



Long-term financing framework for the Global Forum on Migration and Development (GFMD)

1. Introduction

The Global Forum on Migration and Development (GFMD) 2012 assessment report underlines that governments needed to agree on a more predictable funding structure to enable the GFMD to consolidate its current functioning and to guarantee its long-term sustainability. Creating a long-term financing framework is also linked to the creation of a multiannual work plan for the GFMD.

This document is for informational purposes only and lays out the proposed long-term financing framework for the GFMD, which would become effective upon written agreement by relevant Parties.

Any long-term financing framework for the GFMD shall be subject to the terms and conditions of the Memorandum of Understanding for “Administrative Arrangements for the Support Unit (SU) of the Global Forum on Migration and Development (GFMD)”, signed between the GFMD Chair-in-Office and the International Organization for Migration (IOM) on 15 December 2008 (the MOU).

2. A multiannual funding mechanism

a. The general features of a multiannual funding mechanism

A multiannual funding mechanism (MFM) that supports a multiannual work plan is set up, including a clear governance and accountability framework.

The MFM should help streamline the financial and administrative systems of the GFMD process. It is also aimed at facilitating and encouraging donors to make multiyear contributions to the GFMD. It facilitates the carry-over of any unspent funds from one year to the next. Nonetheless, the option to tie funds to one financial year would remain for donors with budgetary regulations that require it. A minimum amount of 400,000 USD¹ from the GFMD budget should be aimed to be available for the incoming Chairs at the start of each Chairmanship.

¹ 400,000 would cover the first six month of the running of the GFMD process i.e. the Support Unit as well as preparatory meetings. Normally it takes about six months for each Chairmanship to have the first contributions put into the account.

b. Standardized budget

A standardised budget template is used by each Chair-in-Office, please see template in Annex 1. A standardised budget includes indicative figures (drawn up in 2013) for costs that are relatively constant from one year to the next, for example the cost of the GFMD Support Unit and for organising standard preparatory meetings. A standardised budget facilitates for the incoming Chairs-in-Office to set up a budget and also facilitates comparison from one year to the next. The budget may be reduced or increased depending on the conditions in the host country and due to other factors.

The GFMD budget contains elements corresponding to the costs of carrying out the GFMD process such as preparatory meetings, the GFMD meeting as well as the running of the GFMD Support Unit. Contributions to parallel and/or separate activities spearheaded by non-governmental stakeholders, e.g., the civil society, private sector and/or international organization(s) will not form part of the GFMD budget, unless such activities are co-organized by the Chair-in-Office and/or directly feeds into the Roundtable preparations or other core activities of the GFMD Government meetings.

c. Established pledging mechanism

Consistent with the voluntary and informal character of the GFMD process, financial contributions remain voluntary, i.e. no compulsory annual fee is applied.

1. A formal pledging meeting in the beginning of each Chairmanship is established to promote predictability and planning of each Chairmanship. The pledging meeting will be organized by the Chair-in-Office with the support of the GFMD Troika. Early pledges, as well as multiannual pledges as defined by the donors (normally over two or three years), are encouraged in order to secure the long-term stability of the process. In case the schedule of the pledging meeting does not meet the budget calendars of donor countries, other opportunities for pledging would be offered during the Chairmanship.

The GFMD pledging meeting makes room for the civil society to present their budget and work plan as an integral part of that meeting. Countries are strongly encouraged to contribute to the civil society process as well, in order to ensure that this component continues to be a stable and important input to the GFMD.

d. Financial system and management

The multiannual funding mechanism has a clear governance and accountability framework. The GFMD long-term funding mechanism is administered by the MOU between the GFMD and IOM concerning GFMD budget, contributions, payments, monitoring of transactions, audit and reporting to donors. An overview of the key elements of these existing mechanisms, including details not provided in the MOU on how they are implemented and the delineation of tasks between the IOM, the GFMD Support Unit and the Chair-in-office is provided in Annex 2.

The GFMD financial system and management are governed by the financial rules and regulations of the IOM. Since 2009, the IOM has provided administrative and financial assistance to enable the GFMD Support Unit to receive and manage international contributions to the annual GFMD Chairmanship, under the direct supervision and authority of the GFMD Chair-in-Office. A Memorandum of Understanding between the annual GFMD Chair-in-Office and the IOM -- first signed in 2010 -- is renewed and signed at the start of each Chairmanship (see Annex 3 for copy of the MOU on Financial Contributions to the Swedish Chairmanship of the GFMD in 2013).

All contributions to the GFMD are deposited through IOM, but managed by the GFMD Support Unit under the direct supervision of the Chair-in-Office.

In terms of accounting and financial reporting, the GFMD Support Unit will submit regular periodic reports (e.g., quarterly) to the Chair-in-Office. These reports shall be the basis of the Chair-in-Office's updates on the GFMD financial position during the meetings of the Steering Group and/or Friends of the Forum.

At the end of each Chairmanship, an end-of-Chairmanship report would be generated to attribute expenses according to the concerned Chairmanship. If not otherwise specified by the donor, unspent contributions will automatically be transferred to the next Chairmanship. Both periodic and end-of-Chairmanship reports will serve as a basis for additional calls for contributions to support the proposed multi-annual budget. The end-of-year Chairmanship reports will be submitted to all donor entities (government and non-government). IOM makes arrangement for an audit at the end of each Chairmanship. The report of the external auditor will be submitted to the Chair, indicating its appreciation (i.e., whether satisfactory or not) of the overall accounting and financial systems of the GFMD, and proposing suggestions or recommendations, if needed.

3. Review of the financing framework

Minor revisions of the financing framework can be done after an agreement is reached in the GFMD Steering Group. The long-term financing framework would be reviewed in 2017, three years after its establishment. The review would look at how the framework has been working and what revisions might be necessary.

Annex 1

GFMD Standard Annual Budget

I. Chairing/Hosting

- **Task Force:** fees, travel expenses, etc. xxxx

- **Preparatory activities:**
 - Preparatory Meetings of the Troika, SG and FOF \$ 50,000
 - GFMD Thematic Meetings 240,000
 - Research 50,000

- Subtotal** **\$340,000**

- **Annual Forum Meeting:** xxxxxxxx
 - Convention centre, furniture, equipment
 - Documentation, interpretation, translation
 - Catering
 - Travel for LDCs
 - Operational costs
 - Common space

II. GFMD Support Unit

- **Staff and related costs** \$ 550,000
(Head of SU,1 Programme Officer, 1 Admin and Finance Assistant, 2 Interns)
 - **Office costs** 125,000
(maintenance and operational costs of existing GFMD Support Unit office)
 - **Admin overhead IOM** 33,750
- Subtotal** **\$ 708,750**
- Annual Costs of Prep Activities and Support Unit** **\$ 1,048,750**

NB :

The figures indicated above are based on most current costs. Provision for appreciation of costs (for example 5% each year) should be taken into consideration when preparing the budget of succeeding years.

Annex 2 - FINANCIAL ARRANGEMENTS
Global Forum on Migration and Development

	Tasks of IOM	Tasks of the SU	Tasks of the Chair-in-Office
1. Budget Preparation and Management	<ul style="list-style-type: none"> - assists SU in preparing annual budget request and future budgetary projections, especially regarding staff salaries and other operational costs of running the SU - establishes a Project ID for the GFMD including the structure based on the proposed budget of the GFMD-Chair-in-Office - provides advice to SU as necessary 	<ul style="list-style-type: none"> - works with IOM in preparing the annual operational budget of the SU, a key component of the overall budget of the GFMD Chair - obtains Chair-in-Office approval of SU budget proposal - coordinates with IOM the overall budget of the GFMD Chair, including the SU operational costs - provides IOM with updates on the GFMD budget - forwards quarterly and annual IOM financial report to Chair-in-Office - manages budget throughout the year 	<ul style="list-style-type: none"> - establishes work plan throughout the Chairmanship - drafts in coordination with SU a GFMD budget to support its work plan - signs MoU with IOM regarding the contributions to GFMD - renews the MoU on SU hosting by IOM
2. Facilitating Contributions	<ul style="list-style-type: none"> - receives contributions from donor states and other entities via SU - reviews proposed contract(s) governing the contributions in accordance with IOM rules and regulations - reports to SU on status of contributions - provides confirmation and details on any received contribution from donor entities 	<ul style="list-style-type: none"> - if required by the Chair-in-Office, sends letters to GFMD states and other donors requesting contributions, as appropriate, and receives payment thereof - if required by the Chair-in-Office, undertakes follow-up with donor states and other donors to ensure payment - coordinates with IOM (Department of Resources Management and Office of Legal 	<ul style="list-style-type: none"> - convenes pledging meetings inviting governments and donor entities and organizer of the civil society process - authorizes the SU and/or Task Force members to liaise with donor entities - acknowledges all contributions

		Affairs) to ensure that contributions are received in accordance with IOM rules and regulations.	
3. Facilitating Payments	<ul style="list-style-type: none"> - approves payment requests submitted by SU - ensures timely execution of payment requests for goods and services procured by the GFMD - liaises/coordinates with the SU administrative staff on all payment transactions; ensures complete documentation is supplied 	<ul style="list-style-type: none"> - prepares payment requests and forwards to IOM for payment, together with supporting documentation (including duly coordinated and signed service agreements, if applicable) - submits payment request as quickly as possible after invoice receipt - follow up as necessary with outside contractors to ensure provision of goods and services 	<ul style="list-style-type: none"> - issues authorization to SU for payment of expenses other than for the regular upkeep of the SU office
4. Monitoring of Transactions	<ul style="list-style-type: none"> - monitors transactions and expenses incurred against the budget - provides monthly transaction reports to the SU, showing available resources and expenses incurred to date - posts each transaction according to the GFMD Project structure - ensures that all transactions conform with the IOM rules and regulations - provides SU with needed updates on GFMD accounts, in between regular reporting periods 	<ul style="list-style-type: none"> - reviews the monthly transactions report submitted by IOM - ensures that each transaction is charged against the correct budget line - reconciles with IOM as necessary - requests needed updates from IOM on GFMD accounts to ensure that most current budget and financial position is reported by the Chair to the Friends of the Forum (and other interested stakeholders/donors) 	<ul style="list-style-type: none"> - checks periodic reports of SU/IOM and ensures it is consistent with the Chair's budget and work plan - provides update to the Friends of the Forum

<p>5. Audit</p>	<ul style="list-style-type: none"> - makes arrangement for an external audit at the end of each Chairmanship - in relation to this, reviews with the Support Unit all transaction details - provides a certified audit report with recommendations 	<ul style="list-style-type: none"> - requests that External Audit is performed at the end of each Chairmanship - forwards audit report to Chair-in-Office and donor entities - responds to and implements audit recommendations 	<ul style="list-style-type: none"> - authorizes the SU/IOM to proceed with the external audit and approves its costs - communicates external audit recommendations, if any, to Troika and other relevant GFMD bodies
<p>6. Reporting</p>	<ul style="list-style-type: none"> - generates periodic transaction reports (usually quarterly) of GFMD accounts - prepares the financial report of each Chairmanship - reviews the full and summary narrative reports on GFMD-related activities prepared by the Head of the SU and ensures all financial references are in order - keeps copies of the financial and narrative reports of the SU for each GFMD Chairmanship 	<ul style="list-style-type: none"> - submits periodic reports - works with IOM in preparing the financial report on GFMD-related activities, including the operational costs of the SU - coordinates the draft reports with the Chair-in-Office - submits to all donor entities the full financial and narrative reports of each GFMD Chairmanship - answers any question/clarification on the financial and narrative reports, in coordination with the Chair-in-Office - posts summary financial and narrative reports on the GFMD web portal 	<ul style="list-style-type: none"> - reviews and approves the draft financial and narrative reports - gives the go-signal to disseminate the full financial and narrative reports to all GFMD donor governments and other entities

Annex 3



LEG Approval Code: HQS/COOP/AL0445/2013 GFMD

Memorandum of Understanding
Between
Sweden as the GFMD 2013-2014 Chair
And
The International Organization for Migration (IOM),
Host of the GFMD Support Unit

On
Financial Contributions to the
Swedish Chairmanship of the GFMD 2013-2014

1. The Parties to this Memorandum of Understanding (“Agreement”) are Sweden as the GFMD 2013-2014 Chair (“The Chair”), represented by Ambassador Eva Åkerman-Börje, and the International Organization for Migration (“The IOM”), represented by Mr Bruce Reed, host of the Global Forum on Migration and Development (GFMD) Support Unit, which provides basic administrative, financial, and logistical support to the GFMD Chair-in-Office.
2. As GFMD Chair-in-Office for 2013-2014, the Chair expects to receive financial contributions (“the Contribution”) from other governments, international organizations and international foundations (“International Donors”) to help defray the cost of carrying out the GFMD process, including the organization of the GFMD Forum meeting in Stockholm, Sweden in May 2014.
3. The Chair will authorize the GFMD Support Unit, hosted and legally represented by The IOM, to receive and manage the Contribution under the direct supervision and full control of the Chair, and in accordance with the GFMD Sweden 2013-2014 Budget (Annex A) and the respective agreements with International Donors.

4. The IOM will have no influence on the utilization of the Contribution and will solely provide the GFMD Support Unit with financial management to receive and manage the Contribution in accordance with the terms and conditions outlined under the Memorandum of Understanding *Administrative Arrangements for the Support Unit (SU) of the Global Forum on Migration and Development (GFMD)* (Annex B). The IOM shall have no liability or obligation towards the International Donors or to The GOS, except those specifically provided in this Agreement.

6. The Contribution may be paid in one or two instalments by the International Donors into the designated bank accounts of IOM for different currencies (Annex C), referring to the GFMD Support Unit project account PO 0042 (GFMD 2013-2014 Related Activities).

7. The IOM, working in collaboration with the GFMD Support Unit, shall submit to the Chair the following reports:

- a) Quarterly Financial Reports, beginning 30 June 2013, showing actual disbursements of the Contribution in accordance with Annex B and Annex C, and
- b) Final financial and narrative reports showing how the Contribution was utilized and managed by the GFMD Support Unit for and on behalf of the Chair on or before 30 September 2014.

8. Any Contribution which has not been used by 30 September 2014, as reported in the final financial report, shall be carried over to the next GFMD budget, unless otherwise agreed by the Parties.

8. Dispute resolution. Any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof, shall be settled amicably by negotiation between the Parties. In the event that such negotiation is unsuccessful, either Party may submit the dispute to arbitration. The arbitration will be carried out in accordance with the UNCITRAL arbitration rules. The arbitral award will be final and binding.

9. Nothing in this Agreement affects the privileges and immunities enjoyed by The IOM as an intergovernmental organization.

10. Final clause. This Agreement enters into force upon signature by both parties. It will remain in force until 30 September 2014. Amendments may be made by mutual agreement in writing between the Parties. All Annexes of this Agreement form an integral part of this Agreement.

Agreed and signed in duplicate.

23 July 2013, Geneva.

For the Government Offices of Sweden
as the GFMD 2013-2014 Chair,

For the International Organization for
Migration,

SIGNED

Signature

Eva Åkerman-Börje

Ambassador

Name and Position

Signature

Bruce Reed

Director, DRM

Name and Position