



TENTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Addendum and corrigendum

I. Programme and Budget for 2006–07 (First item on the agenda)

(b) Treatment of the net premium earned

1. Following consultations, an amended point for decision, addressing the concerns raised by certain member States, was discussed by the Committee.
2. The representative of the Government of the United States indicated that her Government did not support the point for decision.
3. The representative of the Government of France put forward an amendment to subparagraph (b) of the amended point for decision proposing the inclusion of the corresponding interest in the respective shares of any future special assessments related to the headquarters renovation project.
4. The representative of the Government of Australia sought clarification from the Office on the administrative and transaction costs associated with implementing such a proposal.
5. The Treasurer replied that less than 200,000 Swiss francs would be earned per annum on these funds. Administering this proposal would require close monitoring of receipts of contributions from member States, expenditure from the BAF and the apportionment of interest earned.
6. Both the Worker and Employer spokespersons as well as the Government representative of the Islamic Republic of Iran expressed concern about the administrative complexity and potential costs associated with the amendment proposed by the Government representative of France.
7. As there was no support for this amendment, the representative of the Government of France agreed to withdraw his proposal.

8. *The Committee recommends that the Governing Body propose to the 97th Session (June 2008) of the International Labour Conference that, subject to audit,*

(a) in derogation of article 11.5 of the Financial Regulations, the net premium earned during 2006–07, amounting to 32,270,415 Swiss francs, be credited to the Building and Accommodation Fund to finance partially the refurbishment of the headquarters building; and that

(b) in order to ensure an equitable contribution by all member States to the costs of renovating the headquarters building, the one-half of the net premium earned during 2006–07 amounting to 16,135,207 Swiss francs, that would have been distributed to member States through the Incentive Fund, be recognised as a payment made in advance by each member State for their respective share of any future assessments that may be made upon them for the purposes of renovating the headquarters building; and that

(c) it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Noting that the operation of the Swiss franc assessment system has resulted in a net premium earned of 32,270,415 Swiss francs in the 2006–07 biennium,

Decides, in derogation of article 11.5 of the Financial Regulations, to transfer the full amount of the net premium earned amounting to 32,270,415 Swiss francs to the Building and Accommodation Fund, and that the one-half share of the net premium earned during 2006–07, amounting to 16,135,207 Swiss francs, that would have been distributed to member States through the Incentive Fund, be recognised as a payment made in advance by each member State for their respective share of any future assessments that may be made upon them for the purposes of renovating the headquarters building.

**(c) Use of resources in the
Special Programme Account**

9. The Committee had before it a new paper ¹ containing revised proposals.

10. Mr Barde, speaking on behalf of the Employers' group, congratulated the Office on setting the budget for the building at US\$22 million and took note of the other amounts. Without wishing to question their allocation, he said he would like to know what the priorities were. He proposed amending allocation 3 by the deletion of everything following the words "decent work". He concluded by asking the Office to submit to the November 2008 Session of Governing Body a document for decision on the allocation of the US\$7.8 million.

¹ GB.301/PFA/1/3(Add.).

11. Mr Blondel, speaking on behalf of the Workers' group, welcomed the new allocation of resources, which appeared to satisfy all the groups. Regarding the celebrations surrounding the ILO's 90th anniversary specifically, he hoped that they would be serve to acquaint workers and citizens better with the Organization rather than for the issue of a commemorative publication. While he was aware that the budget surplus would not make it possible to finance ongoing activities because of its variable nature, he nevertheless hoped, like the representative of the Employers, that negotiations would be entered into on how the money would be spent.
12. The representative of the Government of the United States stated that her Government considered the building renovation project to be the largest single unfunded project facing the ILO at this time and therefore preferred that 100 per cent of the surplus fund go to that project. Her Government did not support the point for decision but could support the proposal made by the Employer's spokesperson for additional details to be submitted by the Office in November 2008.
13. The representatives of the Governments of France, Mexico, Italy, Germany, South Africa, Canada, Cuba, Kenya and the Netherlands expressed their support for the amended proposal contained in the document and also supported the proposal made by the Employer's spokesperson for further consultations and the provision of more details at the November 2008 session.
14. The representative of the Government of India agreed with the priority that had been given to the renovation of the headquarters building and the additional resources for technical assistance. He questioned whether a reserve of 8.1 million Swiss francs still remained.
15. The representative of the Government of the Russian Federation sought the opinion of the Legal Advisor as to whether decisions could be taken on unaudited financial data.
16. The Treasurer advised that the proposals in the document allocated the full amount available in the Special Programme Account. No reserve remained. He reported that both the amount of the income surplus and the net premium had been verified by the external auditor.
17. The Legal Adviser, in response to the question from the representative of the Russian Federation, advised that there was no legal obstacle to the Committee taking the decisions before it.
18. The representative of the Director-General (Ms O'Donovan) proposed the inclusion of an addition to the point for decision requesting the Office to provide additional details at the November 2008 session.
19. The representative of the Government of the Russian Federation requested that the point for decision include reference to the fact that the figures contained therein were still subject to audit.
20. ***The Committee recommends that the Governing Body,***
 - (a) ***authorize the use of resources available in the Special Programme Account totalling, subject to audit, 35.8 million Swiss francs (US\$31.4 million) as summarized in the attached appendix, in accordance with the criteria recalled in document GB.301/PFA/1/3, paragraphs 3 and 6; and***

- (b) request the Office to submit a document, following consultations, to its November 2008 session further detailing the allocation of resources to support technical programmes in countries totalling US\$7.8 million.*

Technical meetings reserve (Eighth item on the agenda)

21. The Chairperson recalled that two meetings could be selected. At the end of its previous sitting, the Committee reached consensus on option (d) on the measurement of decent work. For the second meeting, the options that received most support were (e) on occupational diseases, (f) on safety in the use of machinery and (i) on climate change and demographic shifts.
22. Mr Blondel, speaking on behalf of the Workers' group, reiterated the support of his group for option (e), noting that the issue of climate change would be addressed by the Governing Body in November 2008.
23. Mr Barde, speaking on behalf of the Employers' group, said that while his group was still in favour of option (i), it would not be opposed to option (e), should the latter receive large support in the Committee.
24. The representatives of the following Governments supported option (e): Australia, Canada, China, France, India, Islamic Republic of Iran, Japan, Jordan (on behalf also of Saudi Arabia), Republic of Korea and Spain.
25. The representative of the Government of South Africa, speaking on behalf of the Africa group, supported option (e) on the understanding that in the future support would be provided to the issue of HIV/AIDS.
26. *The Committee recommends to the Governing Body that, in addition to the three meetings agreed upon in November 2007, the following meetings be financed from the technical meetings reserve for 2008–09: Tripartite Meeting of Experts on the Measurement of Decent Work (US\$178,500) and Meeting of Experts on the Revision of the List of Occupational Diseases (Recommendation No. 194) (US\$227,844).*

II. Matters relating to the Administrative Tribunal of the ILO (Eighteenth item on the agenda)

(a) Statute of the Tribunal

27. After consultation, the Chairperson read out the following revised text amending article V of the Statute of the Tribunal: "The Tribunal, at its discretion, may decide or decline to hold oral proceedings, including upon request of a party."
28. Mr Barde, speaking on behalf of the Employers' group, supported the new text and the point for decision

29. Mr Blondel, speaking on behalf of the Workers' group, also supported the point for decision. His group's proposal requiring the Tribunal to justify its refusal of oral proceedings had been withdrawn so as to maintain clearly the Tribunal's authority. On another point, he asked that the Committee's agenda in November 2008 include an item permitting a discussion of the proposal that staff unions and associations be given access to the Tribunal on the basis of document GB.294/PFA/18/1.
30. *In the light of the foregoing, the Committee recommends to the Governing Body that it approve the draft resolution, contained in Appendix II, concerning amendment to article V of the Statute of the Administrative Tribunal of the International Labour Organization, to be submitted for decision to the International Labour Conference at its 97th Session (May–June 2008).*

III. Independent Oversight Advisory Committee

31. The Chair announced the completion of the review of candidates for the Independent Oversight Advisory Committee by the Tripartite Selection Committee. The Officers of the Governing Body were now submitting their recommendation to the Committee.
32. *The Committee recommends that the Governing Body appoint Mr Gil BELTRAN (Philippines); Mr Denys CHAMAY (Switzerland); Mr Reckford KAMPANJE (Malawi); Mr Arto KUUSIOLA (Finland); Mr Oscar MAFFE (Argentina) as members of the Independent Oversight Advisory Committee.*

IV. Corrections

The following corrections to the reports are circulated.

First report: Financial questions

Paragraph 7: add to the end of the final sentence “and urged that the ILO carbon offset funds be invested in energy efficiency improvements of the ILO building.”

Paragraph 15: replace the paragraph with the following: “The representative of the Government of Mexico noted the conclusions of the study on the renovation of the headquarters building, to the effect that some of the technical installations, equipment and material had reached the end of their useful life or needed to be replaced for security reasons or to save energy. For the security of the ILO staff and of participants in ILO meetings, his delegation therefore supported the point for decision.”

Paragraph 20: insert “per the financial regulations” between the words “member states” and “and did not”.

Paragraph 199 should be a point for decision.

Second report: Personnel questions

Add a new appendix to the report to read:

Appendix II

Projet de résolution concernant l'amendement à l'article V du Statut du Tribunal administratif de l'Organisation internationale du Travail

La Conférence générale de l'Organisation internationale du Travail,

Consciente qu'il importe de préciser clairement à l'article V du Statut du Tribunal administratif de l'Organisation internationale du Travail (ci-après le «Statut») que le Tribunal a compétence pour décider de l'opportunité d'organiser une procédure orale;

Notant que le Conseil d'administration de l'Organisation internationale du Travail a approuvé le texte du projet d'amendement à l'article V du Statut,

Adopte l'amendement à l'article V du Statut du Tribunal administratif de l'Organisation internationale du Travail, comme suit:

Insérer la phrase suivante au début de l'article V: «Le Tribunal peut, s'il en décide ainsi, accepter ou refuser d'organiser une procédure orale y compris à la demande d'une des parties.»

[The English text of the appendix reads :

Draft resolution concerning amendment to article V of the Statute of the Administrative Tribunal of the International Labour Organization

The General Conference of the International Labour Organization,

Aware of the value of clarifying, in article V of the Statute of the Administrative Tribunal of the International Labour Organization (“Statute”), that the Tribunal is competent to decide whether to hold an oral hearing,

Noting that the Governing Body of the International Labour Organization has approved the text of a draft amendment to article V of the Statute;

Adopts the amendment to article V of the Statute of the Administrative Tribunal of the International Labour Organization, as follows:

Insert the following sentence at the beginning of article V: “The Tribunal, at its discretion, may decide or decline to hold oral proceedings, including upon request of a party.”]

Geneva, 20 March 2008.

Points for decision: Paragraph 8;
Paragraph 20;
Paragraph 26;
Paragraph 30;
Paragraph 32.