



Second item on the agenda: Programme and Budget proposals for 2008–09 and other questions

Report of the Finance Committee of Government Representatives

1. The Finance Committee of Government Representatives met on 31 May and 1 June 2007 with Mr G. Kristinsson (Iceland) as Chairperson and Reporter and Mr K. Matsui (Japan) as Vice-Chairperson.

Status of collection of member States' contributions

2. The Committee had before it document C.F./D.2 containing information on the status of collection of member States' contributions as at 18 May 2007.
3. The Treasurer and Financial Comptroller reported that, in addition to the information contained in the Office paper, contributions had since been received from the following member States as at 31 May 2007:

	2007	Arrears	Total in Swiss francs
Jamaica	29 524	–	29 524
Paraguay	43 620	2 257	45 877
Philippines	–	133 653	133 653
Grenada	3 684	3 713	7 397
Ireland	1 293 894	13	1 293 907
Yemen	20 901	1 386	22 287
Turkey	7 323	–	7 323
Nepal	14 641	–	14 641
Armenia	–	25 122	25 122
Total	1 413 587	166 144	1 579 731

INCOME BUDGET FOR 2008-2009
STATEMENT OF CONTRIBUTIONS DUE FROM MEMBER STATES FOR 2008
(In Swiss francs)

	Member States	Assessed Contribution for 2008		Earned Credits Distributed in Respect of (1) :				Total Credits	Net Contribution for 2008
				2006	2004-05	Prior years			
						Incentive Scheme	50% Net Premium		
%	Amount								
124	Paraguay	0.005	19,733	112		-	-	112	19,621
125	Peru	0.078	307,838		2,214	376	-	2,590	305,248
126	Philippines	0.078	307,838		2,054	-	-	2,054	305,784
127	Poland	0.501	1,977,266	5,385		-	-	5,385	1,971,881
128	Portugal	0.527	2,079,879	4,860		-	-	4,860	2,075,019
129	Qatar	0.085	335,464	751		-	-	751	334,713
130	Romania	0.070	276,265	676		-	-	676	275,589
131	Russian Federation	1.201	4,739,914		24,300	-	-	24,300	4,715,614
132	Rwanda	0.001	3,947			-	-	-	3,947
133	Saint Kitts and Nevis	0.001	3,947			3	-	3	3,944
134	Saint Lucia	0.001	3,947			-	-	-	3,947
135	Saint Vincent and the Grenadines	0.001	3,947		21	-	-	21	3,926
136	Samoa	0.001	3,947		9	-	-	9	3,938
137	San Marino	0.003	11,840	3		-	-	3	11,837
138	Sao Tome and Principe	0.001	3,947			-	-	-	3,947
139	Saudi Arabia	0.748	2,952,086	7,875	13,401	-	-	21,276	2,930,810
140	Senegal	0.004	15,786			-	-	-	15,786
141	Serbia	0.021	82,879	192	405	-	-	597	82,282
142	Seychelles	0.002	7,893			-	-	-	7,893
143	Sierra Leone	0.001	3,947			-	-	-	3,947
144	Singapore	0.347	1,369,484	4,574		-	-	4,574	1,364,910
145	Slovakia	0.063	248,638	599		-	-	599	248,039
146	Slovenia	0.096	378,877	943		-	-	943	377,934
147	Solomon Islands	0.001	3,947			-	-	-	3,947
148	Somalia	0.001	3,947			-	-	-	3,947
149	South Africa	0.290	1,144,525	3,475		-	-	3,475	1,141,050
150	Spain	2.970	11,721,519	27,585		-	-	27,585	11,693,934
151	Sri Lanka	0.016	63,146	196		-	-	196	62,950
152	Sudan	0.010	39,466		149	20	-	169	39,297
153	Suriname	0.001	3,947	4	32	-	-	36	3,911
154	Swaziland	0.002	7,893	22		-	-	22	7,871
155	Sweden	1.072	4,230,797	11,572		-	-	11,572	4,219,225
156	Switzerland	1.217	4,803,060	14,126		-	-	14,126	4,788,934
157	Syrian Arab Republic	0.016	63,146		1,245	-	-	1,245	61,901
158	Tajikistan	0.001	3,947			-	-	-	3,947
159	Tanzania, United Republic of	0.006	23,680		107	-	-	107	23,573
160	Thailand	0.186	734,075	2,488		-	-	2,488	731,587
161	The form. Yug. Rep. of Macedonia	0.005	19,733		128	-	-	128	19,605
162	Timor-Leste	0.001	3,947			-	-	-	3,947
163	Togo	0.001	3,947	12		93	249	354	3,593
164	Trinidad and Tobago	0.027	106,559	258		-	-	258	106,301
165	Tunisia	0.031	122,346		649	-	-	649	121,697
166	Turkey	0.381	1,503,670	3,724		-	-	3,724	1,499,946
167	Turkmenistan	0.006	23,680			-	-	-	23,680
168	Uganda	0.003	11,840			16	-	16	11,824
169	Ukraine	0.045	177,599	418		9,785	-	10,203	167,396
170	United Arab Emirates	0.302	1,191,885			-	-	-	1,191,885
171	United Kingdom	6.645	26,225,419			-	-	-	26,225,419
172	United States	22.000	86,826,069		468,338	-	-	468,338	86,357,731
173	Uruguay	0.027	106,559		1,352	257	-	1,609	104,950
174	Uzbekistan	0.008	31,573			-	-	-	31,573
175	Vanuatu	0.001	3,947			1	-	1	3,946
176	Venezuela, Bolivarian Republic of	0.200	789,328		4,002	-	-	4,002	785,326
177	Viet Nam	0.024	94,719	62		-	-	62	94,657
178	Yemen	0.007	27,626		128	-	-	128	27,498
179	Zambia	0.001	3,947		43	-	-	43	3,904
180	Zimbabwe	0.008	31,573	63	160	-	-	223	31,350
	TOTAL	100.000	394,663,950	365,266	1,018,453	37,270	659	1,421,648	393,242,302

(1) Should a member State pay previous year's contributions prior to the closure of the 96th session of the International Labour Conference, that member State's earned credits may change.

Total contributions received to date, therefore, amounted to 233,549,440 Swiss francs comprising 155,307,545 Swiss francs for 2007 contributions and 78,241,895 Swiss francs for contributions in arrears. The balance due as of 31 May 2007 was 296,677,645 Swiss francs.

4. *The Committee took note of the information in the document.*

Assessment of contributions of new member States

5. The Committee had before it Report II: Draft Programme and Budget for 2008–09 and other financial questions, containing details of the proposed rate of assessment of the contributions of Montenegro and Brunei Darussalam.
6. The representative of the Government of Lebanon asked whether the rates of assessment of the new member States followed the rates established at the United Nations.
7. The Treasurer and Financial Comptroller confirmed that ILO rates were harmonized with those of the United Nations, with minor adjustments being made for differences in membership between the two organizations.
8. The representative of the Government of Pakistan asked whether the new member States' contributions would result in an overall increase in funds available to the ILO or in a reduction to existing members' contributions.
9. The Treasurer and Financial Comptroller explained that new member States' contributions did not result in an increase in funds available to the Office nor to the approved budget. In conformity with the decision of the United Nations, it was proposed that Montenegro's assessments for 2006 and 2007 were to be deducted from the assessments of the former Serbia and Montenegro, applicable for those years. With respect to the contributions of Brunei Darussalam, if all member States were to pay their contributions in full, this would theoretically generate a surplus, which would be accounted for in accordance with the Financial Regulations. The approved scale of assessments for member States would not be adjusted.
10. ***The Committee recommends that the Conference adopt the resolutions, the texts of which appear at the end of this report.***

Scale of assessments of contributions to the budget for the 2008–09 financial period

11. The Committee had before it Report II: Draft Programme and Budget for 2008–09 and other financial questions, containing a draft scale of assessments for 2008–09.
12. ***The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.***

Composition of the Administrative Tribunal of the International Labour Organization

13. The Committee had before it Report II: Draft Programme and Budget for 2008–09 and other financial questions, containing a draft resolution concerning appointments to the Administrative Tribunal of the ILO.
14. The representative of the Government of Lebanon remarked on the geographical distribution of the appointees to the Administrative Tribunal and asked whether there was a possibility to have appointees from other countries.
15. The Deputy Legal Adviser clarified that there was only one replacement being proposed in the composition of the Tribunal: Mr Michel Gentot (France), the President of the Administrative Tribunal, was due to retire, and was not willing to accept a renewal of his appointment. The proposed replacement was Mr Patrick Frydman, also from France. The other two names mentioned in the Report referred to the renewal of appointments.
16. *The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.*

Treatment of proceeds from transfer or sale of land

17. The Committee had before it Report II: Draft Programme and Budget for 2008–09 and other financial questions, containing a resolution regarding the treatment of proceeds from the transfer or sale of land.
18. *The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.*

Other questions

19. There were no papers under this item.

Programme and Budget proposals for 2008–09

20. The Committee had before it the Director-General's Programme and Budget proposals for 2008–09 first considered by the Governing Body at its 298th Session (March 2007). The Committee also had before it Report II: Draft Programme and Budget for 2008–09 and other financial questions, containing a report on the consideration of the Director-General's original and revised proposals as approved by the Governing Body.
21. The Director-General introduced the Programme and Budget proposals for 2008–09 with a proposed expenditure of US\$635.2 million. His remarks accompanying the proposals are attached as Appendix I to this report.
22. Mr Barde, speaking as the spokesperson for the Employers' group on the Programme, Financial and Administrative Committee, emphasized that the group took its governance role very seriously. He supported the strategic approach to the programme and budget and results-based management and expressed satisfaction that a discussion on that subject had been announced by the Director-General for the November 2007 session of the Governing Body.

He stressed the need to improve the focus of the Office's activities in order to respond to the needs of constituents. The Office should concentrate on the world of work, in particular supporting social dialogue and establishing a climate favourable to job creation with a view to reducing poverty. It should retain its tripartite structure, particularly against the backdrop of United Nations reform.

23. With regard to transparency, the speaker requested the Office to prepare workplans on the strategic and intermediate objectives and submit them to the Governing Body. Such plans should include the regions, where the Employers considered that management of funds was a matter for concern. Decent Work Country Programmes constituted the ILO's point of entry into United Nations One Country Programmes. The Office and Governing Body should be able to measure the impact of ILO activities through fuller implementation reports and less generalized indicators. In a more general sense, the Employers welcomed the increased share of the budget allocated to the objectives of employment and social dialogue and the emphasis placed on the role of ACT/EMP. Any imbalance in activities between Geneva and the regions should be avoided, since it would lead to a loss of ILO expertise. The amendments made to the text proposed in March were not sufficient. The Employers wanted more information on the use and impact of funds and wished to be more involved in budgetary decisions. The Employers had supported the proposal to create a regular budget supplementary account but requested clarification on allocations to the various programmes. The Office should not bow to the requirements of individual donors without taking into account the needs of beneficiaries. It was regrettable that no budget allocation had been made in the programme and budget for renovating the ILO building and that the proposed sums fell far short of the amount requested by the Building Subcommittee (1 per cent of the real estate value). That situation was worrying, since work and renovation were urgent and costly.
24. The speaker noted that, apart from the reservations expressed, the Employers' group supported the point for decision.
25. Mr Blondel, speaking as spokesperson of the Workers' group on the PFAC, emphasized that the Workers would have preferred an increased budget, and had argued the case for this before the Governing Body. Although they had not obtained everything they wanted, they were pleased that a number of their observations had been taken into account in the consultations, which had been exemplary.
26. The speaker regretted that publication of the *Provisional Record* in three languages had been stopped in order to make savings. He hoped that the decision would be reviewed, and that the necessary funds would be found to allow publication of the *Provisional Record* once again in its original form. While a Conference committee was considering the question of strengthening the Organization's capacity, the speaker considered that a start should be made by re-establishing the Resolutions Committee, which for economic reasons had not been convened for two years. A new Conference structure had been instituted in the current year in order to achieve savings, but experiences on the first day had shown that the best organization cannot anticipate human factors. The Workers greatly regretted that the budget was inadequate, and emphasized the fact that lack of resources was making it impossible to respect the provisions of the ILO Constitution and Regulations.
27. The speaker emphasized that efforts would be needed, in the field and at headquarters, where premises were in need of major renovation work. The investment required was considerable, and provision needed to be made now to allow budget growth in future biennia. Recalling the words of the Director-General, he invited the members of the Committee to compare the ILO's budget with that of other international organizations and to ask themselves what the world of work actually deserved in the light of what was at stake – peace, individual and collective freedom, and democracy. The Workers would vote for the budget, but for the next biennium would ask governments to be more flexible in order to allow a budget increase.

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- 28.** The representative of the Government of South Africa, speaking on behalf of the Africa group, recalled the lengthy discussion in March 2007 on the programme and budget. The Africa group had made a substantial intervention during that discussion and that statement was still valid. The Africa group supported the Decent Work Agenda and the ILO's contribution to national development and poverty reduction strategies. He stressed that the establishment of the Regular Budget Supplementary Account (RBSA) should not be a substitute for contributions to technical cooperation programmes, or be used to the detriment of certain regions. A zero growth budget was not sustainable. The Africa group had requested, in March 2007, that the outcomes of the ILO's 11th African Regional Meeting be taken into consideration in the final programme and budget proposals. These included a call on the ILO to work with its constituents to encourage all member States of Africa to have Decent Work Country Programmes (DWCPs) by the end of 2009. Labour inspectorates also needed to be strengthened. The ILO had to increase its capacity building work with employers' and workers' organizations in accordance with the 2002 ILC resolution on tripartism and social dialogue. In addition, the Organization should systematically address constraints on freedom of association and collective bargaining and develop programmes that would bring practice into line with ILO Conventions.
- 29.** The Decent Work Agenda in Africa 2007–15, as adopted in April 2007, had set very important and ambitious objectives for all ILO constituents and he called on the ILO once again to develop a significant programme of support for the Decent Work Agenda in Africa. He supported the programme and budget and remarked that it reflected a balancing act that sought to accommodate the different needs of constituents.
- 30.** The representative of the Government of the Netherlands, speaking on behalf of IMEC, expressed concern about the absence of a link between the issue of renovating the ILO building and the Programme and Budget for 2008–09. Although the renovation was the single largest project on the ILO agenda for the next ten years, there was no mention of it in the proposals. IMEC wished to reiterate that the US\$2.5 million budgeted under "Accommodation" in Part IV of the proposals was not sufficient. The regular budget should create a provision of, at the very least, 1 per cent of the total value of the building, through savings made through improved prioritization and the elimination of non-essential expenditure. Each biennium should set aside a sufficient amount of resources for accommodation.
- 31.** Continuing on behalf of the Government of the Netherlands, he stated that the ILO was not only a service provider, but also a custodian and advocate of universal values and fundamental principles and rights. He thanked the Office for taking on board various comments made during the Governing Body meeting in March 2007. In particular, the need to further develop baselines, indicators and targets, the commitment to developing a knowledge-sharing strategy, increased emphasis on the African region, strengthening the Turin Centre and ensuring ILO's involvement in UN reform by retaining a dedicated budget allocation of US\$2.5 million for the purpose. He was pleased to see that the allocation for the establishment of an Independent Oversight Advisory Committee had been maintained and hoped constituents would be able to agree on the conditions for its creation in the near future. He shared the Director-General's views on improving programming, planning and reporting modalities and looked forward to more discussion on the issue.
- 32.** With regard to the RBSA, his Government had a policy of making voluntary contributions to international organizations without attaching specific policy conditions for their use. Contributions were an important way to generate flexibility and reduce programme implementation costs. In fact, the only conditions his Government attached were that the overall performance of the Organization met effectiveness and efficiency criteria and that its mandate is relevant to Dutch policy. He therefore had no objection to the creation of general purpose funds. However, if there was an acknowledged increased demand for ILO services,

his Government preferred that such demands be met through the regular budget and not by means of a supplementary account. However, considering political and budget realities, the Netherlands supported the creation of a supplementary account on a trial basis. He supported the programme and budget proposals.

- 33.** The representative of the Government of Lebanon acknowledged the Director-General's concern for strengthening the capacities of the ILO. If a supplementary account helped countries to implement DWCPs and was not an additional financial burden for member States, it was to be welcomed and she was looking forward to seeing DWCPs duly assessed by means of reliable indicators recognized for their credibility. She questioned whether the RBSA would finance current or new projects and if donors would be able to decide on how the funds would be applied. She observed that priorities for the Arab countries, as indicated in the report, were employment and social dialogue and that the programme grouped all Arab countries together in one basket for the provision of technical assistance, without tailoring it to their specific needs. In this regard, she stressed that Arab countries should not be treated as one. She asked whether project funds would need to be increased as a result. The speaker supported the appointment of the new Regional Director in the Beirut Office. She called for an increase in its allocations which should be spent in accordance with the budget proposals within the time frame of the biennium, with no resources left unspent. She also questioned why there appeared to be no funding for the Resolutions Committee as this was an important part of the Conference. Regarding new workplans, she asked what value was added by these programmes. Clarification of the "One UN" policy and what it would mean for the ILO's tripartite structure and its overall role and work within the UN system was required. More attention and increased funding needed to be given to the question of employment.
- 34.** The representative of the Government of Namibia observed that the Office had been operating with a zero growth budget for several years, and with increasing demands placed upon the ILO, it was now appropriate to consider a programme and budget which allowed for real growth. While she supported the current programme and budget she stated that there were still issues to be addressed. There were vacant posts in regional offices that needed to be filled and technical cooperation should be increased. She called on the ILO to assist countries in building their capacities.
- 35.** The representative of the Government of Belgium said that his country supported the Director-General's proposals concerning the budget for 2008–09. Belgium was of the view that all Members of the ILO should consider the issue of increased extra-budgetary resources relative to the regular budget; the dependence on extra-budgetary resources was a matter of concern inasmuch as it tended to limit the authority of the Governing Body. In the light of the ILO's budgetary constraints, Belgium requested the Office to be more clear when setting its programme priorities and to take a leading role in areas that fell strictly within its mandate. In that context, the implementation of the Decent Work Agenda through Decent Work Country Programmes was of the utmost importance. It was also important that the Office should continue its efforts to make its results-based management more operational. It should, in particular, focus on continually improving indicators and targets on the basis of the progress made. Belgium supported the Organization in its efforts to participate in the United Nations reform process, in particular by participating in the experimental implementation of reform in the pilot countries. For that process to succeed, the ILO had to focus more than ever on strengthening the effectiveness and efficiency of its programmes. In conclusion, he said that Belgium fully endorsed the IMEC statement concerning the headquarters building and hoped that the Office would prepare a medium and long-term investment plan.
- 36.** The representative of the Government of the United States regretted being unable to join a consensus on the 2008–09 programme and budget given the lack of further reductions. In recognition of its support to the ILO, her Government was ready to accept a budget level of 3 per cent above zero nominal growth, which was an exception to its stated policy. As no

compromise had been reached, the United States would not vote in favour of the programme and budget. Further efficiencies and savings could have been found without adversely affecting the ILO's core activities.

- 37.** The representative of the Government of Switzerland said that she supported the overall thrust of the budget and the strategic objectives. She also accepted the scale of contributions for her country. The Government of Switzerland was concerned that the resources for the renovation of the ILO building were largely insufficient, and recalled that maintenance and renovation were the responsibility of the owner of the building. The ILO was therefore the sole body responsible. Like IMEC, she called for a provision of at least 1 per cent of the total value of the building to be made in the regular budget. Her Government had not yet decided on the position that it would take in the vote on the programme and budget proposals.
- 38.** The representative of the Government of Finland, speaking on behalf of the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), stated that strengthening the ILO in support of the Decent Work Agenda was a common goal for all. The ILO was unique in its dual role as a service provider and as a centre of expertise. It was therefore crucial to provide it with adequate and dependable funding as well as efficient governance to strengthen its position within the UN family and among donors. She supported the programme and budget following the adjustments made in March 2007.
- 39.** The representative of the Government of Egypt appreciated the further application of the Decent Work Agenda in the regions. She questioned whether there were sufficient funds to cover the Decent Work Agenda in all the regions and asked how a fair distribution of such funds was to be guaranteed, especially regarding the RBSA funds. She was not against the RBSA but wished to highlight that staff and other costs left a limited balance for the financing of technical programmes. She asked why the Resolutions Committee had been suspended for the last two years. There was a need to increase funding for the technical programmes in support of Arab workers. A group of experts had recently visited her region and reported that working conditions had deteriorated considerably. The ILO Beirut Office should resume normal activity as soon as possible without being forced to cut costs in such a way as to adversely impact its work.
- 40.** The representative of the Government of France, noting that the ILO had an important role to play in promoting the social dimension of globalization, said that the programme and budget for the next biennium should be such as to confirm the actions and priorities of the Organization. He added that it was still necessary to streamline procedures and costs, and that France would support all efforts made in that regard. The establishment of the regular budget supplementary account was an encouraging initiative, but it would be necessary to ensure that a balance was maintained between compulsory and voluntary contributions, in order to preserve the standard-setting character of the ILO.
- 41.** The representative of the Government of Mexico had requested during the March 2007 Governing Body that the ILO act in an efficient and effective manner in line with the austerity measures taken by his own Government. In March, Mexico had not supported the programme and budget. Since then, the Mexican Government had been in contact with the Office in order to gain more information. In the context of his Government's austerity measures, Mexico was now examining ways of obtaining greater benefits from its membership of the ILO. He was pleased to report that since the March session of the Governing Body, the ILO had demonstrated its willingness to reinforce its support to Mexico. Therefore, he was able to support the programme and budget proposals.
- 42.** The representative of the Government of the United Kingdom welcomed the Director-General's efforts, presented in Annex 3, to amend some of the indicators and targets under the four strategic objectives, as well as the supplementary text to the Executive

Overview of the programme and budget. He particularly welcomed the ILO's efforts to introduce baselines and benchmarks when appropriate, measures which had gained the support of other participants during the last Governing Body. He was pleased to receive the Director-General's assurance that the 2006–07 implementation report would provide greater detail on DWCPs. The draft programme and budget was a considerable improvement on previous budget documents. However, he requested that more clarity and transparency be provided with regard to certain aspects such as the calculation of the inflation rate, which was fairly complex, and the adjustment for exchange rates. The latter had led in recent years to the adoption of a significantly higher budget when finally presented to the Conference for a formal vote. At the March session of the Governing Body, the United Kingdom had indicated that it could not accept the proposed budget. Its position was unchanged. He welcomed the Director-General's proposed budget cut of US\$3 million but still hoped for further reductions, a hope shared by other governments. Efficiency savings were the norm for large organizations and the ILO should not be exempt, however much the Government of the United Kingdom supported its mandate. He expressed the hope that a consensus could still be reached.

43. The representative of the Government of Tunisia said that her country supported the Programme and Budget proposals for 2008–09, which were both clear and coherent. Her country supported the promotion of the Decent Work Agenda, which brought together the Organization's four strategic objectives, and recognized the need to incorporate the decent work objectives into national strategies in order to combat the different forms of discrimination and to contribute to poverty eradication. It was clear that the ILO's strategic objectives – which included meeting the challenges of globalization, creating work for all, guaranteeing equality at work and social justice, and promoting social dialogue – were central to the issue of development in the majority of member States. Tunisia, for its part, had incorporated those objectives into its development policy and was committed to putting them into effect with the support of all stakeholders, under the leadership of the social partners.
44. The representative of the Government of New Zealand expressed her support for the programme and budget, praising the ILO for further developing results-based management and for making hard choices to prioritize its work. The RBSA was an interesting initiative and she trusted that the funds would be managed with transparency and proper governance. It was important to provide appropriate resources to the ILO to fulfil its mandate and she looked forward to the results of the field review and of the work of the Committee on Strengthening the ILO's Capacity.
45. The representative of the Government of Canada expressed appreciation for the ILO's efforts to respond to concerns highlighted by the IMEC group in areas such as the improvement of baselines and observed that progress was being made in the right direction. However, he regretted that the total budget was in excess of zero nominal growth which was the standard set by his Government for all UN agencies. He reiterated his willingness to reach consensus but the insufficient reduction in the regular budget prevented him from supporting the proposed programme and budget.
46. The representative of the Government of the Republic of Korea supported the programme and budget but, as his delegation had highlighted during the March 2007 Governing Body, the current draft budget represented an increase of 6.9 per cent on that of the previous biennium. This was the highest increase since the 1994–95 budget and placed considerable pressure on the resources of member States such as the Republic of Korea. He called upon the ILO to consult with each member State in order to gather ideas of where costs could be reduced.
47. The representative of the Government of Ireland endorsed the IMEC statement regarding the lack of a link between the draft programme and budget and the issue of renovating the ILO headquarters building. Nevertheless, he welcomed the positive outcome of the discussions in March 2007 on the draft programme and budget and supported the proposals for 2008–09.

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48. The representative of the Government of the Russian Federation stated that his Government shared the priorities identified by the Director-General. He emphasized the need for close cooperation between the ILO and the UN system in order to enhance the impact of its assistance to countries in need. He therefore welcomed the increased cooperation between the ILO and United Nations Development Programme (UNDP). The current format of the programme and budget made it difficult to compare with previous budgets. The lack of baseline indicators was a continuing issue and it was not possible to measure the effectiveness of the human resources strategy. Indeed, the budget was still not a tool for strategic planning, despite this being its fundamental role. The strategy for the next biennium provided for insignificant savings against a backdrop of increased expenditure. He urged member States to prioritize the ILO's work and identify those activities which had become obsolete. The ILO should reallocate funds to high-priority activities, instead of increasing expenditures overall.
 49. The representative of the Government of El Salvador reiterated his Government's support for the proposed programme and budget. He called upon member States to contribute to the RBSA without imposing conditions. He welcomed the participation of the ILO both in the reform of the United Nations and in the pilot projects of the "One UN" system and encouraged and supported the ILO in its efforts to mainstream the culture of decent work throughout the United Nations.
 50. The representative of the Government of Kenya supported the creation of the RBSA, although he questioned its sustainability in the long term. He appreciated the Director-General's proposal to allocate more resources to the regions to support DWCPs, with the largest increase going to Africa. This was in line with the immense support demonstrated during the 11th African ILO Regional Meeting in April 2007. He supported the programme and budget proposals.
 51. The representative of the Government of Japan reiterated his Government's support for the ILO's mandate and its Decent Work Agenda, while recognizing the need to maintain financial discipline. Zero nominal growth was an effective tool for achieving efficiency savings. With the hope that the ILO would continue to deliver on its promise to pursue cost savings in management and administration, he was prepared not to oppose the programme and budget.
 52. The representative of the Government of Spain supported the proposals which were a reflection of his country's commitment to tripartism, the promotion of decent work and fair globalization. He also recalled the commitment of his Government to the reform of the United Nations and supported the IMEC statement concerning the issue of renovating the headquarters building.
 53. Mr Thurman, the deputy representative of the Secretary-General, responded to questions raised concerning the RBSA. He explained that the RBSA was intended to address priorities established in DWCPs, where the needs identified in these Programmes were beyond what could be addressed through the ILO's regular budget or through existing extra-budgetary technical cooperation resources. Without the RBSA, a number of outcomes in DWCPs would be underfunded. The Governing Body would set the priorities for the RBSA in advance, and would then review performance under the RBSA afterwards. The RBSA would respond to the needs and priorities of constituents at the country level. Donors could designate priorities to be given to a particular strategic objective or to a particular region for their own contributions.
 54. He concluded by remarking that the ILO's results-based management (RBM) road map provided milestones for the improvement of workplanning in the Office in 2007, 2008 and 2009. The Office's objective was to make systematic use of a management tool that aimed to improve the capacity of managers to make the best use of resources in terms of effectiveness and efficiency.

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55. Ms O'Donovan, the representative of the Secretary-General, explained that the suspension of the Resolutions Committee during the current biennium was a decision of the June 2005 Conference. It had been decided that the resources would be used instead to support the ILO Maritime Conference, held in 2006. The suspension was a temporary one, and the Director-General's reply to the discussion at the March 2007 Governing Body had indicated that provision would be made for a mechanism to be restored at the 2008 Conference. It would not necessarily be the same as the former mechanism – the Office would try to find a more cost-effective solution – but it was recognized that there was a need to have such a forum. Some resources had therefore been provided for this in the current programme and budget proposals.
 56. She stated that the Office shared the concerns expressed by the Employers, Workers and various Governments about the importance of the renovation of the headquarters building. This was a major challenge facing the Organization and an issue which had been addressed on a number of occasions in the Governing Body. As had been mentioned by the Director-General in his opening comments to the Finance Committee, it was a matter under active consideration and the Office was committed to finding a solution. Pending the determination of an overall solution, the Office had the approval of the Governing Body to go ahead with the first phase of the renovation, which would address the urgent repairs identified in a major technical study completed in the previous year. The Office was in the final stages of selecting the contractors to undertake this work. The issue would continue to receive priority attention from the Governing Body.
 57. The Director-General addressed the questions raised in relation to UN reform. He indicated that the ILO was not only committed to reform, but that it was in a position to bring a great deal to the process of UN reform. This included its mandate which was dignity at work; a set of values that come from its Constitution; its unique tripartite identity; the Decent Work Agenda; and the delivery of policy advice. These would be the key contributions the ILO would bring to the UN reform process.
 58. The Director-General called upon governments to help explain to other international organizations the significance of tripartism so that it was understood and respected as part of the identity of the ILO. Other organizations could not be expected to take tripartism into consideration to the same extent, as their organizational structure did not have the benefit of the participation of workers and employers. A further key element of the ILO's identity, that of standards setting, was also not present in all other international organizations.
 59. The Director-General observed that the Decent Work Agenda, which the ILO had pursued since its creation, was no longer only an ILO agenda but had become a global agenda recognized by many multilateral bodies. The four strategic objectives of the Decent Work Agenda would guide the ILO in its discussions of UN reform at the country level.
 60. The ILO delivered policy advice. It developed standards and policy through which the four strategic objectives could be achieved. The ILO was not a development organization and did not manage infrastructure, health, or education delivery projects. Delivering policy advice called for knowledge and research. People were the primary resource for policy advice which explained why some 70 per cent of the ILO budget comprised staff costs.
 61. The ILO had been responding for a long time to constituents' demands, and so it was already attuned to the principle of respect for national ownership, a principle which the United Nations and donors had now endorsed. The ILO delivered in the real-world context of national, regional and global counterparts with which it worked. That required a level of adaptability and dialogue. The Director-General explained that there was no better method than dialogue to solve conflicts and to find stable, balanced solutions and that it had proved its worth over a long period of time.

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62. The ILO belonged to the UN family and while this did not mean that all Members would do everything in the same manner, the ILO would work in the context of that family. The ILO was very clear as to what it was bringing to UN reform and in this sense it was well ahead in its contribution to the UN reform process. The ILO was participating in the eight UN country pilot projects. The Director-General had requested senior managers to visit the pilot countries systematically and on a regular basis to determine how the reforms were working in practice.
63. The Director-General's view was that governments and donors need to be more specific about what they wanted to see in terms of UN reforms. For example, governments should make clear their position in relation to non-resident agencies. An in-depth discussion on UN reform had not yet taken place globally or at the United Nations. While the pilot projects would be an important indicator of what worked and in what manner, the ILO could not ultimately pursue a form of the "UN delivering as one" which governments did not support.
64. In conclusion, he believed that the ILO was approaching the process of UN reform with a very clear perspective. Acknowledgement and recognition of the ILO's tripartite governing structure were required and all organizations should work together, respecting the nature of the different institutions to produce a "One UN" at the country level.
65. The Chairperson thanked the Director-General for this reply. Certain member States had raised objections and reservations, but the majority had expressed support for the proposals. He concluded that the Committee was prepared to adopt the Programme and Budget for 2008–09.

Resolution for the adoption of the Programme and Budget for 2008–09 and the allocation of the budget of income among member States

66. The Committee had before it document C.F./D.3 which contained summarized financial details of the Programme and Budget proposals for 2008–09 and a draft resolution for submission to the Conference. 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 2008–09 biennium. The appropriate figures now to be inserted in the formal resolution were:

Budget of expenditure	641 730 000
Budget of income	641 730 000
Budget rate of exchange	1.23
Equivalent budget total in Swiss francs	789 327 900

67. The Treasurer and Financial Comptroller explained that document C.F./D.3 showed the final expenditure and income budget following the purchase of forward contracts to cover US dollar requirements. As a result of the contracts, member States' assessments were now protected against further exchange rate fluctuations during the 2008–09 biennium. The difference between the US dollar and the Swiss franc interest rates resulted in an exchange rate premium of approximately 10.6 million Swiss francs. In accordance with the Financial Regulations, this premium would be returned to member States at the end of the biennium, with one half being redistributed through the incentive scheme for the early payment of member States' contributions and the other half being refunded to all member States.
68. The representative of the Government of Norway asked whether member States which had not paid their contributions in full would also receive a share of the premium.

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69. The Treasurer and Financial Comptroller clarified that only when member States had fully paid their contributions for the biennium would they receive their share of the premium earned during that period.
70. The representative of the Government of Lebanon asked whether the Swiss franc to US dollar rate would change during the second year of the biennium.
71. The Treasurer and Financial Comptroller explained that the rate of 1.25 Swiss francs to the dollar applied to the 2006–07 biennium. The new rate for the 2008–09 biennium was 1.23 Swiss francs to US\$1, a rate which resulted from a series of forward purchase contracts executed earlier in the day. The rate of 1.23 was valid for both years of the 2008–09 biennium.
- 72. *The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.***

Appendices

73. The address of the Director-General regarding the Programme and Budget proposals for 2008–09 is attached as Appendix I to this report.
74. The draft scale for the assessment of contributions for the years 2008–09 is attached as Appendix II.
75. A table showing the proposed summarized budget of expenditure and income for 2008–09 is attached to this report (Appendix III), together with a summary of the proposed expenditure budget for 2008–09 by appropriation line (Appendix IV).
76. A statement showing the contributions due from each member State for 2008 is also attached as Appendix V.

Geneva, 6 June 2007.

(Signed) G. Kristinsson,
Chairperson and Reporter.

Resolutions submitted to the Conference

Resolutions concerning the assessment of contributions of new member States

The General Conference of the International Labour Organization,

Decides, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, that the contribution of Montenegro to the ILO budget for the period of its membership in the Organization in 2006 and 2007 be based on an annual assessment rate of 0.001 per cent and that, taking into account Montenegro's period of membership, its assessments for 2006 and 2007 be deducted from the assessments of the former Serbia and Montenegro, applicable to those years.

The General Conference of the International Labour Organization,

Decides, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, that the contribution of Brunei Darussalam to the ILO budget for the period of its membership in the Organization in 2007 be based on an annual assessment rate of 0.026 per cent.

Resolution of scale of assessments of contributions to the budget for the 2008–09 financial period

The General Conference of the International Labour Organization,

Decides, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to adopt the draft scale of assessments for 2008–09 as set out in column 3 of Appendix III to this document.

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,

- (a) to express to Mr Michel Gentot its appreciation for the services he has rendered to the work of the Administrative Tribunal over the past 15 years as judge, Vice-President and President of the Tribunal;
- (b) to renew the appointments of Mr Agustin Gordillo (Argentina) and Mr Claude Rouiller (Switzerland) for a term of three years;
- (c) to appoint Mr Patrick Frydman (France) as judge of the Administrative Tribunal for a term of three years.

**Resolution concerning the treatment of
proceeds from transfer or sale of land**

The General Conference of the International Labour Organization,

Decides, in derogation of article 11.1 of the Financial Regulations, to credit the net proceeds from any transfer or sale of land and of the leasehold in Geneva, Switzerland, to the Building and Accommodation Fund.

**Resolution concerning the adoption of the
Programme and Budget for 2008–09 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 71st financial period, ending 31 December 2009, the budget of expenditure of the International Labour Organization amounting to US\$641,730,000 and the budget of income amounting to US\$641,730,000, which, at the budget rate of exchange of 1.23 Swiss francs to the US dollar, amounts to 789,327,900 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

International Labour Conference – 96th Session

Address by Mr Juan Somavia, Director-General, to the Finance Committee of Government Representatives on the Programme and Budget proposals for 2008–09 (31 May 2007)

Mr Kristinsson,

Distinguished delegates, Your Excellencies, Ladies and Gentlemen,

You have before you the recommendation of the ILO Governing Body to the International Labour Conference to adopt a Programme and Budget for 2008–09 with a provisional total expenditure of US\$635 million.

This recommendation is the result of a preliminary discussion in November 2006 and a thorough, substantive debate in the Governing Body last March.

Allow me to thank the Honourable Minister Mdladlana, Chairperson of the ILO Governing Body and of its Programme, Financial and Administrative Committee. His dedication successfully guided us through an intensive and very rich exchange that led to the clear decision now before you.

My gratitude also goes to the spokespersons of the Employers, Mr Barde, and of the Workers, Mr Blondel, who each gave a vivid illustration of the value of tripartite dialogue. I welcome their comments today as part of your discussions.

I am very grateful to the many governments from all regions who actively enriched the debate with many useful suggestions.

The Governing Body discussion reiterated a solid consensus on the four pillars of the ILO Decent Work strategy of rights, employment, social protection and social dialogue, which we approved in 1999, together with the introduction of strategic budgeting.

Once again, it was clear that ILO constituents perceive Decent Work as pivotal in strategies to ensure sustainable economic and social progress, to eradicate poverty and achieve the Millennium Development Goals, as well as to strengthen the social dimension of globalization.

The Office was encouraged to continue strengthening Decent Work Country Programmes as the main delivery mechanism to support constituents' priorities and to participate in common UN country programmes.

The ILO should actively engage with regional and global institutions to contribute to the implementation of Decent Work agendas up to 2015, as determined by ILO regional meetings, most recently in Africa, and earlier in Asia and the Pacific, in the Americas, and in Europe and Central Asia.

I wish to highlight the significance of these meetings. Each of them has zeroed in on regional needs and priorities, further developing and deepening programme directions set by the Governing Body and the Conference. They have become an important tool to guide our regional activities.

The programme and budget debate crystallized around four main issues. I will address each of these in turn.

First, the level of the regular budget.

Many Governments as well as the Workers' group argued for a stronger ILO with a higher resource level. They pointed out that the ILO budget had been decreasing in real terms over the last three decades, while membership, needs and opportunities had all been expanding.

In their view, the ILO budget did not reflect the political importance which member States gave to the Decent Work Agenda or the significant global support it had received.

For others, zero nominal growth was the appropriate level. Several Governments conveyed a sense of the severe financial difficulties that prevented them from supporting a real increase in the

ILO budget. In the end, a general agreement on the proposal before you was reached, taking into account the reservations expressed.

As you know, a new scale of assessment will come into effect in 2008. This was decided by governments in the United Nations General Assembly after serious analysis of all relevant elements. As a result, some of you will see your assessed contributions rise while that of others will decline. For most there is no change.

It is perfectly understandable that those countries whose scale has increased are concerned. But this situation, you will agree, is quite independent of our discussion here.

One thing was clear. Most participants from all groups highlighted certain areas where they wanted more ILO activities, more ILO policy support, more technical cooperation. This is our daily experience at the country level. Demands on our services are systematically and increasingly higher than the available resources.

This reality led me to propose to the Governing Body a discussion on the ILO's role today and its regular budget needs, but separate from a budget approval process. I look forward to this discussion, which should enable us to develop a medium-term perspective on the ILO regular budget.

It is a fact that the ILO's Decent Work Agenda has become a global agenda. The institution has greater receptivity within multilateral decision-making.

A major expression of this process is the Toolkit for Mainstreaming Employment and Decent Work, recently approved by the heads of international agencies at the meeting of the Chief Executives Board chaired by Secretary-General Ban Ki-Moon.

Developed in cooperation with all interested organizations, it is an instrument to be used by each agency to evaluate its own policies in relation to employment and decent work outcomes. As a policy coherence tool, it is a breakthrough and a substantive contribution to the implementation of UN reform towards delivering as one.

In this respect, allow me to inform you that both the Assembly of the Inter-Parliamentary Union and the Plenary of the European Parliament have adopted, this month of May, resolutions of support for the Decent Work Agenda.

The Ministers of Labour of the G8 have also reiterated their support for Decent Work strategies – particularly in relation to social protection – to give practical effect to a social dimension of globalization.

The second main issue concerns the provision for cost increase.

Within the overall budget level approved by the Governing Body, there is a provision for cost increase. This provision is intended to offset increases in the price of goods and services purchased by the ILO in the different countries in which it operates. This includes the cost of the Staff Health Insurance Fund. The provision ensures that the programme expenditures maintain their value in real terms. This amounts to US\$11 million.

To this must be added the major component (73 per cent, in fact) of cost increases, amounting to US\$30 million. This relates to staff costs.

As you know, we are part of the UN common system. Consequently, the ILO is required to implement decisions of the UN General Assembly and the International Civil Service Commission. These decisions are beyond the control of the ILO and concern professional and general service staff, including local staff in the various duty stations.

The total provision for cost increase amounts to US\$40.9 million. That is US\$3 million lower than my original proposal, following adjustments introduced in March 2007 in response to the Governing Body debate. The cost increase is equivalent to 6.9 per cent of the budget. The increase related to our own operational costs, excluding the mandated staff cost increases, is only 1.9 per cent of the budget.

When discussing the budget of an international organization, I am perfectly aware that we are discussing fiscal matters and the use of taxpayers' money. Government resources are limited. There are many competing claims for their use. Many of you have to justify your governments' allocations to the ILO budget.

The fact that you have before you a recommendation for a zero real growth budget does not in any way alter my determination to improve efficiency and effectiveness throughout the Office. Out of respect for the taxpayers in your countries, and my commitment to better serve our constituents, I, together with all my senior managers, will continue to use resources in a prudent and cost-effective manner.

My third point is the Governing Body's discussion of my programme proposals for 2008–09.

Many valuable suggestions emerged from that discussion. Annex 3 of Report II before you details the 16 amendments that have been introduced as a result.

As part of our systematic effort to review and reinforce our working methods for greater efficiency and effectiveness, the Governing Body gave very useful guidance, among them on performance measurement including methods to develop qualitative indicators, clearer reporting formats and ways of facilitating public access to and sharing of ILO knowledge. As the Governing Body has requested, the Office will make proposals next November.

Several suggestions addressed results-based management. We will continue to strengthen accountability for results in the Office, further improve joint programming and develop appropriate work planning, adapted to the changes in the labour market and governmental policies.

An important task will be to carry out, as agreed by the Governing Body, a detailed examination of the organization and functions of the ILO field structure. An informal briefing will be held during this session of the Conference to update Members on this matter.

As indicated in table B of Report II, over US\$11.5 million in the proposed regular budget have been reallocated to high-priority items. This implies realizing savings and redirecting resources to technical work within the constant resource level and in accordance with the agreement on the four strategic objectives.

Resources for the regions have been increased by over US\$4 million. This follows a constant trend of my last budget proposals. Since 1999, resources for the regions have increased by 8 per cent in real terms.

A budget of US\$2.5 million has been introduced for ILO support to UN reform and inter-agency programmes.

Resources for oversight and evaluation have been increased by US\$1.5 million.

Resources for the Building and Accommodation Fund have been increased substantially, by US\$1.8 million.

At the same time, major savings, of some US\$6 million, will be achieved in management, support and other services through more efficient use of staff and new technology. Savings in travel and in meetings will also be made. The drive to achieve more efficient work processes, in particular through IRIS, will continue. This will enable the ILO to make better use of its support staff, both at headquarters and in the regions.

Together with the Human Resources Strategy, the Information Technology Strategy and the Evaluation Policy Strategy approved by the Governing Body, these efforts will enhance the effectiveness and efficiency of the Office.

As you know, we are all committed to finding a viable solution to the problem of financing the major renovation of the ILO headquarters building after 33 years of operations. I am not referring to the normal maintenance costs which we regularly address and will continue to address. I am referring to a major upgrading investment to meet modern environmental and energy efficiency standards and ensure the building's future viability.

This, as you know, is in part dependent on reaching a mutually acceptable arrangement with the host country, Switzerland, to help finance the investment. With respect to the decision of the Governing Body in March, the Office is currently gathering all the necessary information with the assistance of independent expertise. Information on the financial arrangements with host countries for the renovation of UN buildings in different countries is also being compiled. I hope we will be able to find a mutually acceptable agreement.

Fourthly, I wish to highlight the importance of the decision of the Governing Body to support the establishment of a Regular Budget Supplementary Account (RBSA).

The RBSA provides a new modality of financing based on voluntary contributions to programmes, themes and regions, rather than individual projects.

The Account is closely linked to the regular budget programme in the sense that priorities for its use are the same as those determined by the Governing Body in the programme and budget. The role of the Governing Body is thus enhanced both in defining priorities and in reviewing expenditures.

Contributions to the Supplementary Account will finance ILO technical support in the regions. Such funds will meet development aid criteria. The Account also opens new perspectives for “South–South” cooperation.

The Supplementary Account is, in accounting terms, managed separately from the regular budget but is an integral part of the 2008–09 programme and budget.

The same oversight, audit, reporting and evaluation procedures will apply to the activities financed through the Supplementary Account. It will provide for simpler administrative procedures and reduced transaction costs.

We held many consultations with the Governing Body groups before the March decision to establish the Supplementary Account. We have since continued the dialogue with potential donor governments.

For the information of all constituents, and for the preparation of member States of the Finance Committee, a document containing frequently asked questions about the RBSA is now available on the ILO web site. It was distributed to the members of the Governing Body in March. An information folder is at your disposal in this room.

I am hopeful that many governments in a position to contribute to the Supplementary Account will give serious consideration to this modality.

I must say that the spirit of the discussion that prevailed last March is very inspiring. It is built on respect, transparency and patient dialogue. This is the ILO method and its value. It allows us to move in a secure and stable manner in the direction of what the large majority of our constituents wish.

None of the national and international support the ILO has received these last years would have been possible without the solid consensus we have crafted together, with you, with the Governing Body, with constituents of this Organization. Allow me to thank you once again for your support.

I am pleased to present this budget to the Finance Committee in full confidence that the programme and budget proposals as a whole will enable us, working together, to deliver the outcomes expected by our constituents within the limits of the available resources.

Let me conclude by saying that a budget is not just numbers, and a programme is not just a set of outcomes and indicators. Both are needed to hold an organization together. But they are only instruments of a higher purpose. They enable us to give effect to the shared values of our Constitution, the cornerstone of our common purpose.

Thank you for your attention.

Appendix II

Scale of assessments

State	ILO	UN	Draft scale of ILO	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2007	2007-2009	2008-2009	cols 3 and 1)
	Col.1	Col.2	Col.3	Col.4
	%	%	%	%
1 Afghanistan	0.002	0.001	0.001	(0.001)
2 Albania	0.005	0.006	0.006	0.001
3 Algeria	0.076	0.085	0.085	0.009
4 Angola	0.001	0.003	0.003	0.002
5 Antigua and Barbuda	0.003	0.002	0.002	(0.001)
6 Argentina	0.957	0.325	0.325	(0.632)
7 Armenia	0.002	0.002	0.002	-
8 Australia	1.593	1.787	1.788	0.195
9 Austria	0.860	0.887	0.888	0.028
10 Azerbaijan	0.005	0.005	0.005	-
11 Bahamas	0.013	0.016	0.016	0.003
12 Bahrain	0.030	0.033	0.033	0.003
13 Bangladesh	0.010	0.010	0.010	-
14 Barbados	0.010	0.009	0.009	(0.001)
15 Belarus	0.018	0.020	0.020	0.002
16 Belgium	1.070	1.102	1.103	0.033
17 Belize	0.001	0.001	0.001	-
18 Benin	0.002	0.001	0.001	(0.001)
19 Bolivia	0.009	0.006	0.006	(0.003)
20 Bosnia and Herzegovina	0.003	0.006	0.006	0.003
21 Botswana	0.012	0.014	0.014	0.002
22 Brazil	1.524	0.876	0.877	(0.647)
23 Brunei Darussalam	-	0.026	0.026	0.026
24 Bulgaria	0.017	0.020	0.020	0.003
25 Burkina Faso	0.002	0.002	0.002	-
26 Burundi	0.001	0.001	0.001	-
27 Cambodia	0.002	0.001	0.001	(0.001)
28 Cameroon	0.008	0.009	0.009	0.001
29 Canada	2.816	2.977	2.979	0.163
30 Cape Verde	0.001	0.001	0.001	-
31 Central African Republic	0.001	0.001	0.001	-
32 Chad	0.001	0.001	0.001	-
33 Chile	0.223	0.161	0.161	(0.062)
34 China	2.055	2.667	2.668	0.613
35 Colombia	0.155	0.105	0.105	(0.050)
36 Comoros	0.001	0.001	0.001	-
37 Congo	0.001	0.001	0.001	-
38 Costa Rica	0.030	0.032	0.032	0.002
39 Côte d'Ivoire	0.010	0.009	0.009	(0.001)
40 Croatia	0.037	0.050	0.050	0.013
41 Cuba	0.043	0.054	0.054	0.011
42 Cyprus	0.039	0.044	0.044	0.005
43 Czech Republic	0.183	0.281	0.281	0.098
44 Democratic Republic of the Congo	0.003	0.003	0.003	-
45 Denmark	0.719	0.739	0.739	0.020
46 Djibouti	0.001	0.001	0.001	-
47 Dominica	0.001	0.001	0.001	-

State	ILO	UN	Draft scale of ILO	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2007	2007-2009	2008-2009	cols 3 and 1)
Col.1	Col.2	Col.3	Col.4	
%	%	%	%	%
48 Dominican Republic	0.035	0.024	0.024	(0.011)
49 Ecuador	0.019	0.021	0.021	0.002
50 Egypt	0.120	0.088	0.088	(0.032)
51 El Salvador	0.022	0.020	0.020	(0.002)
52 Equatorial Guinea	0.002	0.002	0.002	-
53 Eritrea	0.001	0.001	0.001	-
54 Estonia	0.012	0.016	0.016	0.004
55 Ethiopia	0.004	0.003	0.003	(0.001)
56 Fiji	0.004	0.003	0.003	(0.001)
57 Finland	0.533	0.564	0.564	0.031
58 France	6.036	6.301	6.304	0.268
59 Gabon	0.009	0.008	0.008	(0.001)
60 Gambia	0.001	0.001	0.001	-
61 Georgia	0.003	0.003	0.003	-
62 Germany	8.670	8.577	8.581	(0.089)
63 Ghana	0.004	0.004	0.004	-
64 Greece	0.530	0.596	0.596	0.066
65 Grenada	0.001	0.001	0.001	-
66 Guatemala	0.030	0.032	0.032	0.002
67 Guinea	0.003	0.001	0.001	(0.002)
68 Guinea-Bissau	0.001	0.001	0.001	-
69 Guyana	0.001	0.001	0.001	-
70 Haiti	0.003	0.002	0.002	(0.001)
71 Honduras	0.005	0.005	0.005	-
72 Hungary	0.126	0.244	0.244	0.118
73 Iceland	0.034	0.037	0.037	0.003
74 India	0.421	0.450	0.450	0.029
75 Indonesia	0.142	0.161	0.161	0.019
76 Iran, Islamic Republic of	0.157	0.180	0.180	0.023
77 Iraq	0.016	0.015	0.015	(0.001)
78 Ireland	0.350	0.445	0.445	0.095
79 Israel	0.467	0.419	0.419	(0.048)
80 Italy	4.890	5.079	5.081	0.191
81 Jamaica	0.008	0.010	0.010	0.002
82 Japan	19.485	16.624	16.632	(2.853)
83 Jordan	0.011	0.012	0.012	0.001
84 Kazakhstan	0.025	0.029	0.029	0.004
85 Kenya	0.009	0.010	0.010	0.001
86 Kiribati	0.001	0.001	0.001	-
87 Korea, Republic of	1.797	2.173	2.174	0.377
88 Kuwait	0.162	0.182	0.182	0.020
89 Kyrgyzstan	0.001	0.001	0.001	-
90 Lao People's Democratic Republic	0.001	0.001	0.001	-
91 Latvia	0.015	0.018	0.018	0.003
92 Lebanon	0.024	0.034	0.034	0.010
93 Lesotho	0.001	0.001	0.001	-
94 Liberia	0.001	0.001	0.001	-
95 Libyan Arab Jamahiriya	0.132	0.062	0.062	(0.070)
96 Lithuania	0.024	0.031	0.031	0.007
97 Luxembourg	0.077	0.085	0.085	0.008
98 Madagascar	0.003	0.002	0.002	(0.001)
99 Malawi	0.001	0.001	0.001	-
100 Malaysia	0.203	0.190	0.190	(0.013)

State	ILO	UN	Draft scale of ILO	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2007	2007-2009	2008-2009	cols 3 and 1)
	Col.1	Col.2	Col.3	Col.4
	%	%	%	%
101 Mali	0.002	0.001	0.001	(0.001)
102 Malta	0.014	0.017	0.017	0.003
103 Mauritania	0.001	0.001	0.001	-
104 Mauritius	0.011	0.011	0.011	-
105 Mexico	1.885	2.257	2.258	0.373
106 Moldova, Republic of	0.001	0.001	0.001	-
107 Mongolia	0.001	0.001	0.001	-
108 Montenegro	-	0.001	0.001	0.001
109 Morocco	0.047	0.042	0.042	(0.005)
110 Mozambique	0.001	0.001	0.001	-
111 Myanmar	0.010	0.005	0.005	(0.005)
112 Namibia	0.006	0.006	0.006	-
113 Nepal	0.004	0.003	0.003	(0.001)
114 Netherlands	1.691	1.873	1.874	0.183
115 New Zealand	0.221	0.256	0.256	0.035
116 Nicaragua	0.001	0.002	0.002	0.001
117 Niger	0.001	0.001	0.001	-
118 Nigeria	0.042	0.048	0.048	0.006
119 Norway	0.680	0.782	0.783	0.103
120 Oman	0.070	0.073	0.073	0.003
121 Pakistan	0.055	0.059	0.059	0.004
122 Panama	0.019	0.023	0.023	0.004
123 Papua New Guinea	0.003	0.002	0.002	(0.001)
124 Paraguay	0.012	0.005	0.005	(0.007)
125 Peru	0.092	0.078	0.078	(0.014)
126 Philippines	0.095	0.078	0.078	(0.017)
127 Poland	0.461	0.501	0.501	0.040
128 Portugal	0.470	0.527	0.527	0.057
129 Qatar	0.064	0.085	0.085	0.021
130 Romania	0.060	0.070	0.070	0.010
131 Russian Federation	1.101	1.200	1.201	0.100
132 Rwanda	0.001	0.001	0.001	-
133 Saint Kitts and Nevis	0.001	0.001	0.001	-
134 Saint Lucia	0.002	0.001	0.001	(0.001)
135 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
136 Samoa	0.001	0.001	0.001	-
137 San Marino	0.003	0.003	0.003	-
138 Sao Tome and Principe	0.001	0.001	0.001	-
139 Saudi Arabia	0.714	0.748	0.748	0.034
140 Senegal	0.005	0.004	0.004	(0.001)
141 Serbia	0.019	0.021	0.021	0.002
142 Seychelles	0.002	0.002	0.002	-
143 Sierra Leone	0.001	0.001	0.001	-
144 Singapore	0.388	0.347	0.347	(0.041)
145 Slovakia	0.051	0.063	0.063	0.012
146 Slovenia	0.082	0.096	0.096	0.014
147 Solomon Islands	0.001	0.001	0.001	-
148 Somalia	0.001	0.001	0.001	-
149 South Africa	0.292	0.290	0.290	(0.002)
150 Spain	2.523	2.968	2.970	0.447
151 Sri Lanka	0.017	0.016	0.016	(0.001)
152 Sudan	0.008	0.010	0.010	0.002
153 Suriname	0.001	0.001	0.001	-

State	ILO assessments 2007 Col.1 %	UN assessments 2007-2009 Col.2 %	Draft scale of ILO assessments 2008-2009 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
154 Swaziland	0.002	0.002	0.002	-
155 Sweden	0.999	1.071	1.072	0.073
156 Switzerland	1.198	1.216	1.217	0.019
157 Syrian Arab Republic	0.038	0.016	0.016	(0.022)
158 Tajikistan	0.001	0.001	0.001	-
159 Tanzania, United Republic of	0.006	0.006	0.006	-
160 Thailand	0.209	0.186	0.186	(0.023)
161 The form. Yug. Rep. of Macedonia	0.006	0.005	0.005	(0.001)
162 Timor-Leste, Dem. Rep of	0.001	0.001	0.001	-
163 Togo	0.001	0.001	0.001	-
164 Trinidad and Tobago	0.022	0.027	0.027	0.005
165 Tunisia	0.032	0.031	0.031	(0.001)
166 Turkey	0.372	0.381	0.381	0.009
167 Turkmenistan	0.005	0.006	0.006	0.001
168 Uganda	0.006	0.003	0.003	(0.003)
169 Ukraine	0.039	0.045	0.045	0.006
170 United Arab Emirates	0.235	0.302	0.302	0.067
171 United Kingdom	6.133	6.642	6.645	0.512
172 United States	22.000	22.000	22.000	-
173 Uruguay	0.048	0.027	0.027	(0.021)
174 Uzbekistan	0.014	0.008	0.008	(0.006)
175 Vanuatu	0.001	0.001	0.001	-
176 Venezuela, Bolivarian Republic of	0.171	0.200	0.200	0.029
177 Viet Nam	0.021	0.024	0.024	0.003
178 Yemen	0.006	0.007	0.007	0.001
179 Zambia	0.002	0.001	0.001	(0.001)
180 Zimbabwe	0.007	0.008	0.008	0.001
	100.000	99.964	100.000	0.000

Appendix III

Proposed summarized budget of expenditure and income for 2008–09

	Expenditure			Income			
	2006-07 Budget	2008-09 Estimates		2006-07 Budget		2008-09 Estimates	
	US\$	US\$		US\$	SF	US\$	SF
Part I Ordinary budget	587,253,275	634,163,177	Contributions from Member States	594,310,000	742,887,500	641,730,000	789,327,900
Part II Unforeseen expenditure	875,000	875,000					
Part III Working capital fund	-	-					
Part IV Institutional investments and extraordinary items	6,181,725	6,691,823					
Total Budget	594,310,000	641,730,000		594,310,000	742,887,500	641,730,000	789,327,900

Appendix IV

Proposed expenditure budget by appropriation line (in US dollars)

Item	2006-07 budget (US\$)	2008-09 Estimates (in constant 2006-07 US\$)	2008-09 Estimates (recosted) 1.25 to 1.23
Part I. Ordinary budget			
A. Policy-making organs	67,267,536	66,605,150	72,108,983
B. Strategic objectives	440,269,427	441,186,202	475,936,861
Standards	86,720,534	86,790,380	93,487,317
Employment	132,407,036	135,313,887	146,336,447
Social protection	94,948,117	89,906,565	96,920,016
Social dialogue	126,193,740	129,175,370	139,193,081
C. Management services	53,060,855	52,396,466	56,142,932
D. Other budgetary provisions	31,708,184	31,837,184	35,402,984
Adjustment for staff turnover	-5,052,727	-5,052,727	-5,428,583
Total Part I	587,253,275	586,972,275	634,163,177
Part II. Unforeseen expenditure			
Unforeseen expenditure	875,000	875,000	875,000
Part III. Working Capital Fund			
Working Capital Fund	—	—	—
Total (Parts I-III)	588,128,275	587,847,275	635,038,177
Part IV. Institutional investments and extraordinary items			
Institutional investments and extraordinary items	6,181,725	6,462,725	6,691,823
TOTAL (Parts I-IV)	594,310,000	594,310,000	641,730,000

Appendix V

INCOME BUDGET FOR 2008-2009 STATEMENT OF CONTRIBUTIONS DUE FROM MEMBER STATES FOR 2008 (In Swiss francs)

Member States	Assessed Contribution for 2008		Earned Credits Distributed in Respect of (1) :				Total Credits	Net Contribution for 2008
			2006	2004-05	Prior years			
			Incentive Scheme	50% Net Premium	50% Net Premium	Cash Surplus		
%	Amount							
1 Afghanistan	0.001	3,947	20		-	-	20	3,927
2 Albania	0.006	23,680	58		-	161	219	23,461
3 Algeria	0.085	335,464	780		-	-	780	334,684
4 Angola	0.003	11,840	13		-	-	13	11,827
5 Antigua and Barbuda	0.002	7,893			-	-	-	7,893
6 Argentina	0.325	1,282,658		22,225	3,669	-	25,894	1,256,764
7 Armenia	0.002	7,893	2		-	-	2	7,891
8 Australia	1.788	7,056,591	18,976		-	-	18,976	7,037,615
9 Austria	0.888	3,504,616	10,193		-	-	10,193	3,494,423
10 Azerbaijan	0.005	19,733	4		-	-	4	19,729
11 Bahamas	0.016	63,146	154		-	-	154	62,992
12 Bahrain	0.033	130,239	356		-	-	356	129,883
13 Bangladesh	0.010	39,466	117		-	-	117	39,349
14 Barbados	0.009	35,520	17		-	-	17	35,503
15 Belarus	0.020	78,933	145		12,939	-	13,084	65,849
16 Belgium	1.103	4,353,143			-	-	-	4,353,143
17 Belize	0.001	3,947	13		-	-	13	3,934
18 Benin	0.001	3,947		43	-	-	43	3,904
19 Bolivia	0.006	23,680		181	26	-	207	23,473
20 Bosnia and Herzegovina	0.006	23,680	11		-	-	11	23,669
21 Botswana	0.014	55,253	116		-	-	116	55,137
22 Brazil	0.877	3,461,203			7,129	-	7,129	3,454,074
23 Brunei Darussalam	0.026	102,612			-	-	-	102,612
24 Bulgaria	0.020	78,933	31		-	-	31	78,902
25 Burkina Faso	0.002	7,893	22		-	-	22	7,871
26 Burundi	0.001	3,947	2		3	-	5	3,942
27 Cambodia	0.001	3,947	3	43	-	-	46	3,901
28 Cameroon	0.009	35,520	96		-	-	96	35,424
29 Canada	2.979	11,757,039	33,535		-	-	33,535	11,723,504
30 Cape Verde	0.001	3,947			-	-	-	3,947
31 Central African Republic	0.001	3,947			-	-	-	3,947
32 Chad	0.001	3,947			-	-	-	3,947
33 Chile	0.161	635,409		4,598	-	-	4,598	630,811
34 China	2.668	10,529,634	3,121		-	-	3,121	10,526,513
35 Colombia	0.105	414,397	1,535		-	-	1,535	412,862
36 Comoros	0.001	3,947			-	-	-	3,947
37 Congo	0.001	3,947	10	21	3	-	34	3,913
38 Costa Rica	0.032	126,292		522	-	-	522	125,770
39 Côte d'Ivoire	0.009	35,520			-	-	-	35,520
40 Croatia	0.050	197,332	12	798	-	-	810	196,522
41 Cuba	0.054	213,118	42		-	-	42	213,076
42 Cyprus	0.044	173,652	453		-	-	453	173,199
43 Czech Republic	0.281	1,109,006	2,180		-	-	2,180	1,106,826
44 Democratic Republic of the Congo	0.003	11,840			-	-	-	11,840
45 Denmark	0.739	2,916,566	8,231		-	-	8,231	2,908,335
46 Djibouti	0.001	3,947			-	-	-	3,947
47 Dominica	0.001	3,947			-	-	-	3,947
48 Dominican Republic	0.024	94,719			-	-	-	94,719
49 Ecuador	0.021	82,879			-	-	-	82,879
50 Egypt	0.088	347,304	532		-	-	532	346,772
51 El Salvador	0.020	78,933			-	-	-	78,933
52 Equatorial Guinea	0.002	7,893		32	3	-	35	7,858
53 Eritrea	0.001	3,947	12		-	-	12	3,935
54 Estonia	0.016	63,146	144		-	-	144	63,002
55 Ethiopia	0.003	11,840	48		-	-	48	11,792
56 Fiji	0.003	11,840	47		-	-	47	11,793
57 Finland	0.564	2,225,905	6,317		-	-	6,317	2,219,588
58 France	6.304	24,879,615	62,040		-	-	62,040	24,817,575
59 Gabon	0.008	31,573	2	245	-	-	247	31,326
60 Gambia	0.001	3,947			-	-	-	3,947
61 Georgia	0.003	11,840			-	-	-	11,840

INCOME BUDGET FOR 2008-2009
STATEMENT OF CONTRIBUTIONS DUE FROM MEMBER STATES FOR 2008
(In Swiss francs)

	Member States	Assessed Contribution for 2008		Earned Credits Distributed in Respect of (1) :				Total Credits	Net Contribution for 2008
				2006	2004-05	Prior years			
						Incentive Scheme	50% Net Premium		
%	Amount								
62	Germany	8.581	33,866,113	45,277		-	-	45,277	33,820,836
63	Ghana	0.004	15,786			-	-	-	15,786
64	Greece	0.596	2,352,197		11,293	-	-	11,293	2,340,904
65	Grenada	0.001	3,947		21	-	-	21	3,926
66	Guatemala	0.032	126,292			-	-	-	126,292
67	Guinea	0.001	3,947			-	-	-	3,947
68	Guinea-Bissau	0.001	3,947			-	-	-	3,947
69	Guyana	0.001	3,947	13		-	-	13	3,934
70	Haiti	0.002	7,893		53	-	-	53	7,840
71	Honduras	0.005	19,733			-	-	-	19,733
72	Hungary	0.244	962,980	1,442		-	-	1,442	961,538
73	Iceland	0.037	146,026	402		-	-	402	145,624
74	India	0.450	1,775,988	5,012		-	-	5,012	1,770,976
75	Indonesia	0.161	635,409	497		-	-	497	634,912
76	Iran, Islamic Republic of	0.180	710,395			808	-	808	709,587
77	Iraq	0.015	59,199			-	-	-	59,199
78	Ireland	0.445	1,756,254		6,812	-	-	6,812	1,749,442
79	Israel	0.419	1,653,642			1,326	-	1,326	1,652,316
80	Italy	5.081	20,052,875	518		-	-	518	20,052,357
81	Jamaica	0.010	39,466	20		-	-	20	39,446
82	Japan	16.632	65,640,508	37,677	411,957	-	-	449,634	65,190,874
83	Jordan	0.012	47,360	117		-	-	117	47,243
84	Kazakhstan	0.029	114,452	293		-	-	293	114,159
85	Kenya	0.010	39,466	78		-	-	78	39,388
86	Kiribati	0.001	3,947			-	-	-	3,947
87	Korea, Republic of	2.174	8,579,994		38,542	-	-	38,542	8,541,452
88	Kuwait	0.182	718,288	1,757		-	-	1,757	716,531
89	Kyrgyzstan	0.001	3,947			-	-	-	3,947
90	Lao People's Democratic Republic	0.001	3,947	12		-	-	12	3,935
91	Latvia	0.018	71,039	180		720	-	900	70,139
92	Lebanon	0.034	134,186			-	-	-	134,186
93	Lesotho	0.001	3,947	13		-	-	13	3,934
94	Liberia	0.001	3,947	13	21	93	249	376	3,571
95	Libyan Arab Jamahiriya	0.062	244,691			-	-	-	244,691
96	Lithuania	0.031	122,346	251	436	-	-	687	121,659
97	Luxembourg	0.085	335,464	906		-	-	906	334,558
98	Madagascar	0.002	7,893		64	-	-	64	7,829
99	Malawi	0.001	3,947	12	32	-	-	44	3,903
100	Malaysia	0.190	749,861	2,032		-	-	2,032	747,829
101	Mali	0.001	3,947	21		-	-	21	3,926
102	Malta	0.017	67,093	167		-	-	167	66,926
103	Mauritania	0.001	3,947	12	21	-	-	33	3,914
104	Mauritius	0.011	43,413	131		-	-	131	43,282
105	Mexico	2.258	8,911,512			-	-	-	8,911,512
106	Moldova, Republic of	0.001	3,947	3		-	-	3	3,944
107	Mongolia	0.001	3,947	10		-	-	10	3,937
108	Montenegro	0.001	3,947			-	-	-	3,947
109	Morocco	0.042	165,759	49		-	-	49	165,710
110	Mozambique	0.001	3,947	10	21	-	-	31	3,916
111	Myanmar	0.005	19,733			-	-	-	19,733
112	Namibia	0.006	23,680	71		-	-	71	23,609
113	Nepal	0.003	11,840	43		-	-	43	11,797
114	Netherlands	1.874	7,396,002	18,692		-	-	18,692	7,377,310
115	New Zealand	0.256	1,010,340	2,583		-	-	2,583	1,007,757
116	Nicaragua	0.002	7,893	11		-	-	11	7,882
117	Niger	0.001	3,947	7	21	-	-	28	3,919
118	Nigeria	0.048	189,439			-	-	-	189,439
119	Norway	0.783	3,090,219	6,828		-	-	6,828	3,083,391
120	Oman	0.073	288,105	741		-	-	741	287,364
121	Pakistan	0.059	232,852		1,224	-	-	1,224	231,628
122	Panama	0.023	90,773		394	-	-	394	90,379
123	Papua New Guinea	0.002	7,893		96	-	-	96	7,797

CONTENTS

	<i>Page</i>
<i>Second item on the agenda: Programme and budget and other questions</i>	
Report of the Finance Committee of Government Representatives.....	1
Resolutions submitted to the Conference.....	13
Appendices.....	15