative and reporting requirements. In addition, the evaluation was expected to re-examine the outcome, impact and sustainability of a number of selected projects covering the period 2005–2009. At the Sixth Session of the Standing Committee on Programmes and Finance (SCPF), held on 10 and 11 May 2010, the 1035 Facility status report (SCPF/41) suggested that the third evaluation be conducted by the Office of the Inspector General (OIG), a proposal that was endorsed by the Member States. The overall objective of the evaluation was to evaluate the relevance of the criteria, guidelines and administrative management of the 1035 Facility, taking into account the creation of Line 2 and the Facility's original purpose, as well as the performance and achievements of projects implemented within the framework of the Facility, with special focus on their outcome, impact and sustainability.

7. As with previous evaluations, the feedback from IOM Member States was considered important. A questionnaire was therefore sent to all Member States; however, only 13 completed the questionnaire (8 benefiting Member States and 5 non-benefiting Member States). OIG used these 13 replies to debate on the questions raised in the terms of reference, but did not consider them to represent a consensus. OIG completed the survey analysis using the views of Member States on similar questions contained in the two previous evaluations. The evaluation report proposes recommendations for the Member States to discuss and endorse at the SCPF meetings. For information purposes, the table of contents of the full evaluation report is reproduced in the annex to this summary report.

8. Concerning the analysis of the performance and impact of the 1035 Facility, eight benefiting Member States completed this part of the questionnaire, and a survey was sent to the IOM offices that had benefited from the 1035 Facility. The survey was initiated by the 1035 Facility management in August 2010 and covered a five-year period (2005–2009), starting on the year of the second evaluation. A total of 75 projects, representing close to 40 per cent of the projects funded during that period, were selected at random; however, regional balance was taken into account and the number of projects selected per year was limited. Two Missions also provided information on projects that had not been selected, bringing the total of number of projects surveyed to 77. All project categories authorized by the 1035 Facility selection criteria were covered (labour migration, counter-trafficking, migration management, health, migration and development, policy and legal framework, migrant rights). It is important to underline that the aim of the review was not to conduct a rigorous evaluation of the impact of the selected projects, which would have required extensive work, time and resources, but to use a self-assessment approach to evaluate the outcome, impact and sustainability of the projects, and to draw subsequent conclusions on the overall outcome and impact of the 1035 Facility.

9. Concerning the eligibility criteria, the evaluation noted that views on the exclusion of the category "with economy in transition", resulting from a literal interpretation of the text of Resolution No. 1150, did not reflect a consensus. The evaluation report does not propose a

recommendation that would amend the existing lists of benefiting Member States. The reference to “developing Member States” for Line 2 funding was part of a resolution discussing the IOM Strategy, and the decision concerning an expanded 1035 Facility was included in an annex to the main resolution; the wording, in that case, was certainly not the main focus. However, the evaluation report reminds Member States of the option to voluntarily withdraw, as reported in the first evaluation of the 1035 Facility: “However, during the last Executive Committee meeting in June 2003, an eligible Member State specifically requested IOM Administration that it be removed from the list of countries entitled to 1035 assistance, thereby ‘demonstrating solidarity with countries whose needs were greater’”.

10. As there are significant increases in the amounts available each year for the 1035 Facility, and considering that voluntary contributions are allocated to Line 2, carrying out a review of the exclusion criteria for some project categories was considered relevant, for instance the funding of specific projects in emergencies not necessarily related to the emergency itself, or for reconstruction projects in post-crisis situations focusing on capacity-building and migration. Thirteen Member States answered the related questions, and there was a clear consensus that capacity-building projects should remain a central focus for 1035 Facility funding.

11. The evaluation report did not, however, make firm conclusions on the need to revise the status of the projects to be excluded from the Facility, and this is particularly valid for the movement and major conferences categories. However, additional clarifications could be added for the emergencies and assisted voluntary return categories, and also when examining the projects presented under these two categories during the period 2005–2011. The exclusion of some projects in post-crisis situations which focus on technical assistance for migration management was problematic as it is contrary to the spirit of the Facility.

12. Concerning the funding levels and the application procedures, the status quo can be maintained, except when Member States and IOM offices do not comply with the reporting requirements, in which case penalties could be envisaged. One Member State also proposed that the criteria and guidelines be reviewed in the light of the outcome of the current IOM budget reform process. This proposal could be considered valid, given that Line 2 of the Facility is established according to the Discretionary Income levels; however, it could take some time for the reform process to reach a final outcome and this might lead to other restructuring needs within the expanded Facility.

13. In the questionnaire replies, Member States did not raise any issues concerning the overall management of the expanded Facility by IOM. A detailed analysis was conducted on the effectiveness in applying procedures and guidelines, on compliance with the endorsement requirements by IOM Member States and on the reporting mechanisms. No major problems were detected and the evaluation makes positive conclusions on the overall management of the 1035 Facility, including the information shared with IOM Member States. The report noted, however, that, with the expansion of the Facility, the number of projects to review, comment on and submit to the IOM Director General for approval has been increasing. Furthermore, the improved management, through the creation of two databases that require constant monitoring, the information sharing with IOM Member States and the monitoring of information exchanges with IOM Missions on project endorsement and implementation, has put pressure on the two IOM staff in charge of the Facility.

14. With regard to outcome and impact analysis, most of the projects surveyed attained their expected outcome, in line with initial objectives. It was also noted that some projects have had a clear and visible impact, for instance resulting in changes to legislation, the setting-up of new departments responsible for migration, or the approval of policy declarations for inter-State cooperation. It can be concluded that the majority of projects achieved their expected outcome and/or impact, and that the actions taken by IOM offices and governments may be considered satisfactory in terms of sustainability.

15. Concerning overall outcome and impact, the Facility still has a positive overall impact, in line with initial expectations and the original intent; the second evaluation, conducted in 2005, reached the same conclusion. It should be noted that the increased levels of funding for each project approved also gave additional visibility to the Facility and generated greater interest in it as a funding source for IOM Missions and Member States. The need to secure funding for follow-up projects also diminished as many activities could be covered through the increased budgets available for projects.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: That the Member States could agree to the following principles:

- (a) The list of benefiting Member States as currently established for Lines 1 and 2 should be maintained, given that Resolution No. 1150 does not intend to exclude the Member States falling under the category “with economy in transition” (“upper-middle income economy”). The Member States will consider favourably the voluntary withdrawal of eligible countries that fall under the category “with economy in transition”, which could be considered as making a “voluntary contribution” to the 1035 Facility.
- (b) Should the level of Line 2 funding drastically decrease in the future, being established according to the level of Discretionary Income/miscellaneous income, the exclusion of Member States in the category “with economy in transition” could be re-examined.

Recommendation 2: That the Member States could agree to fund specific activities under the categories of emergency and post-emergency operations, and under assisted voluntary return programmes. Funding could be authorized for projects clearly targeting:

- (a) Capacity-building activities related to migration management implemented after the emergency response and immediate post-emergency phases; support for the management of internally displaced populations remains excluded;
- (b) In countries facing major returns, capacity-building projects intended to set up proper assistance mechanisms for the returnees, to revise policies or to assess the situation in the country of return; the assistance provided should complement funded assisted voluntary return programmes.

Recommendation 3: When a project is approved, the 1035 Facility management should regularly remind the benefiting Member States and IOM Missions of the reporting requirements, and inform them of the risk of penalties for non-compliance. The suspension of disbursements could be a possibility, pending the submission of reports. The 1035 Facility management should also emphasize the shared responsibilities for reporting, taking into account that IOM Missions can assist the Member State(s) in that regard.

Recommendation 4: That the Member States could endorse the following proposals regarding some aspects of the 1035 Facility criteria and guidelines:

- (a) Any major revision beyond the recommendations made in this report could be examined in the framework of the IOM budget reform, in particular any issues stemming from a change in the Discretionary Income definition resulting, for instance, in a possible reduction in funds allocated to Line 2.
- (b) In case of an increase in project requests which puts pressure on an equitable allocation of funds to all benefiting Member States during a given year, the 1035 Facility management should consider diminishing the budget of projects with more than 50 per cent of funds allocated to office furniture and equipment in the framework of a capacity-building initiative, encouraging the benefiting Member States to bring an in kind or financial contribution to the project equivalent to the amount reduced.
- (c) The benefiting Member States should note and endorse the proposal of the 1035 Facility management to establish deadlines for the submission of projects and for the amount of funding per region to be fixed on 30 June of each year; this measure would help to improve the allocation planning for the remaining part of the year.

Recommendation 5: The 1035 Facility management should analyse more precisely the staffing needs to ensure a sound management of the Facility and provide the Member States with terms of reference for one additional staff member and the related funding implications. The Member States can, however, already endorse the principle that the position could be funded by a small percentage of the 1035 Facility, as is already the case for the current positions. Such an “overhead” percentage is common practice for the management of special funds and trust funds within the United Nations system. A database of rejected projects should also be created.

Recommendation 6: The 1035 Facility management is encouraged to continue using the database created for the survey on the outcome, impact and sustainability of projects funded by the Facility in order to regularly collect information on those achievement criteria and to include its analysis in the reports submitted to the SCPF.

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