



**Second item on the agenda:
Programme and budget proposals
and other financial questions**

**Report of the Finance Committee of
Government Representatives**

1. The Finance Committee of Government Representatives met on 6 and 7 June 2001 with Mr. J.-J. Elmiger (Switzerland) as Chairperson and Reporter and Mr. P. Klekner (Hungary) as Vice-Chairperson.

**Request of the Government of the Central African Republic,
under paragraph 4 of article 13 of the Constitution of the
International Labour Organization, for permission to vote**

2. The Committee had before it a request (document F.C./D.3) from the Government of the Central African Republic for permission to vote at the Conference. This request was referred to the Finance Committee as a matter of urgency in accordance with paragraph 1 of article 31 of the Standing Orders of the Conference. The text of the request, dated 17 May 2001, is as follows:

Central African Republic
The Ministry of Public Service, Labour
and Social Services

Cabinet of the Minister

Bangui, 17 May 2001

Dear Mr. Director-General,

I have the honour to inform you that the Government of the Central African Republic wishes to regularize the arrears of contributions due by it to the International Labour Organization and regain its right to vote and participate actively in the Organization.

I would like to point out that the non-payment of contributions by the Central African Republic is due to the following reasons:

- the problems encountered during the transition to a multi-party democracy, characterized by long strikes during the years 1991-1993, which had serious consequences on the state treasury;

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- this situation was exacerbated by three series of rebellions in 1996 and 1997, which destroyed the already fragile economic structure.

I would therefore kindly request that you submit the following proposal for the settlement of the Central African Republic's arrears of contribution to the competent authorities of the International Labour Organization:

- (a) for the year 2001, the Central African Republic will pay in full its assessed contribution of 3,576 Swiss francs in order to demonstrate our commitment;
- (b) the Central African Republic will settle the arrears of contribution for the period 1994-2000, amounting to 156,109 Swiss francs in 19 instalments of 7,805 Swiss francs with a final instalment of 7,814 Swiss francs;
- (c) the Central African Republic is determined to settle subsequent years' contributions in the year in which they become due.

On behalf of the Government of the Central African Republic, I would ask you to submit this proposal to the 89th Session of the International Labour Conference for approval so that my country could regain its voting rights and enjoy other rights as a Member of the Organization.

Please accept, Mr. Director-General, assurances of my distinguished consideration.

Laurent Ngonbaba

3. The Committee noted the provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, the texts of which appear in Appendix 1 to this report.
4. In examining the financial relations between the Central African Republic and the ILO over the last ten years, the Committee noted that the following payments in respect of assessed contributions had been made to the ILO:

Date of payment	Amount in Swiss francs	Details of payment
5 July 1994	28 552	Full 1991 contribution
	31 149	Full 1992 contribution
	18 327	Part of 1993 contribution
14 June 1997	2 318	Balance of 1993
	2 595	Part of 1994 contribution
7 June 2000	15 400	Part of 1994 contribution

Contributions outstanding at 31 December 2000 amounted to 156,109 Swiss francs, covering assessed contributions from 1994 to 2000. The 2001 contribution of 3,576 Swiss francs had also not been paid.

5. There were no statements by Committee members concerning this item.
6. *The Committee, being satisfied that the failure of the Central African Republic to pay its arrears was due to conditions beyond its control, in accordance with the*

provisions of paragraph 4 of article 31 of the Standing Orders of the Conference, reports to the Conference as follows:

- (a) that the failure of the Central African Republic to pay in full the amounts owing was due to conditions beyond its control as explained in the letter in paragraph 2 above.*
- (b) that the financial relations between the Central African Republic and the Organization have been set out in paragraph 4 above.*

7. *The Committee accordingly recommends the adoption by the Conference of the resolution concerning the granting to the Central African Republic of permission to vote under paragraph 4 of article 13 of the Constitution of the International Labour Organization, the text of which appears at the end of this report.*

Status of collection of member States' contributions

- 8. The Committee had before it document F.C./D.2 containing information on the status of collection of member States' contributions as at 31 May 2001.
- 9. The representative of the Director-General (the Treasurer and Financial Comptroller) reported that in addition to the information contained in the Office paper, contributions had been received from the following member States:

Country	Swiss francs
Bolivia	25 035
Niger	42 733
Total	67 768

Niger had recovered the right to vote upon receipt of its payment at the ILO.

- 10. The representative of Oman advised that two contributions cheques totalling 113,856 Swiss francs were already in transit to the ILO.
- 11. The representative of Bahrain advised that a remittance of 118,466 Swiss francs, representing its contribution for 2001, was also in transit to the ILO.
- 12. *The Committee took note of the information in the document.*

Proposed amendments to the Financial Regulations

- 13. The Committee had before it Report II: Draft Programme and Budget for 2002-03 and other financial questions, containing a draft resolution concerning amendments to the Financial Regulations.
- 14. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Composition of the Administrative Tribunal of the International Labour Organization

15. The Committee had before it Report II: Draft Programme and Budget for 2002-03 and other financial questions, containing a draft resolution concerning appointments to the Administrative Tribunal of the ILO.
16. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)

17. The Committee had before it Report II: Draft Programme and Budget for 2002-03 and other financial questions, containing a draft resolution concerning the composition of the ILO Staff Pension Committee.
18. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Assessment of contributions of new member States

19. The Committee had before it Report II: Draft Programme and Budget for 2002-03 and other financial questions, containing a draft resolution for the assessment of the contribution of the Federal Republic of Yugoslavia.
20. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Programme and Budget proposals for 2002-03; Scales of assessment of contributions to the budget for the 2002-03 financial period

21. The Committee had before it the Director-General's Programme and Budget proposals for 2002-03, first considered by the Governing Body at its 280th Session (March 2001). The Committee also had before it Report II: Draft Programme and Budget for 2002-03 and other financial questions, containing a report on the consideration of the Director-General's original proposals by the Programme, Financial and Administrative Committee of the Governing Body. Report II also contained a report on its discussion concerning draft scales of assessment for member States' contributions for 2002 and 2003.
22. At the suggestion of the Chairperson, and to facilitate its discussion of two closely related subjects, the Committee agreed to consider Items 6 and 8 of the agenda together.
23. The Director-General, introducing his Programme and Budget proposals for 2002-03, said that they were approved by consensus at the Governing Body at its 280th Session (March 2001), and were now recommended for adoption by the Conference. Two years ago the Programme and Budget for 2000-01 had been endorsed by this Committee and unanimously adopted by the Conference. That budget had been built around the vision of decent work and the discipline of results-based strategic budgeting. Since then much had been done to move the ILO forward on those lines:

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- (a) the structure of the Office had been reorganized so that it corresponded to the ILO's strategic objectives, thereby increasing transparency and accountability.
 - (b) A major new programming device, the Strategic Policy Framework, had been introduced to enable the Governing Body to set objectives and establish strategies for a medium-term planning horizon.
 - (c) An evaluation plan had been set up covering all eight InFocus programmes over a period of four years.
 - (d) The Office had introduced reports which covered the ILO's performance as well as its activities, and the frequency of reporting to the Governing Body had been increased.
 - (e) Mechanisms had been developed for programme consultation between headquarters and regional structures to provide better service to ILO constituents.
- 24.** This budget, like its predecessor, was organized around the four strategic objectives of principles and rights at work, employment, social protection, and social dialogue, and the proposals reflected a number of measures designed to increase efficiency. Special emphasis was already being given to improvements in the delivery of technical cooperation, and this would be further enhanced. A major study had just been completed which recommended a number of concrete proposals to enhance documentation processes, and these would be implemented. The Office was about to embark on a study of administrative operations in the International Labour Standards Department, and publications, policies and practices were being revised to ensure better dissemination of ILO information.
- 25.** The Office would continue to upgrade the use of information and communications technologies to streamline operations and reduce costs, and would deepen the concepts of strategic budgeting introduced in the 2000-01 biennium so as to make objectives, indicators, as well as targets and systems for monitoring performance, a regular part of daily operations. Development of the corresponding human resources policies was continuing, and the Office would also reinforce collaboration across sectors, reward innovation and excellence, and encourage dynamism and visibility.
- 26.** The ILO was now ready to move forward, emphasizing the practical implementation of the decent work agenda according to the specific needs of individual countries. In doing so, it would again rely on the guidance of the Conference through its discussion of the report on *Reducing the decent work deficit*. Progress on this agenda required a much better integration of the different means of action of the ILO, as well as enhanced collaboration across the four strategic objectives that fell within its mandate, so that it could attack problems with a full understanding of the complexity of diverse national situations.
- 27.** The programme and budget proposals now before the Committee provided the means necessary to move forward to this next stage, which included a key programme on Inter-sectoral operation support to decent work. The Standards and fundamental principles and rights at work sector had been strengthened in the regular budget and there would additionally be an increase in extra-budgetary resources. The employment sector, which was expected to decline in terms of extra-budgetary resources, would be reinforced through a strengthened capacity to develop technical cooperation proposals and a special initiative with donors. The social protection and social dialogue sectors remained almost static in budgetary terms but they now accommodated new initiatives such as the ILO Programme on HIV/AIDS.

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- 28.** Additional resources for field activities in the 2002-03 biennium were not possible under the zero-growth constraint, but the Office would work to identify posts that could be transferred from Headquarters to the regions. This would take place within the framework of initiatives to improve the delivery of services in the field, in particular through greater decentralization of responsibility for technical cooperation.
 - 29.** The Programme and Budget proposals for 2002-03 were different in form and substance from those of previous biennia. The Office had made serious efforts to distribute the proposals earlier in clear language and transparent format, with an improved presentation which not only integrated both regular budget and extra-budgetary funding, but also built on a framework of measurable performance indicators. As well, opportunities had been multiplied for informal discussion with ILO constituents on strategies and priorities, and the discussion of the proposals in the Programme, Financial and Administrative Committee of the Governing Body demonstrated the value of this approach. There was a robust consensus on the next stage of the decent work agenda which was detailed in the proposals. A rich debate provided guidance on priorities and strategies, which the Office would of course follow in the implementation of the programme.
 - 30.** There was in addition considerable emphasis on management improvement: better planning, better measurement of performance, improved monitoring and evaluation, and clearer accountability. The quality of the ILO's performance and the way to appraise it needed to be emphasized as much as the quantitative targets that were set. As a result of the discussions the Director-General had made a commitment to introduce by the end of 2001 specifications for performance measurement, Office-wide work planning, and where necessary, revisions to indicators and targets.
 - 31.** The Director-General attached particular importance to management of the implementation of the programme, which would be the responsibility of management at all levels but particularly of the Senior Management Team. To assist with the exercise of these responsibilities a Director of Operations would be appointed, who would recommend actions to support management in overcoming problems of programme implementation and delivery, and also ensure follow-up of decisions resulting from deliberations of the Senior Management Team. All of these developments were positive and constructive.
 - 32.** Ideally, the ILO Programme and Budget should be based on what it could and should accomplish in the service of its constituents. It should have not only a results-based budget but also a needs-based budget. There could be little doubt that in recent years the demands on the ILO had increased. Its membership was larger, and the global economic and social environment posed greater challenges on social issues. A number of major operational activities had been added, such as the work on Convention No. 182 on child labour, the follow-up to the Declaration, the work on HIV/AIDS, and the programme on socio-economic security and rapid response capacities in crisis situations. The greater visibility of the ILO had stimulated widespread interest and appeals for action.
 - 33.** However, the regular budget and extra-budgetary resources available for ILO programmes had decreased over the years, and the relationship between its mandate and resources had been strained to the point where the Organization was no longer able to meet the high goals set by the Constitution. The first to suffer were ILO constituents, but ultimately the working populations of the world would be affected as well.
 - 34.** The ILO's first responsibility then was to make better use of its resources by constantly striving for greater efficiency. Mention had already been made of a number of measures being introduced to enhance efficiency and reduce costs. For the biennia 2000-01 and 2002-03 the Office had proposed reductions of more than US\$7 million in resources for

support and administrative services, in addition to those of early biennia, but the point had now been reached where any further drop in resources would require cuts in programme and technical cooperation services provided directly to constituents.

- 35.** The Director-General expressed the sincere hope that the Finance Committee would consider the recommendations of the Governing Body as presented in Report II and that it would approve, both in terms of levels and assessments, the Programme and Budget proposals for 2002-03. It was understandable that a consensus on the Governing Body's recommendation would not fully satisfy some developed countries who would like to see a further reduction of the budget, and also some developing countries whose contributions would go up. The fact was that the budget level proposed would help to reinforce the effectiveness of the base for programme activities and technical cooperation for constituents, and the assessment rates for a large majority of countries would either go down, stay the same or increase only slightly. In dollar terms, the actual contribution of 110 countries would go down at present Swiss franc exchange rates. For twelve developing countries the contribution would increase by more than US\$50,000 annually, and for a very few, substantially more than that. All of these matters had already been discussed by the Governing Body. The reports of these discussions showed that a number of reservations were noted although the decision to recommend the budget to the Conference was taken without dissent. All information on those discussions was included in Report II, including the Director-General's opening statement and detailed response.
- 36.** The programme and budget process in the ILO was very orderly and highly institutionalized, and before reaching this Committee the proposals went through a series of discussions at the PFAC and the Governing Body. To these standard procedures the Director-General had added many different instances of consultation and exchanges with constituents. Participation was the essence of ILO style on these issues, with constituents fully informed at all stages so that they and the Office could deal cooperatively with problems as they arose.
- 37.** The Director-General had already stated on many occasions the great importance he attached to the programme and budget procedures in the ILO. Even before officially taking up his post he had given top priority and personal attention to the preparation of the programme and budget for the current biennium. He firmly believed the budget was the operational backbone of the ILO because it expressed the priorities that its tripartite constituents wanted to pursue. It was a key instrument in the management of the Organization, but above all it was where the Office, the Governing Body and the Conference came together to give stable, strategic and autonomous tripartite direction to the International Labour Organization.
- 38.** Mr. C.L.N. Amorim, Chairperson of the Governing Body, said that the draft Programme and Budget proposals for 2002-03 now before the Committee had been approved by the 280th Session of the Governing Body for submission to the Conference. In 2002-03 the ILO would continue to pursue the strategic budgeting concepts first introduced in the 2000-01 biennium and would, as its central priority, consolidate decent work across its main strategic objectives in the context of a rapidly changing global economy. The practical implementation of the decent work agenda would represent a managerial and political challenge and the 2002-03 budget proposals therefore addressed the issue of job creation as a key factor for ensuring progress in rights of work, social protection and social dialogue.
- 39.** The proposals before the Committee were the result of exhaustive discussions in the Programme, Financial and Administrative Committee of the Governing Body. During the course of the debate some governments had expressed the view that the budget level

should be limited to zero nominal growth. These reservations were reflected in the report of the Programme, Financial and Administrative Committee reproduced as Annex 1 to Report II: Draft Programme and Budget for 2002-03 and other financial questions.

40. In the light of these discussions, the Director-General proposed to reduce the level of the original budget by some \$2 million resulting in a nominal increase of about \$5 million over the previous biennium. There was a consensus in the Governing Body to approve the revised budget, although a number of governments maintained their position that the nominal level of the budget should not be increased. Subject to the positions taken and to the reservations expressed during the discussion, the Governing Body decided to recommend to the Conference a provisional programme level of \$472,488,505, estimated at the 2000-01 budget exchange rate of 1.53 Swiss francs to the US dollar. As a concluding comment he wished to express his appreciation to colleagues in the Programme, Financial and Administrative Committee and to thank the Office for the documents now before the Committee.
41. Mr. Botha, speaking on behalf of the Employer Vice-Chairperson of the Governing Body, recalled that the Employers' objectives for 2002-03, expressed at the 280th Session of the Governing Body (March 2001), were threefold: first, to develop a programme to a set of established priorities; second, to ensure that the Office had sufficient resources to deliver that programme according to priorities established by the Governing Body; and third, to ensure the continued careful use of the funds available to the ILO, by continuing the search for savings, the management of change and the continued development of its strategic position. The Director-General's Programme and Budget proposals for 2002-03 showed that constituents' priorities had been taken into account, and in the Conference plenary the previous day Employers and Workers from all regions made it clear that they supported the compromise crafted at the last session of the Governing Body.
42. The Employers supported the compromise for a number of reasons. First, the introduction of the decent work agenda coincided with and was a consequence of the new approach to budgeting that the tripartite constituents had insisted upon: a strategic approach which focused on results. There was wide agreement on the new strategy with its introduction of the four objectives and the Office was being reorganized to reflect that strategy. It had been a traumatic experience for many and had required new cultural commitments by those inside and outside the Office. New internal strategies had been designed, and the ILO should continue in the new direction it had chosen at the beginning of the present biennium. It was not merely a matter of renewing commitment, but of expressing confidence that it still believed in the results it wished to achieve.
43. Second, the constituents should acknowledge the Director-General's positive response to the concerns and priorities expressed in the Governing Body in March. For example, the Employers had asked for a reconsideration of the allocation to employment programmes and many constituents had made proposals for adjustments to the programme. The Employers were satisfied with the sincere attention given to their proposals and were under the impression that many other constituents were equally well satisfied.
44. Third, the Employers were convinced that the budget total for 2002-03 was finely calculated to achieve the programmes agreed upon. It was now a matter of expressing trust and confidence in the Office and in the Governing Body for the work performed in developing the Programme and Budget for 2002-03 and in monitoring activities in the current biennium.
45. The Employers believed that the discussion in the Governing Body on the Programme and Budget for 2002-03 essentially was concerned with:

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- (a) assessing progress on a long-term strategic programme which was still in its first biennium;
 - (b) developing concrete outcomes to meet the needs of constituents and of particular segments of society, including those at risk;
 - (c) testing and expressing commitment;
 - (d) giving rein to the staff of the ILO, in the regions, in the Turin Centre, and in Geneva to achieve solid results in their activities;
 - (e) ensuring good governance in all the ILO's programmes.
- 46.** Employers around the world were calling for their representatives to support employment generating policies, job creation, the development of environments friendly to job creation, and training and development programmes. Of course, these ambitions were wide-ranging and could only be achieved by paying attention to the quality of work; by ensuring international standards were maintained; by eliminating exploitation, child labour, and forced labour; by developing innovative social protection; and by making tripartism work for these aims and not against them.
- 47.** On behalf of the Employer representatives at the Conference, he called on the Government representatives to support the Governing Body's recommendations to the Conference concerning the programme and budget proposals, and also the scale of assessments of contributions for the 2002-03 financial period.
- 48.** Mr. Blondel, speaking on behalf of the Worker Vice-Chairperson of the Governing Body, observed that the draft Programme and Budget for 2002-03 was the product of long and fruitful discussions in the Programme, Financial and Administrative Committee and the Governing Body. The two main characteristics of this programme and budget were transparency and independence, which together emphasized a programme approach in line with the strategic budgeting framework adopted by the Organization.
- 49.** The budget provided the means for the ILO to carry out its work and the Workers had experienced some frustration during discussions on this important subject. After wide-ranging debate, a delicate balance had been struck on the level of resources for programmes, and it was gratifying to see that more attention would be given to performance measurement and control.
- 50.** The ILO budget was quite modest compared with those of other international organizations. Since 1977 the assessment rates for member States in the ILO had been based on their rates in the United Nations scale, with an adjustment for differences in membership, but the ILO was not bound to follow this practice and it should not be too difficult to reach agreement on minor changes to the scale of assessments. Strictly speaking it was not for the Workers to express an opinion on this matter, but in all conscience they could not ignore it, especially as these discussions concerned amounts payable by member States.
- 51.** Despite the concerns expressed by Workers the budget total for 2002-03 was only slightly above zero nominal growth. In dollar terms it represented a reduction from the budget level of 2000-01 and managers would be under constant pressure to find economies. A much better approach would be to establish the level of resources that corresponded to the true needs of the ILO. Despite these concerns, and in the interests of consensus, the Workers expressed full support for the Director-General's Programme and Budget proposals for 2002-03.

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- 52.** The representative of the United Kingdom, speaking on behalf of the IMEC group, recalled that at the Governing Body session in March it expressed support for the adoption of the draft scale of assessments for 2002-03 based on the scale adopted by consensus in the United Nations General Assembly, with the necessary changes for differences in membership. The IMEC group again expressed support for that decision. The long established practice of basing the ILO's scale on the scale adopted in New York should be continued. Indeed, it was a matter of common sense to do so. It would not be an efficient use of ILO resources to negotiate a separate scale. Anyone who had participated in Fifth Committee negotiations on assessment scales in New York would know what a complex, protracted and resource intensive process it was.
- 53.** Some countries might argue, quite rightly, that it was for the ILO to set its own scale. However, the decision for this Committee was not to endorse a decision taken by others in New York, but to endorse a decision taken by the ILO's own Governing Body in March. At that meeting there was no objection or reservation to the logic of adopting the New UN scale. The IMEC group itself would not stand to gain from this change, and many IMEC members would pay considerably more as a result of adopting the UN scale. IMEC supported the Governing Body decision because, in the long-term, it made sense politically, financially and administratively both for the ILO and for the United Nations system as a whole.
- 54.** Turning to the budget level for 2002-03, it would be clear to anyone reading the report of the budget discussion in the PFAC that the IMEC group did not have a common position on this issue. Many members had expressed their concerns about the level of the budget in March and formally reserved their right to return to this issue at this meeting. Many others supported the Director-General's proposals.
- 55.** However, in a spirit of compromise, the IMEC group would be prepared to accept the package set out in the documents before the Committee. In essence this would mean accepting both Governing Body decisions made in March, taking into account the reservations entered at that time. Admittedly, this would be difficult for a number of delegations both outside and inside IMEC, but this appeared to be the only option on the table that had a realistic chance of gaining the necessary two-thirds majority. Reopening discussion on the scale of assessments would mean doing the same for the budget level. This was not an outcome anyone wanted.
- 56.** The representative of Tunisia said that the Director-General's Programme and Budget proposals for 2002-03 clearly expressed the intention of the ILO to fulfil the four strategic objectives. These objectives were complementary and aimed at providing jobs for those who needed them but employment should take priority since the others depended on the creation of jobs. Special efforts were needed to solve the problems of poverty and unemployment in African countries, especially their high levels of indebtedness and also the imbalances which existed between developed and developing countries. The ILO should also reinforce its programmes in the Arab region, especially those in support of the Palestinian social partners, and also give more assistance to labour administrations in developing countries. She expressed appreciation for the support already given to the Arab Centre for Labour Administration and Employment in Tunis, but more should be done in view of the importance of its activities for the social partners in the Arab region. Although it would face an increase in its contributions, Tunisia was prepared to join the consensus in order to respond to the urgent needs of member States, particularly the developing countries.

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57. The representative of Namibia recalled that many different viewpoints were expressed during discussion of the Programme and Budget proposals for 2002-03 in the PFAC in March, and it was only after lengthy discussions that a consensus was reached.
 58. Many speakers had disagreed with the reduction in resources for employment programmes, and with the fact that some programmes would depend on uncertain extra-budgetary funding. After lengthy discussion the proposals were revised to include an additional \$5 million above the zero nominal growth level and after further discussion the PFAC reached a consensus on this level for the 2002-03 budget. The proposals now before this Committee were the result of an amicable compromise and he again expressed full support for them as they stood. He also expressed support for the scales of assessment for 2002-03 proposed in the Office document.
 59. The representative of Sweden, speaking on behalf of the member States of the European Union and also on behalf of Cyprus, the Czech Republic, Hungary, Lithuania, Poland and Slovakia, recalled that in March the Governing Body had decided by consensus to recommend to this Conference that it adopt the draft scales of assessment for 2002 and 2003 based on the new United Nations scales approved by the United Nations General Assembly in December 2000, with the necessary adjustments for differences in membership.
 60. This was the only reasonable decision the Governing Body could have taken. Basing the ILO's scale on the UN scale was a well-established practice, dating back to 1977. There were various reasons for this, one of the most important being that separate negotiations on a scale of assessment for the ILO would be unnecessarily burdensome and time consuming. This process would have to be repeated in all the UN specialized agencies, and would give unpredictable and varying results.
 61. The new UN scale had taken years of complex and time-consuming negotiations, but in the end the representatives in New York had managed to reach a consensus agreement which was acceptable to everyone. In the new scale some assessment rates were increased, some were decreased and others remained the same. It was important to remember the reasons behind these changes because serious thought went into the analysis of all the variables used to develop the new UN scale. It was based on many objective components and they were all carefully balanced in reaching the consensus in the General Assembly. One important consequence was that the poorest countries would have a smaller burden compared with the old scale. Contributions from the EU countries would increase slightly and in total they would contribute about 36 percent of the ILO's regular budget. He associated himself with comments by the United Kingdom representative on behalf of IMEC that if the scale of assessments was reopened for discussion then the same would happen to the budget level. This should be avoided.
 62. The representative of Guatemala thanked the Director-General for the Programme and Budget proposals for 2002-03, which adequately reflected the consensus view of all tripartite members. Her Government had supported both the programme and budget proposals and the revised scales of assessment that had been presented to the Governing Body in March 2001, and although some member countries might have difficulty with the scale of contributions, the ILO had applied the same pro rata scale as the United Nations since 1977 and this system should continue. As previous speakers had mentioned, protracted and detailed discussions had already taken place at the United Nations on the level of assessment of member States' contributions and it was not appropriate at this stage to try to establish criteria for an independent ILO scale. The programme and budget proposals had been discussed and agreed in a spirit of consensus and she urged the

Committee to adopt the budget so that the Organization could achieve its objectives for 2002-03.

- 63.** The representative of Portugal reiterated his agreement in principle with the programme and budget proposals that had been presented at the March session of the Governing Body. A rigid insistence on a zero-growth budget could compromise the operational objectives of the ILO so it was important to maintain a consensus in these discussions. Portugal was one of the countries that would see its contribution increase as a result of the adoption of the new scales of assessment but he supported both the budget and scales of assessment for 2002-03 agreed to by the Governing Body. The introduction of strategic budgeting within the ILO was a welcome development, and he endorsed the remarks made by the representative of the United Kingdom on behalf of IMEC as well as those made by the representative of Sweden on behalf of the European Union.
- 64.** The representative of Kenya expressed appreciation for the budget proposals for 2002-03, and he welcomed the efforts to present a zero-growth budget so as not to impose an additional burden on member States. He strongly supported the strategic objectives relating to the promotion and realization of standards and fundamental principles and rights at work through employment, the enhancement of the coverage and effectiveness of social protection for all and the strengthening of tripartism and social dialogue. Decent work was clearly a platform for an employment strategy in which basic worker and human rights should be upheld while the promotion of gender issues was central to the concept of decent work at a national and international level. The new programme on HIV/AIDS was particularly relevant given the current HIV/AIDS pandemic, and he welcomed the level of resources assigned to programmes aimed at protecting labour standards, abolishing child labour and promoting basic worker rights.
- 65.** The establishment of effective reporting mechanisms as part of a strategic budgeting approach was a welcome development as were efforts by the Director-General to establish strategic objectives and reporting systems for an analysis of implementation and the degree to which means of action were successful in achieving results. Performance indicators and continuous monitoring and evaluation were vital if results-based strategic budgeting was to be successful, and would depend on the efforts to improve accountability, enhance transparency and encourage greater coherence across operational activities. The programme and budget proposals for 2002-03 addressed the problems of globalization, unemployment, development and poverty, and the elimination of child labour, and he supported the recommendation of the Governing Body for their adoption by the Conference.
- 66.** The representative of Cuba expressed his appreciation for the Programme and Budget proposals for 2002-03, particularly in respect of the objectives of decent work. The new scales of assessment for the ILO gave cause for concern because it was important to take fuller account of the economic situation prevailing in each country as well as the added difficulties of many countries in an increasingly globalized economy. The scale of contributions adopted by the United Nations was initially applicable to UN contributions only and it was not necessarily or automatically to be adopted by other UN agencies. The new scale meant that some member States would benefit while others would suffer, in some cases substantially, and it was not fair that one country with 27 per cent of the world's wealth should benefit from an assessment reducing from 25 per cent to 22 per cent. The consensus decision by the Governing Body reflected the difficult negotiations that must have taken place, but more time was needed to analyse fully the implications of increases for developing countries. For the moment his Government would be prepared to support a consensus decision in support of the budget but it would reserve the right to reassess its position in respect of the adoption of the scales of assessment.

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67. The representative of Russian Federation reiterated his support for a zero nominal-growth budget but pointed out that some member States would still face an increase in their contributions. The proposals did not fully respond to many of the concerns expressed in the PFAC, but he was prepared to participate in the search for a consensus solution.
 68. The representative of Algeria thanked the Director-General for the Programme and Budget proposals for 2002-03, which reflected the comprehensive discussion in the Governing Body on crucial issues facing the ILO. The improved presentation of the programme and budget proposals was a welcome innovation although specific tools would be needed for a proper evaluation of programmes to see if targets had been achieved. The decline in extra-budgetary funds for technical cooperation activities was regrettable but the programme developed on HIV/AIDS was a move in the right direction and he encouraged the ILO to seek greater coordination with other organizations on this important issue. Turning to the scale of assessments, the ILO should continue to base its scale on that of the United Nations, which had been developed from reliable and objective country data.
 69. The representative of the Libyan Arab Jamahiriya reiterated his support for the Programme and Budget proposals for 2002-03, first expressed at the March session of the Governing Body. The UN scale of assessments should continue as the basis for the ILO scale and he encouraged member States to support the proposals and to demonstrate their commitment to the ILO by paying their contributions promptly.
 70. The representative of Burkina Faso thanked the Director-General for a clear and precise presentation of programme and budget proposals for the next biennium. He would have preferred a decrease in assessed contributions, but he acknowledged the importance of the ILO's work and the need to ensure that it had the financial resources to achieve its objectives. The final consensus on the proposals for 2002-03 had been agreed within a tripartite framework but many countries still believed that the resources allocated to technical cooperation activities should be increased if their concerns about employment creation programmes were to be met. He urged members of the Committee to give full support to the budget and scales of assessment for 2002-03 as presented in the office documents.
 71. The representative of Benin warned that a zero-growth budget might hinder the implementation of priority activities of the ILO, especially those related to technical cooperation. At the March session of the Governing Body he had supported the revised programme and budget proposals, which included \$5 million for certain cost increases and he urged the Committee to support the revised proposals in order to equip the ILO for the fight against poverty and help it strive for social peace and the abolition of child labour.
 72. The representative of Iraq thanked the Director-General for the clear and precise presentation of the Programme and Budget proposals for 2002-03. His country was one of those where the assessed contribution would increase if the new UN scale was to be adopted, and this was particularly unjust given the fact that the international community had imposed a crippling embargo on his country during the last ten years. He wished to express serious reservations about the methodology used to determine member States' assessments in the UN.
 73. The representative of Korea thanked the Director-General for the Programme and Budget proposals for 2002-03, which she acknowledged had been thoroughly discussed and debated in the Governing Body in March 2001. She wished to highlight the large increase in the rate of assessment for her country proposed by the adoption of the new UN scale of assessments. For the Republic of Korea, the scale of assessment would increase from 0.991 per cent in 2001 to 1.838 per cent in 2002, or from \$4.632 million in 2000-01 to \$7.977

million in 2002-03, an increase of \$3.345 million. This increase was too harsh and placed an unfair financial burden on her Government. The new scale that had been developed by the United Nations was the result of a long and complicated process of negotiation and compromise and those countries that had agreed to it, despite the resulting rise in individual contributions, did so with the understanding that the new rates would not automatically apply to the specialized agencies. While the application of the new rates to one agency might be small, the application to many agencies, to which similar increased contributions had to be made, amounted to an enormous sum. This was particularly the case for her Government where the new level of assessment was almost double the old rate. This was not to suggest that it wished to see a cut in the programme and budget proposals, although a zero nominal growth budget would be preferred to a zero real growth budget, nor should these comments be construed as an attempt by the Republic of Korea to oppose an increase in its contribution to the ILO. In fact, it was ready to increase its contribution to help with the important work of the ILO but any increase decided on should be introduced in a gradual and incremental manner.

- 74.** The representative of Japan fully supported the comments made by the representative of the United Kingdom on behalf of the IMEC group, especially those concerning the scales of assessment. Turning to the programme and budget proposals, he reiterated his support for a zero nominal-growth budget, the same position he had taken during discussions by the Governing Body in March 2001, but in a spirit of compromise he would be prepared to accept the revised package now before the Committee.
- 75.** The representative of Nigeria praised the efforts to minimize wastage and increase the efficiency of operational activities as well as services within the Office, which had helped to contain cost increases in the programme and budget proposals to \$5 million. He supported the creation of projects to strengthen the fight against the HIV/AIDS pandemic, an important issue for his country which had recently hosted a summit on this particular issue. Turning to the scales of assessment, it seemed logical for the ILO to base its scale on that of the UN, even though the rate for his country would be among those to be increased. The consolation was that the additional contribution would be used to finance the programme and budget proposals and in particular to help achieve the ILO's strategic objectives, by strengthening tripartism and social dialogue and enhancing programmes for the creation of employment. He expressed full support for the budget and scales of assessment for 2002-03 as presented in the office papers.
- 76.** The representative of Italy endorsed the comments made by the representative of the United Kingdom on behalf of the IMEC Group, and of the representative of Sweden on behalf of the European Union. He had supported the proposals of the Director-General for a zero real-growth budget from the outset and was particularly pleased with the programmes aimed at the elimination of AIDS as well as the development of a policy debate to address the social aspects of globalization. However, the Office might not have sufficient resources to be able to carry out this increased workload and he doubted that efficiency savings could make up the shortfall. The strategic approach to the programme and budget was a positive move and should produce results that ILO constituents would be happy with. He was pleased to endorse the budget proposals and scales of assessment for 2002-03. Italy had always been a strong supporter of the ILO and made a large contribution towards its extra-budgetary activities as well.
- 77.** The representative of China acknowledged the extensive work done by the Office in the preparation of the draft programme and budget proposals for 2002-03. The scale of assessments decided by the United Nations was the result of long and protracted negotiations that required compromise on the part of many governments. It was important to remember that the agreement reached at the United Nations should not automatically be

applied to other UN agencies and the adoption of the UN Scale by the ILO was not the most appropriate solution. The curious shifts in the scales of assessment, whereby contributions for 2002-03 would increase for many developing countries but decrease for many industrialized countries, did not seem to be in conformity with the individual countries' ability to pay, and further study and consideration should be given to the scales of assessment for 2002 and 2003.

- 78.** The representative of the United Arab Emirates, speaking on behalf of the member States of the Arab Gulf Cooperation Council, observed that although the proposed programme and budget called for an increase in contributions for some of these countries, they would support the revised proposals and also the new ILO scales of assessment for 2002-03. More efforts were needed to increase technical cooperation in the Gulf States and Arab countries in general, and to help find a solution to the problems in the Palestinian territories. He commended the work of the training centre currently in operation in Tunisia, but thought that ILO activities in the Arab countries would have a higher profile and be more widely appreciated if more ILO documents were available in Arabic.
- 79.** The representative of Brazil disagreed with the arguments presented in favour of basing the ILO scale on that of the UN and thought that the problems with that approach had not been properly discussed. However, he would not stand in the way of consensus, even though it was clear that the specialized agencies of the United Nations had the autonomy to adopt their own scales. If the UN methodology was to be adopted in the ILO then more attention should be given to the impact of changes in the rates of assessment on individual countries. As the representative of Korea had remarked, increases to rates of assessment should be gradual and incremental.
- 80.** The representative of New Zealand wished to congratulate the Director-General for the considerable efforts made to continue the reforms to the ILO's programming, budgeting and institutional structures. The Programme and Budget proposals for 2002-03 represented an important step in the consolidation of those reforms. The progress already made in the present biennium had been most encouraging and he would look forward to further refinements of the strategic budgeting process as signalled by the Director-General in his proposals. Some innovations had already been introduced in the current biennium, namely the development of a strategic policy framework to guide the work programmes, and also the greater emphasis on accountability, with the establishment of performance measures and indicators.
- 81.** For the 2002-03 biennium the regular budget reduction proposed for the employment sector was a matter of some concern. If employment was to be at the heart of "decent work" then its importance should be reinforced. As the Director-General noted in his Report *Reducing the decent work deficit: A global challenge*, there was no overstating the priority of job creation. Reducing the regular budget in this area was contrary to the message that the ILO should be giving about that priority. It would be interesting to see how the regions would respond to the challenges of decent work, and how they would deliver against the strategic and operational objectives of the next biennium's programme and budget. Evaluation was of prime importance in supporting the Organization's strategic programme and budget decision-making, and the development of the ILO's evaluation strategy in the next biennium would be a matter of particular interest. Experience showed that satisfying this particular need took commitment, time and expert resources.
- 82.** For several years now New Zealand had been consistent in its call for zero nominal growth. The Director-General had remarked that to keep absorbing all cost increases would result in a reduction in the substantive work of the Office. The efforts to identify efficiencies were to be commended, and the \$5 million added for cost increases in 2002-03

was a relatively small amount. But there was a principle involved here, and so far there was no reason to believe that the threshold for efficiency gains had been crossed. Despite that concern, he was prepared to support the package before the Committee today concerning the budget and the scales of assessment for 2002-03 as the only realistic basis for moving ahead. He associated himself fully with the statement made by the United Kingdom representative on behalf of the IMEC group.

- 83.** The representative of Argentina observed that the structure and presentation of the programme and budget in results-oriented terms would be a very useful management tool. He joined previous speakers who had expressed support for zero nominal growth and was pleased with the Director-General's efforts to absorb \$2 million of the \$7 million of additional funding originally requested. As several speakers had already mentioned, there was no realistic alternative but to continue with the consensus on the budget. The agreement on the United Nations scale of assessment of contributions came only after hard negotiations and discussions in the Fifth Committee, but members should remember that the resolution provided that it would not be automatically applicable to United Nations specialized agencies. Some countries would find it difficult to pay increased contributions. Many faced serious economic problems and for them it would be even harder. As earlier speakers had remarked, increases should be gradual and incremental and it would have been preferable to see some allowance for member States facing large increases in their contributions. Despite these reservations, he would join a consensus on the budget and scales of assessment for 2002-03 as set out in the Office documents.
- 84.** The representative of Egypt emphasized the need for priority to be given to combating unemployment and promoting decent work. Africa had an urgent need for ILO programmes, especially those dealing with gender equality and protection for vulnerable groups such as migrant workers, people with disabilities and children. Technical cooperation projects were vitally important, as were the assessment, monitoring and evaluation mechanisms that were a valuable tool for ensuring progress on the strategic objectives. However, experts were needed for following up such programmes in the field and multidisciplinary teams needed to be reinforced. Many developing countries in transition to a market economy needed social dialogue as a central element of labour programmes, and training activities in this field should receive greater priority in the ILO. More programmes were needed to assist migrant workers in an effort to facilitate their vocational training and help them settle in their host countries so their families could join them.
- 85.** The representative of India pointed out that in theory the apportionment of contributions in the UN system was based on the ability to pay. For developing countries even a small increase could pose difficulties. He had expressed concern about this matter in the March session of the Governing Body, and was not in favour of automatic application of the United Nations scale. In view of the difficulties of a sudden change to a new scale there should be discussion on a range of alternatives so that the Committee could reach a stronger consensus.
- 86.** The representative of Australia associated himself with the statement by the United Kingdom representative on behalf of the IMEC group, concerning both the programme and budget and also the scale of assessments for the 2002-03 financial period. He expressed support for the scales proposed by the Director-General and endorsed by the Governing Body and encouraged members of this Committee to adopt the scales by consensus. His country was among those which would pay more under the new scale but that was accepted as an inevitable consequence of the difficult negotiations in New York and a reflection also of changes in the latest available comparative economic data. He hoped that

the new assessment rates might provide a basis for a quick settlement of arrears owing by the largest member State.

- 87.** It was true that the New York resolution stated that the UN scale would not automatically apply in the specialized agencies. That was also Australia's position. However, as many delegations had acknowledged, there was no opposition to the principle of basing the ILO scale on that of the UN when this matter was discussed at the March session of the Governing Body. Nor had any alternative views been put forward since that time or in the lead up to the present discussion. Some delegations of course had quite legitimate concerns about the proposed scale of assessments, but it did seem that the time had passed for proposing alternatives or amendments to this proposal, which was first considered some months ago and was based on complex considerations agreed elsewhere.
- 88.** On the matter of the Programme and Budget for 2002-03, Australia had associated itself with a statement made at the Governing Body session in March by the representative of the Government of New Zealand, who expressed support for a zero nominal growth budget on the grounds that there was no evidence that the ILO had achieved all it could in terms of efficiency savings. This was still Australia's position, but in the interests of consensus on both the budget and scales of assessment for 2002-03 he was prepared to support the proposals in the Office documents as they stood.
- 89.** The representative of Norway expressed full support for the statement made by the United Kingdom representative on behalf of IMEC. The new approach to budget presentation was a move in the right direction and he supported the proposal to redistribute resources for initiatives such as decent work, HIV/AIDS, IPEC, and the Declaration on Fundamental Principles and Rights at Work. Further redistribution would probably be needed in the future, especially if more resources were to be shifted from headquarters to the field, as the Director-General had indicated in his opening remarks.
- 90.** The representative of Colombia appreciated the valuable work carried out by the ILO and was pleased that the programme and budget proposals aimed generally at increasing the ILO's efficiency in implementing priorities it had fixed for the decent work agenda. His major concern related to the new scale of contributions, which would involve a large increase for his country. With the process of structural adjustment taking place now, and the fiscal restrictions imposed because of the difficult financial situation at present, Colombia would have difficulty in paying its contribution to the ILO.
- 91.** The representative of the Republic of Korea observed that much of the discussion so far seemed to be based on the presumption that the compromise adopted in the March Governing Body session was the only way forward. However, the WHO had found a way around the problem of changes in assessment rates and with some modifications it might be a workable alternative in the ILO as well. The main features of the WHO solution were to allow the rate reductions as proposed in the new WHO scale, but then to freeze increased rates for 2002 at their previous levels. For the latter member States, WHO miscellaneous income would absorb 100 per cent of the shortfall in 2002 and 75 per cent in 2003. The cost of a similar scheme in the ILO was estimated at \$23 million but if a zero nominal growth budget was adopted, the preferred alternative for many member States, the \$5 million already included for cost increases could be used to reduce the shortfall to about \$18 million. One way of financing this amount would be for member States that benefited from having their rate increases frozen to contribute according to their new rates of assessment, but other schemes could be considered. The end result would be a measure of protection for countries with increased rates because the impact of higher contributions would be softened.

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- 92.** The representative of Guatemala requested clarification from the previous speaker on whether a compromise would result from that proposal. The cost in the ILO would be about 40 million Swiss francs, or \$23 million before the reduction of \$5 million of cost increases. The WHO solution had been based on the existence of a special adjustment fund for such purposes, which would actually pay the additional contributions that had been agreed. The proposals approved by the Governing Body in March had been a fragile consensus that might be jeopardized by proposing new arrangements and there should be some assurance that existing ILO programmes and activities could continue at the approved level.
- 93.** The representative of the Republic of Korea explained that the proposal could be financed first by reducing the \$23 million to \$18 million if the Committee agreed on a zero nominal growth budget, and member States with increased rates of assessment would pay their share of that amount rather than the original increase as assessed.
- 94.** The representative of the United Kingdom said that there was a significant difference between the Korean proposal and that adopted at the World Health Assembly. No member State would be worse off as a result of the arrangement adopted at the WHO since the mitigation given to those with increased assessment rates under the New York scale was funded by miscellaneous income in the WHO. Such a fund did not exist in the ILO, which meant that mitigation needed to be funded by cutting programme activity. It seemed that the vast majority of countries would lose out from such a proposal, which appeared to combine the worst elements from the WHO settlement and the proposal on the table.
- 95.** The representative of Sweden shared the views of the Guatemalan and United Kingdom representatives. Many member States would pay more and many would see cuts in ILO programmes if they accepted the new proposal, rather than continuing with the Governing Body's consensus. He urged members to accept the Governing Body's recommendation, otherwise the compromise it represented would be disturbed.
- 96.** The representative of Cuba welcomed the proposal, which opened up new possibilities in relation to the proposals contained in the Finance Committee document. He acknowledged that it was in the Governing Body that a consensus had been reached, but that organ did not represent all countries and Cuba had not taken part in the March 2001 decision. Statements by some speakers had appeared to confuse the picture. The ILO did not have to apply the UN scale, and it seemed that the basic principle of ability to pay had not been respected because the country with the world's largest GDP would see its contributions decline while poorer countries would be paying much more. In any case, the principle should be a gradual and incremental change in contributions to take account of the difficulties of poor countries facing globalization. The majority view was not always right and in view of the consequences for so many of the ILO member States the subject should be debated in depth.
- 97.** The representative of Portugal said it seemed that the Committee was close to a broad consensus, with only a few expressing reservations. Most governments were in favour of the programme and budget and the revised scales of assessment as discussed in the March 2001 session of the Governing Body. He would find it difficult to support this new proposal because it would involve reopening discussion on points where a consensus had already been reached.
- 98.** The representative of the Republic of Korea recognized the concerns of Committee members but explained that the proposal was not suggesting programme cuts. It assumed a zero nominal growth programme level and was based on the principle that both winners

and losers should share the burden of a revised scale of assessments. She asked all Committee members to give the proposal further thought.

- 99.** The representative of Brazil said that there was merit in the Republic of Korea's proposal and it should not be rejected out of hand. It certainly warranted further study and might even lead to a satisfactory result for all Committee members. He asked the Office to prepare a study on the proposal, and to circulate it to all members without prejudice to the Governing Body's recommendations.
- 100.** The representative of China agreed with the comments of the previous speaker. The proposal should be put in writing and distributed for consideration by all members.
- 101.** The representative of Guatemala asked whether all countries would have to make additional contributions under the proposal. Her own country could not afford to pay any more and she expressed strong reservations about the proposal as it stood. If this proposal constituted an amendment to the Governing Body's recommendation, what would be the procedure for amendments to the existing proposal within the Committee?
- 102.** The representative of Norway understood the concerns of the Republic of Korea and others facing increased contributions, but he was unhappy about reopening discussions in view of the consensus in the Governing Body, and the fact that the proposal involved a requirement to cut programmes.
- 103.** The representative of Namibia said that the consensus in the Governing Body appeared to be supported by a majority of this Committee. The principle behind the scale of assessments was essentially that wealthy countries should help those less fortunate. The concept of a shared burden was already reflected in the scales and he urged the Committee to support the budget and scales for 2002-03 as recommended by the Governing Body.
- 104.** The representative of Switzerland expressed support for the consensus reached in the Governing Body on the budget and also the scales of assessment. The new proposal would reopen too many issues at this late stage. For example, if cuts were necessary, which programmes would suffer? There were no quick answers to these questions and the Committee would avoid a long and difficult debate if it supported the consensus view in the Governing Body.
- 105.** The representative of the Netherlands was not sure how this proposal would work out in practice. The UN scale was based as much on capacity to pay as any other proposal which in theory might come forward. No doubt colleagues in New York were as much aware as colleagues here of the economic situation in their countries, which in any case changed over time as was no doubt reflected in the new scales. Her country was one of those to pay more, but it was in favour of a budget above zero real growth so that the ILO could carry out its mandate. The Director-General's proposals as amended and the Governing Body's decision to approve the package by consensus was therefore also a compromise for her Government. At this point it would not be a constructive move to reopen the discussion.
- 106.** The representative of Algeria thought that the proposal could spark an interminable debate. The WHO solution was a temporary one, based on certain criteria which did not apply in the ILO. A similar arrangement in the ILO would be much more difficult to establish.
- 107.** The representative of Burkina Faso expressed concern at the turn in the debate. There was a grave risk that the new proposal would undermine the consensus that already existed, and he associated himself fully with the remarks of the representative of Namibia.

108. The Chairperson said there were no more speakers calling for the floor and thought it would be useful to summarize the discussion so far:

1. There was a broad consensus around the position adopted at the March 2001 session of the Governing Body.
2. The consensus covered the programme and budget and also the scales of assessment of Members' contributions for 2002-03.
3. A number of concerns had been expressed by Argentina, Brazil, China, Colombia, Cuba, India, Iraq, the Republic of Korea, and the Russian Federation.
4. An amendment had been proposed by the representative of the Republic of Korea, with support expressed by Brazil, China, Cuba and others.
5. Many members had strong reservations about the proposal by the representative of the Republic of Korea.

With regard to the question from the representative of Guatemala on the Standing Orders of the Conference, the proposed amendment had to have support from a number of other delegations, which it appeared to have. Article 63, paragraph 3, provided that such a proposal could be admitted for discussion if it was submitted in writing in one of the official languages or Spanish. Article 63, paragraph 4 stated that it would have to be handed in to the secretariat by 5 p.m. for discussion at the meeting the next morning, or before 11 a.m. for the afternoon session of the same day. The Chairperson asked the representative of the Republic of Korea whether she wished to proceed in that way.

109. The representative of the Republic of Korea confirmed that she would prepare a proposal in writing.

110. The representative of Cuba observed that "broad consensus", as described by the Chairperson, could be interpreted in many different ways and much depended on the forum for discussion. Broad consensus could only exist where a proposal was discussed before adoption, with near unanimous approval during debate. The results of discussion on the budget proposals and scales of assessment for 2002-03 during this session of the Committee were unlikely to meet these criteria.

111. When the Committee reconvened on the afternoon of 7 June the Chairperson invited the representative of the Republic of Korea to put forward her revised proposal concerning the scales of assessment of contributions to the budget for the 2002-03 financial period.

112. The representative of the Republic of Korea expressed appreciation to the many members of the Committee who had commented on the proposal put forward by her delegation the previous afternoon, and in particular thanked the members of the Asia-Pacific group who had taken the time to express their views. The concerns as well as the support they and others had expressed had been fully registered with the Korean delegation. Many had found the idea worthy in itself, but regretted it seemed to be put forward too late in view of the procedure to be followed. The Korean delegation fully appreciated those sentiments.

113. From these initial responses it appeared that there was not sufficient support at this point to pursue it to a successful conclusion, and it had therefore been decided not to submit it as an official proposal.

114. However, she expressed concern that the increase Korea was being asked to make in its contribution under the proposed new scale of assessment was too big and too sudden. In

principle, any increase should be gradual and incremental, and the “no automatic implementation” clause in the UN General Assembly resolution should be upheld.

- 115.** In keeping with its long tradition of full cooperation to ensure the smooth running of the ILO, the Republic of Korea was prepared to make the very difficult decision to join the consensus in approving the budget and scales of assessment for 2002-03 as prepared by the Office. Its commitment to the activities and programmes of the ILO remained as strong as ever, and she expressed appreciation to the Committee for the attention it had given to the proposal, which it was hoped had helped the Committee in its deliberations.
- 116.** The representative of South Africa, speaking on behalf of the African Government Group, expressed support for the Director-General’s Programme and Budget proposals for 2002-03 as set out in the Office documents. In their view, the proposals were a carefully crafted compromise agreed at the Governing Body discussions in March.
- 117.** The African Governments wished to place on record their concern that under the new scales of assessment many developing countries would be asked to pay more, when several developed countries would benefit from reduced assessment rates. This situation should be carefully investigated during future negotiations on the budget. Apart from this one reservation the African Governments reiterated their full support for the Programme and Budget for 2002-03 and urged the Committee to recommend it for adoption by the Conference.
- 118.** The representative of Sweden, speaking again on behalf of the European Union member States as well as Cyprus, the Czech Republic, Hungary, Lithuania, Poland and Slovakia, was pleased to see the consensus again in favour of the budget proposals and scales of assessment for 2002-03 as contained in the Office documents, and he urged the Committee to give them full support.
- 119.** The representative of South Africa recalled that in March the Governing Body had reached a compromise on the Programme and Budget for 2002-03 after complex discussions in which the African group had joined the consensus. The ILO’s regional programmes for 2002-03 were extremely important because the African countries in particular were in dire need of technical cooperation assistance from the ILO to help in the efforts to alleviate poverty through decent work.
- 120.** The compromise took into account a number of the top priorities for Africa: HIV/AIDS programmes; employment creation, in particular the reinforcement of resources to the Jobs for Africa programme and employment programmes; elimination of child labour and standards-related activities; social protection; and social dialogue.
- 121.** With regard to the proposed scales of assessment for 2002-03, South Africa was one of those countries that would experience an increase in its contributions, but in view of the valuable work carried out in Africa by the ILO he expressed support for both the scales of assessment and programme and budget for 2002-03.
- 122.** The representative of Lebanon expressed general support for the proposed programme and budget for 2002-03 but urged the Office to look at ways in which additional regular budget resources could be made available for programmes in the Arab countries. At the moment there appeared to be too much reliance on extra-budgetary resources for these programmes. More support should also be given to the Arab Centre for Labour Administration and Employment in Tunis, a joint programme between the Arab Labour Organization and the ILO. She urged the Office to make more of its documents available in Arabic, and the ILO

should consider it as a working language in line with the practice in some other international organizations.

- 123.** The representative of Portugal observed that his country too was one of those that would experience an increase in contributions under the new scales of assessment proposed for 2002-03. In the PFAC discussions in March he was in favour of a zero nominal growth budget for 2002-03 but had joined the consensus in favour of the Director-General's amended proposals, representing zero nominal growth plus an additional \$5 million for certain cost increases. It appeared that a consensus had been restored on both the budget and the scale of assessments for 2002-03, and he urged the Committee to approve them as they stood.
- 124.** The representative of the Syrian Arab Republic pointed out that the scales of assessment proposed for 2002-03 would have serious implications for some countries and he hoped that the UN Committee on Contributions would be able to make information available on how these rates were decided.
- 125.** The representative of Slovakia associated himself with the statement by the representative of Sweden on behalf of the European Union, and agreed also with the compromise reached at the last Governing Body session on the Programme and Budget for 2002-03. Nevertheless, the ILO should look at ways of expanding its programmes in Central and Eastern Europe. The Turin Centre courses could be especially helpful but for countries in transition they were rather expensive. The Office could perhaps look at ways in which participants from this region could be helped.
- 126.** The representative of Algeria expressed appreciation for the statement by the representative of Korea, which would restore the consensus in favour of the budget for 2002-03. It was only after extensive discussions during the March Governing Body that a consensus had been reached and he hoped that this Committee also stressed the importance of programmes for employment generation, social protection and social dialogue which were part of the strategic objectives of the ILO.
- 127.** The representative of Chile said that his country also was one of those that would see an increase in its contributions under the new scales of assessment. However, the budget for 2002-03 included many programmes in aid of developing countries and he was pleased to express full support for both the budget and the revised scale of assessments.
- 128.** The representative of Morocco associated herself with the statement made on behalf of the African Government Group and observed that her country's contribution would be among those to increase. She welcomed the statement by the representative of Korea, which would help maintain the consensus in the Committee, and expressed full support for the budget and scale of assessments for 2002-03.
- 129.** The representative of Panama was pleased to see the range of programmes for developing countries included in the Programme and Budget proposals for 2002-03 and was pleased to express full support for them as they stood.
- 130.** The representative of Mexico was pleased to see the increased resources for employment activities in the Director-General's revised proposals at the March session of the Governing Body, and was pleased to reiterate her full support for the proposals in this Committee.
- 131.** The representative of Uruguay pointed out that the ILO was not forced to adopt a scale of assessments based on that of the UN. It was by no means certain that the scales proposed

for 2002-03 took proper account of member States' ability to pay, but again in a spirit of consensus she would support both the budget and the scale of assessments for 2002-03.

- 132.** The representative of Cuba agreed with the remarks of the previous speaker and was concerned for the many developing countries facing increased assessment rates. Sudden adjustments were wrong in principle and a methodology should be established to ensure that changes were brought in gradually. Despite these concerns, he was prepared to join the consensus in favour of the budget and scale of assessments for 2002-03.
- 133.** The Chairperson expressed his appreciation to Committee members for their helpful and constructive comments on the programme and budget proposals and the scale of assessments for 2002-03. It was only after lengthy discussion on both these subjects that a consensus had been reached in the Governing Body in March, and it was gratifying to see that this consensus had been maintained in this Committee. He assured members that the report of the Committee's discussion would fully reflect all the concerns and reservations expressed by members.
- 134.** In the absence of further requests from the floor, the Chairperson then referred to Report II, and asked whether the Committee was prepared to accept the Governing Body's recommendation concerning the Programme and Budget for 2002-03 contained in paragraph 6 on page 2, and also its recommendation concerning the scales of assessment of contributions for 2002-03 contained in paragraph 2 on page 5.
- 135.** *Subject to the positions taken and reservations expressed during the course of discussion, the Committee agreed to recommend to the Conference that it adopt the resolution for the Programme and Budget for 2002-03 as set out in Report II, page 2, paragraph 7. It noted that the US dollar totals for expenditure and income, also the Swiss franc equivalent and the budget exchange rate, would be available after the Office had executed the forward purchase contracts for the 2002-03 biennium and would be available to the Committee for its information in a separate document when it met to adopt the report of this meeting.*
- 136.** *The Committee also recommends that the Conference adopt the resolution for the assessment of members States' contributions for the years 2002 and 2003, the text of which appears at the end of this report.*
- 137.** The representative of the United Kingdom congratulated the Chairperson on reaching consensus and expressed appreciation to the representative of Korea for showing flexibility, which had enabled the Committee to maintain its consensus on both the budget and scale of assessments for 2002-03. The United Kingdom believed that the ILO would have been adequately resourced at zero nominal growth. The Director-General had not yet made a convincing case that further efficiency gains were impossible and it should certainly have been able to absorb the extra \$5 million added for cost increases, a very modest amount when compared with savings being achieved in other international organizations, such as the \$58 million of efficiency savings absorbed by the WHO in 2000-01 and the \$28 million of efficiency savings they would absorb in 2002-03. These savings went beyond cuts in administration costs. Programmes could be delivered more efficiently without affecting outputs, and the resources saved could be redirected to priority areas such as HIV/AIDS. Given the above, the United Kingdom would take an extremely sceptical line if the ILO asked for additional resources at any point in the next biennium, for example for the new activities proposed for the Working Party, which could be financed from efficiency savings. The United Kingdom would also insist on any surpluses

in the biennium, such as those that might be created by the repayment of arrears, being repaid to member States.

- 138.** The representative of Australia said that as a member of the Asia-Pacific group he wished to express thanks to the representative of the Republic of Korea for its efforts to consult other members on the proposal it had put forward the previous day, and especially for the graciousness of its earlier intervention advising that it had decided not to proceed.
- 139.** Yesterday he had expressed support for the package which the Committee had now agreed to adopt on a consensus basis. Like the previous speaker, he wished to reiterate that while he accepted the package as a practical solution the position of his Government was to support a zero nominal growth budget. There was still no compelling case for the \$5 million increase, and the Director-General and the Office should continue to pursue efficiency savings and to encourage the prudent use of the funds provided by member States.
- 140.** The representative of Japan said that it was in a spirit of compromise that he joined the consensus on the budget and scale of assessments for 2002-03 because the Japanese delegation was convinced that the scale of assessments should not be reopened for discussion. He expressed support for the statement by the United Kingdom representative and reiterated that his Government's policy in favour of zero nominal growth remained unchanged. The Office should continue its efforts to find savings wherever possible.
- 141.** The representative of New Zealand was pleased to see that the Committee had accepted by consensus the Director-General's budget proposals and scale of assessments for 2002-03 as a package. He expressed full support for that consensus and wished to acknowledge particularly the statement by the Republic of Korea which had enabled that consensus to be maintained. His Government's support for the principle of zero nominal growth remained undiminished, and it was a matter for concern to see ILO budgets prepared under the assumption that cost increases would be automatically compensated. There was still considerable capacity for the ILO to deliver services effectively within the constraint of zero nominal growth by pursuing efficiency gains. New priorities should be met from such gains and by switching resources from other activities of lower priority.
- 142.** The representative of the United States reiterated support for a zero nominal growth budgetary regime. A substantial measure of compromise had been needed to reach agreement on the budget and scale of assessments for 2002-03 and he expressed appreciation to all members, most especially the Republic of Korea, who had been willing to compromise to maintain the consensus.
- 143.** The representative of Sweden was happy to accept the increase of \$5 million above the zero nominal growth level and was pleased to join the consensus in favour of both the budget and scale of assessments for 2002-03.
- 144.** The representative of Canada recalled that at the budget discussions at the March session of the Governing Body he had expressed strong support for the principle of zero nominal growth, but he was happy now to join the consensus position on the budget and scale of assessments for 2002-03.
- 145.** The representative of France was also pleased to join the consensus position. Admittedly, not all constituents were happy and he understood the reservations about the scales of assessment. Furthermore, as the Director-General had remarked, the ILO did not have a budget which matched the demands of its mandate, and the existence of extra-budgetary

funding should not retard the expansion of the regular budget. Extra-budgetary funding would not be sufficient, especially for priority programmes.

146. Mr. Blondel, for the Workers, and Mr. Botha, for the Employers, expressed appreciation for the consensus position maintained on the budget and scales of assessment for 2002-03, and were pleased to see a spirit of cooperation and concern for the principles of tripartism so evident in the work of this Committee.

Resolution for the adoption of the Programme and Budget for 2002-03 and the allocation of the budget of income among member States

147. The new document FC/D.4 now before the Committee contained summarized details of the Programme and Budget proposals for 2002-03. Following the decision in favour of the Governing Body's recommendation concerning the Programme and Budget, the Office had carried out the forward exchange contracts for the ILO's US dollar requirements for the 2002-03 biennium. The appropriate figures now to be inserted in the formal resolution were:

Budget of expenditure	US\$434,040,000
Budget of income	US\$434,040,000
Budget rate of exchange	1.77 Swiss francs to US\$1
Equivalent budget total in Swiss francs	CHF768,250,800

These figures appeared in the final text of the resolution included in document FC/D.4.

148. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Appendices

149. The provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, are reproduced in Appendix I to this report.
150. Draft scales for the assessment of contributions for the years 2002 and 2003 are attached as Appendices II and III to this report.
151. A table showing the proposed summarized budget of expenditure and income for 2002-03 is attached to this report (Appendix IV), together with a summary of the proposed expenditure budget for 2002-03 by appropriation line (Appendix V).
152. A statement showing the contributions due from each member State for 2002 is also attached as Appendix VI.

Geneva, 13 June 2001.

(Signed) J.-J. Elmiger,
Chairperson and Reporter.

Resolutions submitted to the Conference

Resolution concerning the arrears of contributions of the Central African Republic

The General Conference of the International Labour Organization,

Having regard to paragraph 7 of article 10 of the Financial Regulations,

Accepts the arrangement proposed by the Government of the Central African Republic for the settlement of its arrears of contributions due for the period 1994-2000 to the effect that:

- (a) in 2001, the Government of the Central African Republic will pay in full its contribution for the year 2001;
- (b) in subsequent years, the Government of the Central African Republic will continue to pay its current contribution in full in the year for which it is due;
- (c) the Government of the Central African Republic will settle arrears that have accumulated up to and including 31 December 2000, amounting to 156,109 Swiss francs, by payment, beginning in 2002, of 19 annual instalments of 7,805 Swiss francs and a final instalment of 7,814 Swiss francs.

Decides that the Central African Republic shall be permitted to vote, in accordance with paragraph 4 of article 13 of the Constitution of the International Labour Organization, after the conclusion of the present business.

Resolution concerning amendments to the Financial Regulations

The General Conference of the International Labour Organization,

Recognizing that amendments to the Financial Regulations are required to put into effect the direct use of arrears of contributions received to reimburse the Working Capital Fund or to repay amounts borrowed to finance a cash deficit in a previous financial period;

Decides to make the following amendments to the Financial Regulations:¹

Article 18

1. The excess [or shortfall of income over expenditure] **of income over expenditure (surplus) or the shortfall in income compared with expenditure (deficit)** in any complete financial period shall be calculated by deducting budgetary expenditure from budgetary income with a financial provision being made for delays in the payment of contributions. Such provision shall amount to 100 per cent of the contributions unpaid at the [date of the financial statements at the] end of the financial period.

¹ Additions are shown in bold type; deletions are indicated by square brackets.

2. Any such [excess of income over expenditure] **surplus**, expressed in Swiss francs calculated at the budget rate of exchange for that financial period, shall be used to reduce the contributions of Members in the following way: Members which paid their ordinary contributions in the financial period in which this surplus accrued shall have their share of the surplus deducted from their contributions assessed for the second year of the succeeding financial period; other Members shall not be credited with their share until they have paid the contributions due from them for the financial period in which the surplus accrued. When they have done so their share of such surplus shall be deducted from their contributions assessed for the first year of the next financial period for which a budget is adopted after such payment.

Article 21

1. (No change.)

2. If any sums withdrawn from the Working Capital Fund or borrowed to finance [budgetary] expenditure [pending receipt of contributions or other income and/or expenditure incurred in the financing of contingencies and emergencies under prior authorization of the Governing Body] cannot be reimbursed in the course of the same financial period, **then:**

- (a) **to the extent that the sums were withdrawn or borrowed to finance budgetary expenditure pending the receipt of contributions or other income, they shall be reimbursed from arrears of contributions received in the following financial period or periods;**
- (b) **to the extent that the sums were withdrawn or borrowed to finance expenditure incurred in respect of contingencies or emergencies under prior authorization of the Governing Body, they** [owing to the fact that the total budgetary income for the period falls short of total authorized expenditure incurred during the period, the sums so borrowed or withdrawn] shall be reimbursed to the lender or lenders and to the Fund in the second year of the next following financial period by adding to the contributions assessed on member States for that year an additional assessment in Swiss francs equivalent to the amount so borrowed or withdrawn[:], provided that temporary surpluses [of budgetary income over expenditure occurring at any time] shall be utilized to the extent possible to reduce the amount of outstanding loans or advances.

3. (No change).

Resolution concerning the composition of the Administrative Tribunal of the International Labour Organization

The General Conference of the International Labour Organization,

Decides, in accordance with Article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the appointment of Mr. Michel Gentot (France) and that of Mr. Jean-François Egli (Switzerland) for a term of three years.

Resolution concerning appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)

The General Conference of the International Labour Organization,

Appoints to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) for a period of three years until 8 October 2004, the following members and alternate members:

Members:

Mr. W. Ringkamp (Government, Germany)

Mr. M. Barde (Employer)

Mr. M. Blondel (Worker)

Alternate members:

Mr. R. Schibli (Switzerland)

Mr. P. Simonsen (Denmark)

Mr. A. Young (United Kingdom)

Resolution concerning the assessment of contributions of new member States

The General Conference of the International Labour Organization,

Decides, in accordance with article 9, paragraph 2, of the Financial Regulations, that the contribution of the Federal Republic of Yugoslavia to the ILO budget for the period of its membership in the Organization in 2000 and 2001 be based on an annual assessment rate of 0.026 per cent and 0.020 per cent respectively.

Resolution concerning the scales of assessment to the budget for the 2002-03 biennium

The General Conference of the International Labour Organization,

Decides, in accordance with article 9, paragraph 2 of the Financial Regulations, to adopt the draft scales of assessment for the years 2002 and 2003 as set out in column 3 of Appendix II and Appendix III respectively to this report.

Resolution concerning the adoption of the Programme and Budget for 2002-03 and the allocation of the budget of income among member States

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 68th financial period, ending 31 December 2003, the budget of expenditure of the International Labour Organization amounting to US\$434,040,000 and the budget of income amounting to US\$434,040,000, which, at the budget rate of exchange of 1.77 Swiss francs to the US dollar, amounts to 768,250,800 Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Appendix I

Relevant provisions of the Constitution of the International Labour Organization and the Standing Orders of the International Labour Conference

Paragraph 4 of article 13 of the Constitution of the Organization provides as follows:

4. A Member of the Organization which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the Conference, in the Governing Body, in any committee or in the election of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years: Provided that the Conference may by a two-thirds majority of the votes cast by the delegates present permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

Articles 31 and 32 of the Standing Orders of the Conference provide as follows:

ARTICLE 31

Procedure where proposal is made to permit a Member in arrears to vote

1. Any request or proposal that the Conference should nevertheless permit a Member which is in arrears in the payment of its contributions to vote in accordance with article 13, paragraph 4, of the Constitution shall be referred in the first instance to the Finance Committee of the Conference, which shall report thereon as a matter of urgency.

2. Pending a decision on the request or proposal by the Conference, the Member shall not be entitled to vote.

3. The Finance Committee shall submit to the Conference a report giving its opinion on the request or proposal.

4. If the Finance Committee, having found that the failure to pay is due to conditions beyond the control of the Member, thinks fit to propose to the Conference that the Member should nevertheless be permitted to vote in accordance with article 13, paragraph 4, of the Constitution, it shall in its report:

- (a) explain the nature of the conditions beyond the Member's control;
- (b) give an analysis of the financial relations between the Member and the Organization during the preceding ten years; and
- (c) indicate the measures which should be taken in order to settle the arrears.

5. Any decision which may be taken by the Conference to permit a Member which is in arrears in the payment of its contributions to vote notwithstanding such arrears may be made conditional upon the Member complying with any recommendations for settling the arrears which may be made by the Conference.

ARTICLE 32

Period of validity of a decision to permit a Member in arrears to vote

1. Any decision by the Conference permitting a Member which is in arrears in the payment of its contributions to vote shall be valid for the session of the Conference at which the decision is taken. Any such decision shall be operative in regard to the

Governing Body and committees until the opening of the general session of the Conference next following that at which it was taken.

2. Notwithstanding the provisions of paragraph 1 of this article, after the Conference has approved an arrangement under which the arrears of a Member are consolidated and are payable in annual instalments over a period of years, the Member shall be permitted to vote provided that, at the time of the vote concerned, the Member has fully paid all instalments under the arrangement, as well as all financial contributions under article 13 of the Constitution that were due before the end of the previous year. For any Member which, at the close of the session of the Conference, has not fully paid all such instalments and contributions due before the end of the previous year, the permission to vote shall lapse.

Appendix II

Scale of Assessments

States	ILO assessment 2001 <i>Col. 1</i> %	UN assessment 2002 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2002 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Afghanistan	0.003	0.007	0.007	0.004
Albania	0.003	0.003	0.003	-
Algeria	0.085	0.071	0.070	(0.015)
Angola	0.010	0.002	0.002	(0.008)
Antigua and Barbuda	0.002	0.002	0.002	-
Argentina	1.086	1.159	1.141	0.055
Armenia	0.006	0.002	0.002	(0.004)
Australia	1.460	1.640	1.615	0.155
Austria	0.928	0.954	0.939	0.011
Azerbaijan	0.011	0.004	0.004	(0.007)
Bahamas	0.015	0.012	0.012	(0.003)
Bahrain	0.017	0.018	0.018	0.001
Bangladesh	0.010	0.010	0.010	-
Barbados	0.008	0.009	0.009	0.001
Belarus	0.056	0.019	0.019	(0.037)
Belgium	1.087	1.138	1.121	0.034
Belize	0.001	0.001	0.001	-
Benin	0.002	0.002	0.002	-
Bolivia	0.007	0.008	0.008	0.001
Bosnia Herzegovina	0.004	0.004	0.004	-
Botswana	0.010	0.010	0.010	-
Brazil	1.449	2.093	2.061	0.612
Bulgaria	0.011	0.013	0.013	0.002
Burkina Faso	0.002	0.002	0.002	-
Burundi	0.001	0.001	0.001	-
Cambodia	0.001	0.002	0.002	0.001
Cameroon	0.013	0.009	0.009	(0.004)
Canada	2.690	2.579	2.540	(0.150)
Cape Verde	0.002	0.001	0.001	(0.001)
Central African Republic	0.001	0.001	0.001	-
Chad	0.001	0.001	0.001	-
Chile	0.134	0.187	0.184	0.050
China	0.980	1.545	1.521	0.541
Colombia	0.107	0.171	0.168	0.061
Comoros	0.001	0.001	0.001	-
Congo	0.003	0.001	0.001	(0.002)
Costa Rica	0.016	0.020	0.020	0.004
Côte d'Ivoire	0.009	0.009	0.009	-
Croatia	0.029	0.039	0.038	0.009
Cuba	0.024	0.030	0.029	0.005
Cyprus	0.033	0.038	0.037	0.004

Scale of Assessments

States	ILO assessment 2001 <i>Col. 1</i> %	UN assessment 2002 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2002 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Czech Republic	0.105	0.172	0.169	0.064
Dem.Republic of the Congo	0.007	0.004	0.004	(0.003)
Denmark	0.681	0.755	0.743	0.062
Djibouti	0.001	0.001	0.001	-
Dominica	0.001	0.001	0.001	-
Dominican Republic	0.015	0.023	0.022	0.007
Ecuador	0.020	0.025	0.024	0.004
Egypt	0.064	0.081	0.080	0.016
El Salvador	0.012	0.018	0.018	0.006
Equatorial Guinea	0.001	0.001	0.001	-
Eritrea	0.001	0.001	0.001	-
Estonia	0.012	0.010	0.010	(0.002)
Ethiopia	0.006	0.004	0.004	(0.002)
Fiji	0.004	0.004	0.004	-
Finland	0.535	0.526	0.518	(0.017)
France	6.445	6.516	6.417	(0.028)
Gabon	0.015	0.014	0.014	(0.001)
Gambia	0.001	0.001	0.001	-
Georgia	0.007	0.005	0.005	(0.002)
Germany	9.707	9.845	9.695	(0.012)
Ghana	0.007	0.005	0.005	(0.002)
Greece	0.346	0.543	0.535	0.189
Grenada	0.001	0.001	0.001	-
Guatemala	0.018	0.027	0.026	0.008
Guinea	0.003	0.003	0.003	-
Guinea-Bissau	0.001	0.001	0.001	-
Guyana	0.001	0.001	0.001	-
Haïti	0.002	0.002	0.002	-
Honduras	0.003	0.004	0.004	0.001
Hungary	0.118	0.121	0.119	0.001
Iceland	0.031	0.033	0.032	0.001
India	0.294	0.344	0.339	0.045
Indonesia	0.185	0.201	0.198	0.013
Iran, Islamic Republic of	0.158	0.236	0.232	0.074
Iraq	0.031	0.102	0.100	0.069
Ireland	0.221	0.297	0.292	0.071
Israel	0.345	0.418	0.412	0.067
Italy	5.354	5.104	5.026	(0.328)
Jamaica	0.006	0.004	0.004	(0.002)
Japan	20.260	19.669	19.369	(0.891)
Jordan	0.006	0.008	0.008	0.002

Scale of Assessments

States	ILO assessment 2001 <i>Col. 1</i> %	UN assessment 2002 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2002 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Kazakhstan	0.047	0.029	0.028	(0.019)
Kenya	0.007	0.008	0.008	0.001
Kiribati	0.001	0.001	0.001	-
Korea, Republic of	0.991	1.866	1.838	0.847
Kuwait	0.126	0.148	0.146	0.020
Kyrgyzstan	0.006	0.001	0.001	(0.005)
Lao People's Dem. Rep.	0.001	0.001	0.001	-
Latvia	0.017	0.010	0.010	(0.007)
Lebanon	0.016	0.012	0.012	(0.004)
Lesotho	0.002	0.001	0.001	(0.001)
Liberia	0.002	0.001	0.001	(0.001)
Libyan Arab Jamahiriya	0.122	0.067	0.066	(0.056)
Lithuania	0.015	0.017	0.017	0.002
Luxembourg	0.067	0.080	0.079	0.012
Madagascar	0.003	0.003	0.003	-
Malawi	0.002	0.002	0.002	-
Malaysia	0.180	0.237	0.233	0.053
Mali	0.002	0.002	0.002	-
Malta	0.014	0.015	0.015	0.001
Mauritania	0.001	0.001	0.001	-
Mauritius	0.009	0.011	0.011	0.002
Mexico	0.980	1.095	1.078	0.098
Moldova, Republic of	0.010	0.002	0.002	(0.008)
Mongolia	0.002	0.001	0.001	(0.001)
Morocco	0.040	0.045	0.044	0.004
Mozambique	0.001	0.001	0.001	-
Myanmar	0.008	0.010	0.010	0.002
Namibia	0.007	0.007	0.007	-
Nepal	0.004	0.004	0.004	-
Netherlands	1.607	1.751	1.724	0.117
New Zealand	0.218	0.243	0.239	0.021
Nicaragua	0.001	0.001	0.001	-
Niger	0.002	0.001	0.001	(0.001)
Nigeria	0.031	0.056	0.055	0.024
Norway	0.601	0.652	0.642	0.041
Oman	0.050	0.062	0.061	0.011
Pakistan	0.058	0.061	0.060	0.002
Panama	0.013	0.018	0.018	0.005
Papua New Guinea	0.007	0.006	0.006	(0.001)
Paraguay	0.014	0.016	0.016	0.002
Peru	0.097	0.119	0.117	0.020
Philippines	0.080	0.101	0.099	0.019

Scale of Assessments

States	ILO assessment 2001 <i>Col. 1</i> %	UN assessment 2002 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2002 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Poland	0.193	0.319	0.314	0.121
Portugal	0.424	0.466	0.459	0.035
Qatar	0.032	0.034	0.033	0.001
Romania	0.055	0.059	0.058	0.003
Russian Federation	1.061	1.200	1.182	0.121
Rwanda	0.001	0.001	0.001	-
Saint Kitts and Nevis	0.001	0.001	0.001	-
Saint Lucia	0.001	0.002	0.002	0.001
Saint Vincent and Grenadines	0.001	0.001	0.001	-
San Marino	0.002	0.002	0.002	-
Sao Tome and Principe	0.001	0.001	0.001	-
Saudi Arabia	0.553	0.559	0.550	(0.003)
Senegal	0.006	0.005	0.005	(0.001)
Seychelles	0.002	0.002	0.002	-
Sierra Leone	0.001	0.001	0.001	-
Singapore	0.176	0.396	0.390	0.214
Slovakia	0.034	0.043	0.042	0.008
Slovenia	0.060	0.081	0.080	0.020
Solomon Islands	0.001	0.001	0.001	-
Somalia	0.001	0.001	0.001	-
South Africa	0.360	0.411	0.405	0.045
Spain	2.551	2.539	2.500	(0.051)
Sri Lanka	0.012	0.016	0.016	0.004
Sudan	0.007	0.006	0.006	(0.001)
Suriname	0.004	0.002	0.002	(0.002)
Swaziland	0.002	0.002	0.002	-
Sweden	1.063	1.035	1.019	(0.044)
Switzerland	1.196	1.274	1.255	0.059
Syrian Arab Republic	0.063	0.081	0.080	0.017
Tajikistan	0.004	0.001	0.001	(0.003)
Tanzania, United Republic of	0.003	0.004	0.004	0.001
Thailand	0.167	0.254	0.250	0.083
The form.Yug.Rep.of Macedonia	0.004	0.006	0.006	0.002
Togo	0.001	0.001	0.001	-
Trinidad and Tobago	0.016	0.016	0.016	-
Tunisia	0.028	0.031	0.030	0.002
Turkey	0.433	0.444	0.437	0.004
Turkmenistan	0.006	0.003	0.003	(0.003)
Uganda	0.004	0.005	0.005	0.001
Ukraine	0.187	0.053	0.052	(0.135)
United Arab Emirates	0.175	0.204	0.201	0.026
United Kingdom	5.014	5.579	5.494	0.480

Scale of Assessments

States	ILO assessment 2001 <i>Col. 1</i> %	UN assessment 2002 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2002 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
United States of America	25.000	22.000	22.000	(3.000)
Uruguay	0.047	0.081	0.080	0.033
Uzbekistan	0.025	0.011	0.011	(0.014)
Venezuela	0.157	0.210	0.207	0.050
Viet Nam	0.007	0.013	0.013	0.006
Yemen	0.010	0.007	0.007	(0.003)
Yugoslavia, Federal Republic of	0.020	0.020	0.020	-
Zambia	0.002	0.002	0.002	-
Zimbabwe	0.009	0.008	0.008	(0.001)
	<u>99.994</u>	<u>101.208</u>	<u>100.000</u>	<u>0.006</u>

Appendix III

Scale of Assessments

States	ILO assessment 2002 <i>Col. 1</i> %	UN assessment 2003 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2003 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Afghanistan	0.007	0.00900	0.00900	0.00200
Albania	0.003	0.00300	0.00300	-
Algeria	0.070	0.07000	0.06900	(0.00100)
Angola	0.002	0.00200	0.00200	-
Antigua and Barbuda	0.002	0.00200	0.00200	-
Argentina	1.141	1.14900	1.13100	(0.01000)
Armenia	0.002	0.00200	0.00200	-
Australia	1.615	1.62700	1.60200	(0.01300)
Austria	0.939	0.94700	0.93200	(0.00700)
Azerbaijan	0.004	0.00400	0.00400	-
Bahamas	0.012	0.01200	0.01200	-
Bahrain	0.018	0.01800	0.01800	-
Bangladesh	0.010	0.01000	0.01000	-
Barbados	0.009	0.00900	0.00900	-
Belarus	0.019	0.01900	0.01900	-
Belgium	1.121	1.12900	1.11200	(0.00900)
Belize	0.001	0.00100	0.00100	-
Benin	0.002	0.00200	0.00200	-
Bolivia	0.008	0.00800	0.00800	-
Bosnia Herzegovina	0.004	0.00400	0.00400	-
Botswana	0.010	0.01000	0.01000	-
Brazil	2.061	2.39000	2.35300	0.29200
Bulgaria	0.013	0.01300	0.01300	-
Burkina Faso	0.002	0.00200	0.00200	-
Burundi	0.001	0.00100	0.00100	-
Cambodia	0.002	0.00200	0.00200	-
Cameroon	0.009	0.00900	0.00900	-
Canada	2.540	2.55800	2.51900	(0.02100)
Cape Verde	0.001	0.00100	0.00100	-
Central African Republic	0.001	0.00100	0.00100	-
Chad	0.001	0.00100	0.00100	-
Chile	0.184	0.21200	0.20900	0.02500
China	1.521	1.53200	1.50900	(0.01200)
Colombia	0.168	0.20100	0.19800	0.03000
Comoros	0.001	0.00100	0.00100	-
Congo	0.001	0.00100	0.00100	-
Costa Rica	0.020	0.02000	0.01900	(0.00100)
Côte d'Ivoire	0.009	0.00900	0.00900	-
Croatia	0.038	0.03900	0.03800	-
Cuba	0.029	0.03000	0.02900	-
Cyprus	0.037	0.03800	0.03700	-

Scale of Assessments

States	ILO assessment 2002 <i>Col. 1</i> %	UN assessment 2003 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2003 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Czech Republic	0.169	0.20300	0.20000	0.03100
Dem.Republic of the Congo	0.004	0.00400	0.00400	-
Denmark	0.743	0.74900	0.73800	(0.00500)
Djibouti	0.001	0.00100	0.00100	-
Dominica	0.001	0.00100	0.00100	-
Dominican Republic	0.022	0.02300	0.02200	-
Ecuador	0.024	0.02500	0.02400	-
Egypt	0.080	0.08100	0.08000	-
El Salvador	0.018	0.01800	0.01800	-
Equatorial Guinea	0.001	0.00100	0.00100	-
Eritrea	0.001	0.00100	0.00100	-
Estonia	0.010	0.01000	0.01000	-
Ethiopia	0.004	0.00400	0.00400	-
Fiji	0.004	0.00400	0.00400	-
Finland	0.518	0.52200	0.51400	(0.00400)
France	6.417	6.46600	6.36700	(0.05000)
Gabon	0.014	0.01400	0.01400	-
Gambia	0.001	0.00100	0.00100	-
Georgia	0.005	0.00500	0.00500	-
Germany	9.695	9.76900	9.62000	(0.07500)
Ghana	0.005	0.00500	0.00500	-
Greece	0.535	0.53900	0.53100	(0.00400)
Grenada	0.001	0.00100	0.00100	-
Guatemala	0.026	0.02700	0.02600	-
Guinea	0.003	0.00300	0.00300	-
Guinea-Bissau	0.001	0.00100	0.00100	-
Guyana	0.001	0.00100	0.00100	-
Haïti	0.002	0.00200	0.00200	-
Honduras	0.004	0.00500	0.00500	0.00100
Hungary	0.119	0.12000	0.11800	(0.00100)
Iceland	0.032	0.03300	0.03200	-
India	0.339	0.34100	0.33600	(0.00300)
Indonesia	0.198	0.20000	0.19700	(0.00100)
Iran, Islamic Republic of	0.232	0.27200	0.26800	0.03600
Iraq	0.100	0.13600	0.13400	0.03400
Ireland	0.292	0.29400	0.29000	(0.00200)
Israel	0.412	0.41500	0.40900	(0.00300)
Italy	5.026	5.06475	4.98753	(0.03847)
Jamaica	0.004	0.00400	0.00400	-
Japan	19.369	19.51575	19.21804	(0.15096)
Jordan	0.008	0.00800	0.00800	-
Kazakhstan	0.028	0.02800	0.02700	(0.00100)

Scale of Assessments

States	ILO assessment 2002 <i>Col. 1</i> %	UN assessment 2003 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2003 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Kenya	0.008	0.00800	0.00800	-
Kiribati	0.001	0.00100	0.00100	-
Korea, Republic of	1.838	1.85100	1.82300	(0.01500)
Kuwait	0.146	0.14700	0.14500	(0.00100)
Kyrgyzstan	0.001	0.00100	0.00100	-
Lao People's Dem. Rep.	0.001	0.00100	0.00100	-
Latvia	0.010	0.01000	0.01000	-
Lebanon	0.012	0.01200	0.01200	-
Lesotho	0.001	0.00100	0.00100	-
Liberia	0.001	0.00100	0.00100	-
Libyan Arab Jamahiriya	0.066	0.06700	0.06600	-
Lithuania	0.017	0.01700	0.01700	-
Luxembourg	0.079	0.08000	0.07900	-
Madagascar	0.003	0.00300	0.00300	-
Malawi	0.002	0.00200	0.00200	-
Malaysia	0.233	0.23500	0.23100	(0.00200)
Mali	0.002	0.00200	0.00200	-
Malta	0.015	0.01500	0.01500	-
Mauritania	0.001	0.00100	0.00100	-
Mauritius	0.011	0.01100	0.01100	-
Mexico	1.078	1.08600	1.06900	(0.00900)
Moldova, Republic of	0.002	0.00200	0.00200	-
Mongolia	0.001	0.00100	0.00100	-
Morocco	0.044	0.04400	0.04300	(0.00100)
Mozambique	0.001	0.00100	0.00100	-
Myanmar	0.010	0.01000	0.01000	-
Namibia	0.007	0.00700	0.00700	-
Nepal	0.004	0.00400	0.00400	-
Netherlands	1.724	1.73800	1.71100	(0.01300)
New Zealand	0.239	0.24100	0.23700	(0.00200)
Nicaragua	0.001	0.00100	0.00100	-
Niger	0.001	0.00100	0.00100	-
Nigeria	0.055	0.06800	0.06700	0.01200
Norway	0.642	0.64600	0.63600	(0.00600)
Oman	0.061	0.06100	0.06000	(0.00100)
Pakistan	0.060	0.06100	0.06000	-
Panama	0.018	0.01800	0.01800	-
Papua New Guinea	0.006	0.00600	0.00600	-
Paraguay	0.016	0.01600	0.01600	-
Peru	0.117	0.11800	0.11600	(0.00100)
Philippines	0.099	0.10000	0.09800	(0.00100)
Poland	0.314	0.37800	0.37200	0.05800

Scale of Assessments

States	ILO assessment 2002 <i>Col. 1</i> %	UN assessment 2003 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2003 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Portugal	0.459	0.46200	0.45500	(0.00400)
Qatar	0.033	0.03400	0.03300	-
Romania	0.058	0.05800	0.05700	(0.00100)
Russian Federation	1.182	1.20000	1.18200	-
Rwanda	0.001	0.00100	0.00100	-
Saint Kitts and Nevis	0.001	0.00100	0.00100	-
Saint Lucia	0.002	0.00200	0.00200	-
Saint Vincent and Grenadines	0.001	0.00100	0.00100	-
San Marino	0.002	0.00200	0.00200	-
Sao Tome and Principe	0.001	0.00100	0.00100	-
Saudi Arabia	0.550	0.55400	0.54600	(0.00400)
Senegal	0.005	0.00500	0.00500	-
Seychelles	0.002	0.00200	0.00200	-
Sierra Leone	0.001	0.00100	0.00100	-
Singapore	0.390	0.39300	0.38700	(0.00300)
Slovakia	0.042	0.04300	0.04200	-
Slovenia	0.080	0.08100	0.08000	-
Solomon Islands	0.001	0.00100	0.00100	-
Somalia	0.001	0.00100	0.00100	-
South Africa	0.405	0.40800	0.40200	(0.00300)
Spain	2.500	2.51875	2.48034	(0.01966)
Sri Lanka	0.016	0.01600	0.01600	-
Sudan	0.006	0.00600	0.00600	-
Suriname	0.002	0.00200	0.00200	-
Swaziland	0.002	0.00200	0.00200	-
Sweden	1.019	1.02675	1.01109	(0.00791)
Switzerland	1.255	1.27400	1.25400	(0.00100)
Syrian Arab Republic	0.080	0.08000	0.07900	(0.00100)
Tajikistan	0.001	0.00100	0.00100	-
Tanzania, United Republic of	0.004	0.00400	0.00400	-
Thailand	0.250	0.29400	0.29000	0.04000
The form.Yug.Rep.of Macedonia	0.006	0.00600	0.00600	-
Togo	0.001	0.00100	0.00100	-
Trinidad and Tobago	0.016	0.01600	0.01600	-
Tunisia	0.030	0.03000	0.02900	(0.00100)
Turkey	0.437	0.44000	0.43300	(0.00400)
Turkmenistan	0.003	0.00300	0.00300	-
Uganda	0.005	0.00500	0.00500	-
Ukraine	0.052	0.05300	0.05200	-
United Arab Emirates	0.201	0.20200	0.19900	(0.00200)
United Kingdom	5.494	5.53600	5.45100	(0.04300)
United States of America	22.000	22.00000	22.00000	-

Scale of Assessments

States	ILO assessment 2002 <i>Col. 1</i> %	UN assessment 2003 <i>Col. 2</i> %	Draft scale Of ILO Assessments 2003 <i>Col. 3</i> %	Increase or decrease (Difference Between Cols. 3 & 1) <i>Col. 4</i> %
Uruguay	0.080	0.08000	0.07900	(0.00100)
Uzbekistan	0.011	0.01100	0.01100	-
Venezuela	0.207	0.20800	0.20500	(0.00200)
Viet Nam	0.013	0.01600	0.01600	0.00300
Yemen	0.007	0.00600	0.00600	(0.00100)
Yugoslavia, Federal Republic of	0.020	0.02000	0.01900	(0.00100)
Zambia	0.002	0.00200	0.00200	-
Zimbabwe	0.008	0.00800	0.00800	-
	100.000	101.20800	100.00000	0.00000

Appendix IV: PROPOSED SUMMARIZED BUDGET OF EXPENDITURE AND INCOME FOR 2002-03

	Expenditure			Income			
	2000-01 Budget	2002-03 Estimates		2000-01 Budget		2002-03 Estimates	
	US\$	US\$		US\$	SF	US\$	SF
Part I Ordinary budget	466,595,000	433,165,000	Contributions from Member States	467,470,000	715,229,100	434,040,000	768,250,800
Part II Unforeseen expenditure	875,000	875,000					
Total Budget	467,470,000	434,040,000		467,470,000	715,229,100	434,040,000	768,250,800

Appendix V: Proposed expenditure budget by appropriation line (in US dollars)

Item	2000-01 Budget	2002-03 Estimates (in constant 2000-01 dollars)	2002-03 Estimates (recosted) 1.53 to 1.77
PART I. ORDINARY BUDGET			
A. Policy-making Organs	60,896,671	59,220,340	53,061,438
B. Strategic Objectives	351,728,503	350,759,606	330,523,287
1. Standards and fundamental principles and rights at work	69,711,745	77,055,365	72,609,822
2. Employment	130,005,263	121,614,800	114,598,496
3. Social protection	58,128,262	57,008,931	53,719,924
4. Social dialogue	93,883,233	95,080,510	89,595,045
C. Management Services	37,694,107	38,029,597	34,306,392
D. Other Budgetary Provisions	20,243,879	20,549,417	18,949,160
Adjustment for Staff Turnover	-3,968,160	-3,968,160	-3,675,277
	<hr/>	<hr/>	<hr/>
Total Part I	466,595,000	464,590,800	433,165,000
PART II. UNFORESEEN EXPENDITURE			
Unforeseen Expenditure	875,000	875,000	875,000
PART III. WORKING CAPITAL FUND			
Working Capital Fund	-	-	-
	<hr/>	<hr/>	<hr/>
Total Parts I-III	<u>467,470,000</u>	<u>465,465,800</u>	<u>434,040,000</u>

Appendix VI
INCOME BUDGET FOR 2002-2003
STATEMENT OF CONTRIBUTIONS DUE FROM MEMBER STATES FOR 2002
(In Swiss francs)

Member State	Assessed Contribution for 2002		Earned Credits Distributed in Respect of :										Net Contribution for 2002	
			2000 Incentive Scheme	1982 - 1983 Cash Surplus	1990 - 91		1992 - 93		1994 - 95 50% Net Premium	1996 - 97 50% Net Premium	1998 - 99			Total Credits
	%	Amount			50% Net Premium	Cash Surplus	50% Net Premium	Cash Surplus			50% Net Premium	Cash Surplus		
1 Afghanistan	0.007	26,889	-	-	-	-	-	-	-	-	-	-	-	26,889
2 Albania	0.003	11,524	2	-	-	-	-	-	-	-	-	-	2	11,522
3 Algeria	0.070	268,888	397	-	-	-	-	-	-	-	-	-	397	268,491
4 Angola	0.002	7,683	307	-	-	-	-	-	-	-	-	-	307	7,376
5 Antigua and Barbuda	0.002	7,683	-	-	-	-	-	-	-	-	-	-	-	7,683
6 Argentina	1.141	4,382,871	-	-	-	-	-	-	-	84,332	25,581	109,913	-	4,272,958
7 Armenia	0.002	7,683	-	-	-	-	-	-	-	-	-	-	-	7,683
8 Australia	1.615	6,203,625	44,224	-	-	-	-	-	-	-	-	-	44,224	6,159,401
9 Austria	0.939	3,606,938	14,955	-	-	-	-	-	-	-	-	-	14,955	3,591,983
10 Azerbaijan	0.004	15,365	-	-	-	-	-	-	-	-	-	-	-	15,365
11 Bahamas	0.012	46,095	445	-	-	-	-	-	-	-	-	-	445	45,650
12 Bahrain	0.018	69,143	-	-	-	-	-	-	-	-	-	-	-	69,143
13 Bangladesh	0.010	38,413	307	-	-	-	-	-	-	-	-	-	307	38,106
14 Barbados	0.009	34,571	2	-	-	-	-	-	-	-	1,027	312	1,341	33,230
15 Belarus	0.019	72,984	1,077	-	-	-	-	-	-	-	-	-	1,077	71,907
16 Belgium	1.121	4,306,046	32,405	-	-	-	-	-	-	-	-	-	32,405	4,273,641
17 Belize	0.001	3,841	1	-	-	-	-	-	-	-	-	-	1	3,840
18 Benin	0.002	7,683	-	-	-	-	-	-	-	-	-	-	-	7,683
19 Bolivia	0.008	30,730	-	-	-	-	-	-	-	-	970	294	1,264	29,466
20 Bosnia and Herzegovina	0.004	15,365	-	-	-	-	-	-	-	-	-	-	-	15,365
21 Botswana	0.010	38,413	-	-	-	-	-	-	-	-	-	-	-	38,413
22 Brazil	2.061	7,916,824	-	-	-	-	-	-	-	14,259	173,914	52,755	240,928	7,675,896
23 Bulgaria	0.013	49,936	60	-	-	-	-	-	-	-	-	-	60	49,876
24 Burkina Faso	0.002	7,683	18	-	-	-	-	-	-	-	685	208	911	6,772
25 Burundi	0.001	3,841	-	-	-	-	-	-	-	89	628	190	907	2,934
26 Cambodia	0.002	7,683	26	-	-	-	-	-	-	-	-	-	26	7,657
27 Cameroon	0.009	34,571	11	-	-	-	-	-	-	-	1,312	398	1,721	32,850
28 Canada	2.540	9,756,785	82,057	-	-	-	-	-	-	-	-	-	82,057	9,674,728
29 Cape Verde	0.001	3,841	60	-	-	-	-	-	-	-	-	-	60	3,781
30 Central African Republic	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
31 Chad	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
32 Chile	0.184	706,791	2,321	-	-	-	-	-	-	-	-	-	2,321	704,470
33 China	1.521	5,842,547	90	-	-	-	-	-	-	-	-	-	90	5,842,457
34 Colombia	0.168	645,331	2,877	-	-	-	-	-	-	-	-	-	2,877	642,454
35 Comoros	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
36 Congo	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
37 Costa Rica	0.020	76,825	-	-	-	-	-	-	-	-	1,483	450	1,933	74,892
38 Côte d'Ivoire	0.009	34,571	-	-	-	-	-	-	-	-	-	-	-	34,571
39 Croatia	0.038	145,968	-	-	-	-	-	-	-	797	7,132	2,164	10,093	135,875
40 Cuba	0.029	111,396	-	-	-	-	-	-	-	454	4,336	1,316	6,106	105,290
41 Cyprus	0.037	142,126	994	-	-	-	-	-	-	-	-	-	994	141,132
42 Czech Republic	0.169	649,172	3,098	-	-	-	-	-	-	-	-	-	3,098	646,074
43 Dem. Republic of the Congo	0.004	15,365	-	-	-	-	-	-	-	-	-	-	-	15,365
44 Denmark	0.743	2,854,052	20,779	-	-	-	-	-	-	-	-	-	20,779	2,833,273

Appendix VI
INCOME BUDGET FOR 2002-2003
STATEMENT OF CONTRIBUTIONS DUE FROM MEMBER STATES FOR 2002
(In Swiss francs)

Member State	Assessed Contribution for 2002		Earned Credits Distributed in Respect of :										Net Contribution for 2002		
			2000 Incentive Scheme	1982 - 1983 Cash Surplus	1990 - 91		1992 - 93		1994 - 95 50% Net Premium	1996 - 97 50% Net Premium	1998 - 99			Total Credits	
	%	Amount			50% Net Premium	Cash Surplus	50% Net Premium	Cash Surplus			50% Net Premium	Cash Surplus			
133	Saint Vincent and the Grenadines	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
134	San Marino	0.002	7,683	55	-	-	-	-	-	-	-	-	55	-	7,628
135	Sao Tome and Principe	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
136	Saudi Arabia	0.550	2,112,690	15,279	-	-	-	-	-	-	-	-	-	15,279	2,097,411
137	Senegal	0.005	19,206	-	-	-	-	-	-	-	89	-	-	89	19,117
138	Seychelles	0.002	7,683	-	-	-	-	-	-	-	-	685	208	893	6,790
139	Sierra Leone	0.001	3,841	-	551	-	-	-	-	-	-	-	-	551	3,290
140	Singapore	0.390	1,498,089	4,654	-	-	-	-	-	-	-	-	-	4,654	1,493,435
141	Slovakia	0.042	161,333	1,041	-	-	-	-	-	-	-	-	-	1,041	160,292
142	Slovenia	0.080	307,300	1,676	-	-	-	-	-	-	-	-	-	1,676	305,624
143	Solomon Islands	0.001	3,841	-	-	-	-	93	249	272	89	-	-	703	3,138
144	Somalia	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
145	South Africa	0.405	1,555,708	10,986	-	-	-	-	-	-	-	-	-	10,986	1,544,722
146	Spain	2.500	9,603,135	71,225	-	-	-	-	-	-	-	-	-	71,225	9,531,910
147	Sri Lanka	0.016	61,460	340	-	-	-	-	-	-	-	-	-	340	61,120
148	Sudan	0.006	23,048	-	-	-	-	-	-	-	89	-	-	89	22,959
149	Suriname	0.002	7,683	-	-	-	-	-	-	-	-	-	-	-	7,683
150	Swaziland	0.002	7,683	60	-	-	-	-	-	-	-	-	-	60	7,623
151	Sweden	1.019	3,914,238	31,334	-	-	-	-	-	-	-	-	-	31,334	3,882,904
152	Switzerland	1.255	4,820,774	35,611	-	-	-	-	-	-	-	-	-	35,611	4,785,163
153	Syrian Arab Republic	0.080	307,300	21	-	-	-	-	-	-	-	6,447	1,956	8,424	298,876
154	Tajikistan	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
155	Tanzania, United Republic of	0.004	15,365	-	-	-	-	-	-	-	89	742	225	1,056	14,309
156	Thailand	0.250	960,314	5,092	-	-	-	-	-	-	-	-	-	5,092	955,222
157	The Form. Yug. Rep. Macedonia	0.006	23,048	-	-	-	-	-	-	-	-	-	-	-	23,048
158	Togo	0.001	3,841	-	-	-	-	-	-	-	-	-	-	-	3,841
159	Trinidad and Tobago	0.016	61,460	413	-	-	-	-	-	-	-	-	-	413	61,047
160	Tunisia	0.030	115,238	-	-	-	-	-	-	-	-	3,309	1,004	4,313	110,925
161	Turkey	0.437	1,678,628	6,300	-	-	-	-	-	-	-	45,818	13,898	66,016	1,612,612
162	Turkmenistan	0.003	11,524	-	-	-	-	-	-	-	-	-	-	-	11,524
163	Uganda	0.005	19,206	89	-	-	-	-	-	-	89	799	242	1,219	17,987
164	Ukraine	0.052	199,745	560	-	-	-	-	-	-	-	-	-	560	199,185
165	United Arab Emirates	0.201	772,092	4,486	-	-	-	-	-	-	-	-	-	4,486	767,606
166	United Kingdom	5.494	21,103,848	135,001	-	-	-	-	-	-	-	-	-	135,001	20,968,847
167	United States	22.000	84,507,587	-	-	-	-	-	-	-	-	2,852,921	865,395	3,718,316	80,789,271
168	Uruguay	0.080	307,300	-	-	-	-	-	-	-	-	4,964	1,506	6,470	300,830
169	Uzbekistan	0.011	42,254	-	-	-	-	-	-	-	-	-	-	-	42,254
170	Venezuela	0.207	795,140	4,292	-	-	-	-	-	-	2,911	28,130	8,533	43,866	751,274
171	Viet Nam	0.013	49,936	1	-	-	-	-	-	-	-	-	-	1	49,935
172	Yemen	0.007	26,889	-	-	-	-	-	-	-	-	1,141	346	1,487	25,402
173	Yugoslavia, Federal Republic of	0.020	76,825	-	-	-	-	-	-	-	-	-	-	-	76,825
174	Zambia	0.002	7,683	-	-	-	-	-	-	-	-	-	-	-	7,683
175	Zimbabwe	0.008	30,730	-	-	-	-	-	-	-	-	-	-	-	30,730
	TOTAL	100.000	384,125,400	858,278	68,350	535	705	186	498	272	28,710	3,712,107	1,126,022	5,795,663	378,329,737

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**Second item on the agenda:
Programme and budget proposals
and other financial questions**

**Second report of the Finance Committee of
Government Representatives**

1. The Finance Committee of Government Representatives met on 19 June 2001 with Mr. J.-J. Elmiger (Switzerland) as Chairperson and Reporter and Mr. P. Klekner (Hungary) as Vice-Chairperson.

**Request of the Government of the Democratic Republic
of the Congo, under paragraph 4 of article 13 of the
Constitution of the International Labour Organization,
for permission to vote**

2. The Committee had before it a request (document F.C./D.6) from the Government of the Democratic Republic of the Congo for permission to vote at the Conference. This request was referred to the Finance Committee as a matter of urgency in accordance with paragraph 1 of article 31 of the Standing Orders of the Conference. The text of the request, dated 3 June 2001, is as follows:

Democratic Republic of the Congo
The Ministry of Labour

Kinshasa, 3 June 2001

Cabinet of the Minister
Dear Mr. Director-General,

I have the honour to inform you that the Government of the Democratic Republic of the Congo wishes to regularize the arrears of contributions due by it to the International Labour Organization and regain its right to vote and participate actively in the Organization.

The non-payment of our arrears is due to a persistent, multiform crisis, aggravated by the disastrous consequences on an unjust war imposed on the Democratic Republic of the Congo.

I would therefore kindly request that you submit the following proposal for the settlement of the Democratic Republic of the Congo's arrears of contribution to the competent authorities of the International Labour Organization:

-
- (a) for the year 2001, the Democratic Republic of the Congo will pay in full its assessed contribution of 25,033 Swiss francs in order to demonstrate our commitment;
 - (b) the Democratic Republic of the Congo will settle the arrears of contribution for the period 1996-2000, amounting to 147,959 Swiss francs in four instalments of 29,590 Swiss francs with a final instalment of 29,599 Swiss francs;
 - (c) the Democratic Republic of the Congo is determined to settle subsequent years' contributions in the year in which they become due.

On behalf of the Government of the Democratic Republic of the Congo, I would ask you to submit this proposal to the 89th Session of the International Labour Conference for approval so that my country could regain its voting rights and enjoy other rights as a Member of the Organization.

Please accept, Mr. Director-General, the assurance of my distinguished consideration.

The Minister
Marie-Ange LUKIANA MUFWANKOLO

3. The Committee noted the provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, the texts of which appear in the appendix to this report.
4. In examining the financial relations between the Democratic Republic of the Congo and the ILO over the last ten years, the Committee noted that the following payments in respect of assessed contributions had been made to the ILO:

Date of payment	Amount in Swiss francs	Details of payment
1 January 1990	28 914	Full 1990 contribution
	13 867	Part of 1991 contribution
14 June 1993	14 923	Balance of 1991 contribution
	31 088	Net 1992 contribution
	11 909	Part 1993 contribution
15 October 1996	8 498	Balance of 1993 contribution
	33 822	Full 1994 contribution
	33 822	Full 1995 contribution

Contributions outstanding at 31 December 2000 amounted to 147,959 Swiss francs, covering the assessed contributions from 1996 to 2000. The 2001 contribution of Swiss francs 25,033 had also not been paid.

5. *The Committee, being satisfied that the failure of the Democratic Republic of the Congo to pay its arrears was due to conditions beyond its control, in accordance with the provisions of paragraph 4 of article 31 of the Standing Orders of the Conference, reports to the Conference as follows:*

-
- (a) *that the failure of the Democratic Republic of the Congo to pay in full the amounts owing was due to conditions beyond its control as explained in the letter in paragraph 2 above;*
- (b) *that the financial relations between the Democratic Republic of the Congo and the Organization have been set out in paragraph 4 above.*
6. *The Committee accordingly recommends the adoption by the Conference of the resolution concerning the granting to the Democratic Republic of the Congo of permission to vote under paragraph 4 of article 13 of the Constitution of the International Labour Organization, the text of which appears at the end of this report.*

Appendix

7. The provisions of paragraph 4 of article 13 of the Constitution of the ILO, also articles 31 and 32 of the Standing Orders of the Conference, are reproduced in the appendix to this report.

Geneva, 19 June 2001.

(Signed) J.-J. Elmiger,
Chairperson and Reporter.

Resolution submitted to the Conference

Resolution concerning the arrears of contributions of the Democratic Republic of the Congo

The General Conference of the International Labour Organization,

Having regard to paragraph 7 of article 10 of the Financial Regulations,

Accepts the arrangement proposed by the Government of the Democratic Republic of the Congo for the settlement of its arrears of contributions due for the period 1996-2000 to the effect that:

- (a) in 2001, the Government of the Democratic Republic of the Congo will pay in full its contribution for the year 2001;
- (b) in subsequent years, the Government of the Democratic Republic of the Congo will continue to pay its current contribution in full in the year for which it is due;
- (c) the Government of the Democratic Republic of the Congo will settle arrears that have accumulated up to and including 31 December 2000, amounting to 147,959 Swiss francs, by payment, beginning in 2002 of four annual instalments of 29,590 Swiss francs and a final instalment of 29,599 Swiss francs.

Decides that the Democratic Republic of the Congo shall be permitted to vote, in accordance with paragraph 4 of article 13 of the Constitution of the International Labour Organization, after the conclusion of the present business.

Appendix

Relevant provisions of the Constitution of the International Labour Organization and the Standing Orders of the International Labour Conference

Paragraph 4 of article 13 of the Constitution of the Organization provides as follows:

4. A Member of the Organization which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the Conference, in the Governing Body, in any committee or in the election of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years: provided that the Conference may by a two-thirds majority of the votes cast by the delegates present permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

Articles 31 and 32 of the Standing Orders of the Conference provide as follows:

ARTICLE 31

Procedure where proposal is made to permit a Member in arrears to vote

1. Any request or proposal that the Conference should nevertheless permit a Member which is in arrears in the payment of its contributions to vote in accordance with article 13, paragraph 4, of the Constitution shall be referred in the first instance to the Finance Committee of the Conference, which shall report thereon as a matter of urgency.

2. Pending a decision on the request or proposal by the Conference, the Member shall not be entitled to vote.

3. The Finance Committee shall submit to the Conference a report giving its opinion on the request or proposal.

4. If the Finance Committee, having found that the failure to pay is due to conditions beyond the control of the Member, thinks fit to propose to the Conference that the Member should nevertheless be permitted to vote in accordance with article 13, paragraph 4, of the Constitution, it shall in its report:

- (a) explain the nature of the conditions beyond the Member's control;
- (b) give an analysis of the financial relations between the Member and the Organization during the preceding ten years; and
- (c) indicate the measures which should be taken in order to settle the arrears.

5. Any decision which may be taken by the Conference to permit a Member which is in arrears in the payment of its contributions to vote notwithstanding such arrears may be made conditional upon the Member complying with any recommendations for settling the arrears which may be made by the Conference.

ARTICLE 32

Period of validity of a decision to permit a Member in arrears to vote

1. Any decision by the Conference permitting a Member which is in arrears in the payment of its contributions to vote shall be valid for the session of the Conference at which the decision is taken. Any such decision shall be operative in regard to the Governing Body and committees until the opening of the general session of the Conference next following that at which it was taken.

2. Notwithstanding the provisions of paragraph 1 of this article, after the Conference has approved an arrangement under which the arrears of a Member are consolidated and are payable in annual instalments over a period of years, the Member shall be permitted to vote provided that, at the time of the vote concerned, the Member has fully paid all instalments under the arrangement, as well as all financial contributions under article 13 of the Constitution that were due before the end of the previous year. For any Member which, at the close of the session of the Conference, has not fully paid all such instalments and contributions due before the end of the previous year, the permission to vote shall lapse.

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