



## ELEVENTH ITEM ON THE AGENDA

**Reports of the Programme, Financial  
and Administrative Committee****First report: Financial questions***Contents*

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1. The Programme, Financial and Administrative Committee (PFAC) of the Governing Body met on 12 and 13 November 2008, chaired by Mr Rapacki. Mr Julien and Sir Roy Trotman acted as Vice-Chairpersons. Mr Eriksson, Government representative, was elected as Reporter.
2. The order of discussion proposed in document GB.303/PFA/TOB was agreed.
3. The Director-General made a statement introducing the major policy papers before the Committee. The statement is appended to this report in an appendix.

## **Programme and Budget for 2008–09: Regular budget account and Working Capital Fund**

(First item on the agenda)

4. The Committee had before it two papers,<sup>1</sup> on the regular budget account and on the Working Capital Fund as at 31 October 2008.
5. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) reported that 2008 contributions received since 31 October 2008 were as follows:

	<b>Swiss francs</b>
Italy	19 770 412
Jordan	47 243
Panama	1 441
Fiji	494

The total contributions received to date amounted to CHF311,863,355, comprising CHF276,306,326 for 2008 and CHF35,557,029 in arrears. The total balance due was therefore CHF173,866,648.

6. Sir Roy Trotman, speaking on behalf of the Workers' group, thanked member States which had paid their contributions.
7. Mr Julien, speaking on behalf of the Employers' group, deplored the drop in the level of payments compared to 2007 (63.2 per cent as opposed to 67.1 per cent) and wondered why that was so, since the percentage was also a measure of governments' confidence in the Organization.
8. He thanked the countries that had paid their contributions in 2008, congratulated those that had already made their payment for 2009 (despite the fact that they were not necessarily the most wealthy States), and urged all the others to acquit themselves of their obligations. He was glad to see that the number of countries that had lost the right to vote had declined.
9. The representative of the Government of India asked that the record be corrected, as it showed arrears of CHF5 for the Government of India when in fact it had paid its contribution fully.
10. The Committee took note of the paper.

<sup>1</sup> GB.303/PFA/1 and GB.303/PFA/1(Add.).

## **Strategic Policy Framework 2010–15 and preview of the Programme and Budget proposals for 2010–11**

(Second item on the agenda)

11. The Committee had before it a paper<sup>2</sup> on the Strategic Policy Framework (SPF) 2010–15 and preview of the Programme and Budget proposals for 2010–11.
12. Mr Julien, speaking on behalf of the Employers' group, said he wanted to refer to the group's previous observations regarding the preparation of the SPF, specifically at the meeting of the PFAC in March 2008, in the document on the Employers' vision of the ILO that the International Organisation of Employers (IOE) had issued in June 2008 and in the course of the informal consultations in September 2008. On all three occasions, the group had made it known that it was counting on the Office to respond to the challenges facing the world of work by giving full consideration to the expectations of its constituents. It was therefore regrettable that, although there had been a number of significant improvements in the document (greater coherence, better teamwork, fewer but more relevant results), it still was not quite what the group was looking for, despite its efforts to inform the Office of its concerns. He deplored the lack of communication between the Office and the constituents, and the Employers in particular.
13. He made the point that the framework presented by the Office was not "strategic" enough, whereas it should correspond to the main reference document for the following six years. At this stage, the strategic framework should not go into resource, regional priority or management issues. The document was too long, spent too much time on internal management and looked more like a "super programme and budget". Instead, it ought to take a longer view of the social challenges of globalization and of the challenges facing the world of work and draw out the specific nature of the analysis, message and action of the ILO.
14. The speaker went on to say that a strategic framework ought to be about ten pages long, be based on a tripartite consensus and serve as a means of developing a strategy that was clear enough to be understood outside the Organization, thereby enhancing its impact and its effectiveness. The message had to be tripartite if the strategic framework were to be meaningful. The ILO should take into account the approach of the part of the world of work represented by business. What the Employers' group wanted was an analysis of strategic frameworks developed by other international organizations. That was particularly important because the financial crisis and the steady globalization of the production system, of labour, of enterprises and of the law meant that constituents were up against an entirely new set of challenges and needs. It was up to the Office to help them face the challenge by giving them a vision and a way forward, and by adapting its services in line with the philosophy of the Declaration on Social Justice for a Fair Globalization (the 2008 Declaration). In so doing, it should apply a methodology whereby it could identify their requirements directly with them.
15. Mr Julien said he was concerned that in March 2009 the Governing Body would be called upon to adopt two fundamental documents, yet it was only logical that, as a concrete and financial response to the SPF, the programme and budget should not be adopted until the framework itself had been finalized. The SPF contained elements that should be part of the programme and budget. There was a risk that the discussion of two similar and redundant documents at the March session would be chaotic and never-ending. His group was

<sup>2</sup> GB.303/PFA/2.

prepared to discuss the programme and budget only when it had been finalized and adopted. To make it easier to reach a consensus on a new version of the SPF, he suggested that the Office organize consultations before the March session to discuss in depth the SPF's vision, political content and goals, so that it could provide better support for its constituents and respond to the challenges facing the world of work. Meanwhile, the IOE would have another look at its paper on the Employers' vision of the ILO.

16. In conclusion, the speaker emphasized that the SPF should be founded on a clear vision that could be shared by all, was based on the 2008 Declaration and could guide the ILO's action in a turbulent international environment. The ILO should display solidarity in the face of the grave difficulties experienced by many countries in 2008. The Employers expected the Office to signal a new approach to its analysis and action, and not just a catalogue of activities.
17. Sir Roy Trotman, speaking on behalf of the Workers' group, commended the influence of the 2008 Declaration on the priorities and working methods described in the SPF. The emphasis on the interrelated nature of the strategic objectives, and the focus on services to constituents and on the need to strengthen the technical capacities of the Office and implement a new method of work that rewarded collaboration and teamwork, were fundamental. More analysis of the strategic context was necessary, particularly of the impact of the current financial and economic crisis and the implications for ILO action.
18. Regional priorities should be revisited in line with the 2008 Declaration and be guided by the decisions of the Governing Body and the International Labour Conference, not solely by the outcome of Regional Meetings, in order to avoid the danger of dichotomy between policy-setting organs and operational ones. The strategic framework section should include reference to the Organization's key capacity gaps, the difficulties currently being faced, and how the Office planned to overcome them. It should also describe how the 2008 Declaration had shaped the outcome titles. Turning to the resource section, he stressed the importance of the regular budget funding and the need to maintain the governance role of the Governing Body in allocating resources in respect of the Regular Budget Supplementary Account (RBSA) and extra-budgetary resources. He expressed the wish that the next SPF would better reflect how the 2008 Declaration was reshaping policy priorities and funds allocation in the next six years.
19. He welcomed the outcome on freedom of association and collective bargaining and proposed the inclusion of two separate outcomes on safety and health and working conditions, plus specific outcomes on export processing zones (EPZs), employment relationships, trade, financial and economic policies and multinational enterprises (MNEs).
20. The 2008 Declaration should be better reflected in the strategic objective on employment, since the 2008 Declaration reiterated the ILO's mandate to consider economic and financial policies in the light of the objective of social justice. The strategy under the outcome on job-rich growth should be based on the Declaration as a whole. The ILO needed to focus on helping raise awareness of the employment intensity of given choices (Global Employment Agenda (GEA) core element 4 on macroeconomic policy). The ILO should help countries which were preparing stimulus packages to orient their efforts towards employment-related initiatives in order to ensure that policies included in fiscal packages had a maximum employment impact. He called for the upscaling of the work on cooperatives. He requested further reference to employment-intensive investments and indicated the need to promote policies that boosted physical and social infrastructures in developed and developing countries. Additional reference should also be made to the role of the public sector in providing quality jobs. MNEs should be a separate outcome from the general enterprise outcome, given the important partnership that the Declaration recognized between MNEs and unions operating at global sectoral level.

21. Turning to the strategic objective on social protection, work on the global social floor should be guided by the discussion held in the Committee on Employment and Social Policy. The Office should increase work on wages and incomes and make the *Global Wage Report* a biennial publication with yearly updates, and should prioritize research into other working conditions. The speaker supported the notion of creating a culture of prevention, linking national economic, employment and occupational safety and health (OSH) policies and strengthening labour inspection to advance rights at work. The reference in paragraph 126 to the concept of flexibility was unacceptable. He stressed the need to strengthen labour ministries' capacity in labour inspection and administration as well as the need to post relevant specialists to the field. In the area of OSH, Convention No. 155 should be promoted and additional resources made available to the responsible unit. Work on the protection of migrant workers should be strengthened and Conventions Nos 97 and 143 actively promoted. He expressed support for the HIV/AIDS programme and the upcoming standard.
22. Referring to the strategic objective on social dialogue, the speaker said that it was necessary to upscale work on collective bargaining as a fundamental way of reducing poverty and inequalities. He regretted the lack of reference to EPZs, where work was needed on the application of freedom of association and collective bargaining. He also noted the lack of any clear reference to the promotion of the Employment Relationship Recommendation, 2006 (No. 198). He called for increased cooperation between Sectors 4, 2 and 1 to promote the MNE Declaration in the different industrial sectors, including in supply chains.
23. With regard to the strategic objective on standards, the speaker stated that the SPF should launch a decade focusing on freedom of association and collective bargaining, and highlighting the implementation of Conventions Nos 87 and 98. Greater interaction between supervisory processes and strengthened technical cooperation and field operations was necessary, making full use of Decent Work Country Programme (DWCP) processes. The SPF should include a clear strategy to promote the ratification and implementation of the instruments that had been deemed up to date by the Cartier Working Group. Standards should be better integrated into DWCPs, and promotion and implementation of ILO key equality Conventions should be intensified. More emphasis should also be placed on the elimination of all forms of discrimination.
24. In the section on strengthening technical capacities, he supported the development of a stronger statistical foundation and approach towards measuring decent work. Referring to building the capacity of constituents, he added that the SPF should contain an updated strategy for the Turin Centre, and that Turin-related issues should also appear under chapters dealing with the financial and human resources of the Organization. With reference to paragraph 179, the speaker noted that the choice of workers' organizations and sectoral organizations that participated in the Turin programmes remained the decision of the secretariat of the Workers' group. Paragraph 181 should mention the social partners' involvement in "One UN" country mechanisms. He asked how in paragraph 184 the Office intended to implement the notion that constituents would obtain greater access to important decision-making circles through increased partnerships. Regarding communication, he highlighted the need to expand knowledge of constituents' activities and said that better coordination was needed with ACTRAV on the dissemination of trade union material. He recalled that issues covered by the field structure review had yet to be examined and discussed by the Governing Body. Assertions that made assumptions about the outcome of those discussions, such as that contained in paragraph 195, should be avoided. He was concerned about the current position on the decentralization of resources and decision-making, particularly in relation to DWCPs. The issue of decentralization should be reconsidered and viewed in the context of the field structure review. The governance link should also be maintained by ensuring that technical cooperation activities were in line

with the policy decisions taken by the Governing Body and the International Labour Conference.

25. Turning to the section on resources for the planning period, the speaker observed that the resources available to the ILO were unevenly distributed between countries and regions as well as across major topics, even at the level of DWCPs. The lack of balance affected the Organization's ability to meet the needs of workers' organizations, which should be more fairly taken into consideration when concluding multi-annual partnership agreements as well as when distributing RBSA resources in order to close identified gaps. He recalled the statement of the Director-General in the PFAC of March 2007, which emphasized that RBSA resources would provide voluntary contributions within the regular budget and therefore asked that appropriate mechanisms be set for the next programme and budget.
26. The representative of the Government of the United Kingdom, speaking on behalf of the group of industrialized market economy countries (IMEC group), considered that the document was more strategic than its informal zero draft. She recalled some expected key features of the SPF, which should be a results-based planning document and a vehicle for implementing the 2008 Declaration and its resolution. As such, the SPF should also remain a living document, providing the overarching picture from which successive programme and budgets could be developed. She welcomed the executive summary; the guiding principles for the SPF as a medium-term planning document; the more strategic description of the context; the insertion of outcome statements and the future incorporation of measurement statements and indicators in the programme and budget, which would encourage the current work on baselines. She suggested that each outcome statement and corresponding position to be reached by 2015 be accompanied by projections of targets to be incrementally achieved during each biennium along with initial indications of financial and others resources directed to attain these targets.
27. The speaker called for a clearer and more concise document, with specific and measurable outcomes in both quantitative and qualitative terms, for additional priority setting aimed at key areas where the ILO could have greater impact and for a focus on measuring the ILO's performance in achieving its outcomes. She also stressed the importance of independent, transparent and credible evaluations and commended, in that respect, the plan for an external independent assessment of the evaluation strategy.
28. She requested more details on the decent work profiles, particularly with regard to the expected process, users, relation to other research products, and resource implications. Referring to the call for enhanced coherence in the 2008 Declaration, the speaker asked the Office to provide concrete proposals for improving internal coherence and collaboration. She also encouraged the ILO to cooperate with the widest possible range of relevant organizations.
29. The speaker welcomed the tripartite consultations on restructuring or improving the functioning of the Governing Body, which should concentrate on enhancing its decision-making and management functions with a clear focus on reaching consensus through negotiations. She asked about the concrete milestones by which the governance, support and management outcomes on effective and efficient use of resources would be measured. She expressed the IMEC group's appreciation of the promotion of partnerships and of the emphasis on the "One UN" reform and called for concrete milestones on the incorporation of the Decent Work Agenda into renewed United Nations Development Assistance Frameworks (UNDAFs).
30. Without prejudging the discussion on the field structure review, the speaker subscribed to the emphasis placed on building and maintaining an appropriate policy and operational capacity and maximizing the effective use of the ILO's human, technical and financial

resources through the specialization of functions, the clarification of roles and responsibilities and the concentration of technical capacities.

31. She asked that the programme and budget contain specific budgetary proposals reflecting the implications of the 2008 Declaration and requested the Office to provide additional information on demands from constituents that led to the resource gaps referred to in the SPF. She also asked for clarification on the major initiatives with a critical mass and how they would relate to the RBSA unearmarked mechanism. Finally, she requested that the secretariat provide written responses to the questions raised during the debates.
32. The representative of the Government of India supported the idea of new methods of work based on effective teamwork and emphasized the role of field offices in this context. He stressed the importance of developing strategies on knowledge and resource mobilization and building the capacity of constituents in order to translate the Decent Work Agenda into action. He supported the notion of a basic social protection package for excluded and vulnerable groups of workers, as well as the idea of seeking inputs on the SPF from member States to make it results oriented.
33. The representative of the Government of Australia endorsed the IMEC group statement and recommended that the specific positions to be reached by the end of 2015 be better related to relevant outcomes. The current formulation of those positions with regard to outcomes 13 and 14, for instance, did not identify any specific position to be reached. Similarly, the positions proposed for outcomes 4 to 6 did not necessarily correspond to progress towards the outcomes sought. The speaker emphasized that the positions to be reached should have a clearer focus on performance and on the influence of specific areas of ILO work.
34. The representative of the Government of Kenya, speaking on behalf of the Africa group, appreciated the tripartite consultations held so far on the preparation of the SPF. He asked the Office to finalize the document by taking into account the views arising out of those consultations, Regional Meetings and DWCPs. He welcomed the initiatives of teamwork and improved management practices proposed in the SPF. He was concerned about the prevailing financial crisis and urged the Office to take urgent action in the form of sectoral meetings and action programmes to assist countries affected in Africa. The SPF should be flexible and adaptable in order to respond quickly to the emerging challenges. The Decent Work Agenda would not be implemented unless it was integrated into national economic and social policies. However, policy coherence continued to be a major challenge in many countries. The priorities of the Africa group included the rural economy, the informal economy, youth employment and the strengthening of the social partners, as well as standards-related issues. More focus was needed on the social protection of vulnerable groups, on strengthening constituents' technical capacity and labour administrations, and on microfinance programmes to help workers access financial services. The Turin Centre should be involved in the development of programmes and materials for the 15 outcomes.
35. The representative of the Government of El Salvador acknowledged the efforts of the Regional Office for the Americas to promote social dialogue through such events as the tripartite meeting convened in August to discuss the 2008 Declaration. Strengthening employers' and workers' organizations and labour administrations should be a priority in the region, as indicated in paragraphs 77 and 78 of the document. The speaker commended the support given by the ILO Subregional Office in San José to the ministers of labour in Central America, specifically mentioning the First Ibero-American Forum of Ministers of Labour recently hosted by El Salvador.
36. The representative of the Government of China welcomed the SPF draft and acknowledged its focus on the 2008 Declaration. He was in favour of streamlining the outcomes and

supported the three outcomes on employment, as well as those on social protection and social dialogue. He suggested that outcomes 13 and 14 be merged into one outcome on fundamental principles and rights at work and that a new outcome be added on priority Conventions. He agreed with previous speakers that the SPF should be concise, clear, strategic and adaptable to the outcome of discussions on the follow-up to the Declaration and on the evolving context.

- 37.** The representative of the Government of Canada supported the IMEC statement and urged the ILO to focus on issues within its core mandate, such as international labour standards and supervision. Limited resources should be targeted to interventions at the national and regional levels where results could be achieved in such areas as employment and skills, fundamental principles and rights and standards, labour administration, safety and health at work, social protection and social dialogue. Savings should be sought by various means, such as suspending Regional Meetings for one cycle, reducing the length of Governing Body meetings or focusing on a smaller number of high-quality publications. She noted that some SPF outcomes needed to be more specific, to be stated in active terms and to focus on the ILO's work rather than on action by member States. The formulation of the position to be reached with regard to outcome 6 on labour migration should focus on labour protections for migrant workers and not on broader immigration policies as suggested. Similarly, the position to be reached in relation to outcome 12 needed to be reformulated as it appeared to contradict the policy decisions not to adopt new sectoral standards systematically. The speaker recalled that Canada advocated a budget policy of zero nominal growth throughout the United Nations system.
- 38.** The representative of the Government of Belgium, while supporting the statement of the IMEC group, congratulated the Office on the improvements that had already been made, which were the product of consultation. He said that the SPF needed to be a medium-term strategic planning document, setting out not just the ILO's vision but also the planning and resources required to achieve its goals. It therefore had to be sufficiently flexible to adapt to the new realities of the world of work. The 2008 Declaration had provided the ILO with all the political instruments it needs, and the time had come to focus on implementing the Decent Work Agenda in the field, notably through the DWCPs.
- 39.** Belgium wanted the ILO to remain a centre of excellence in the field of labour and hoped that special attention would be given to its knowledge base so that it could provide top-quality products and services. He stressed that the Organization's international visibility depended on its standards and added that the adoption, modernization, application and supervision of those standards must remain at the heart of its work. The Belgian Government was also in favour of stepping up the social security campaign and paying more attention to "green" jobs.
- 40.** The speaker said that his Government supported the idea of a zero-growth budget in real terms. In conclusion, in the light of the 2008 Declaration, he called for greater integration of the various programmes and contributions (regular budget, voluntary contributions and RBSA), inter alia, at the level of the DWCPs, so as to enhance the Office's coherence, effectiveness and services to its constituents and to facilitate the analysis of its funding requirements.
- 41.** The representative of the Government of Spain supported the statement of the IMEC group, as well as that made by the representative of the Government of Belgium concerning the standard-setting role of the ILO. He added three observations. First, the SPF 2010–15 should be flexible and shorter to accommodate change, which was the main challenge of the twenty-first century. The Office document and its underpinning strategy were good overall, but should be regarded as guidance. Second, paragraph 93 concerning regional priorities for Europe and Central Asia should be amended. As regional priorities



would be discussed at the 2009 European Regional Meeting, only the first sentence of that paragraph should be retained. Third, OSH pertained to the domain of standards, rights and obligations, not to that of social protection. Stressing that that point had been raised by his delegation in the past, he indicated that the issue should be the subject of debate and consensus in the ILO, because it had conceptual and administrative implications.

42. The representative of the Government of Panama endorsed the statement by the representative of the Government of El Salvador and expressed support for the Office document. Regional priorities for the Americas as described in the Office document reflected recent developments pursued through the ILO regional office in the region. The August tripartite meeting on the 2008 Declaration had provided an enabling framework for achieving agreed results among Members. The speaker concluded by welcoming the positions expressed by Latin America through the group of Latin American and Caribbean States (GRULAC) on the elements of the follow-up to the Declaration adopted in 2008.
43. The representative of the Government of Japan supported the IMEC statement, and placed his comments in the context of earlier inputs submitted by his Government on the SPF. The SPF should be consistent and harmonized with the follow-up to the 2008 Declaration, the field structure review and the Programme and Budget for 2010–11. His Government supported the 15 outcomes and expected the budget proposals by the Office to reflect an appropriate distribution across them. The proposal on operational capacity should be based on the discussions of the field structure review in March 2009. The speaker also expressed support for the two outcomes on governance, support and management. The information technology (IT) strategy was particularly important for effective and efficient management of activities, but required a clear plan taking into account available resources. He welcomed the proposals by the Office on the reform of the International Labour Conference and the Governing Body, as well as those on the headquarters building renovation. With regard to resources for 2010–11, he recognized that the proposed budget for 2010–11 was reduced compared to that discussed in the informal meeting; he underscored his Government’s policy of zero nominal growth and noted that estimates for the extra-budgetary resources and RBSA seemed rather optimistic, considering the current economic situation.
44. The representative of the Government of the United States endorsed the statement of the IMEC group. She agreed that there was a need to establish clear connections between outcomes and the positions to be reached by 2015. It was essential that targets and indicators enable measurement of ILO work and its contributions to the achievement of the outcomes.
45. The speaker put forward detailed comments on the current strategic framework. In the statement of outcome 1 on job-rich growth, the words “coordinated and coherent” should be replaced with the word “effective”, given that “coordinated and coherent” policies might not be successful. The implementation of all four basic social security benefits should not be presented as policy. The ILO could provide valuable support at the national level, but many issues, such as health care and child benefits, were outside the jurisdiction of labour ministries, and beyond the expertise and control of the ILO at international level. With regard to labour migration, the ILO should not propose measures to foster “expanded” labour migration, but rather focus its efforts on promoting “protected” labour migration. The Government of the United States strongly supported ILO work on HIV/AIDS in the workplace, but considered that issues such as medical treatment and prevention of mother-to-child transmission were beyond the Organization’s mandate and expertise.
46. Welcoming outcome 10 on labour administration and labour law, the speaker noted that the focus of paragraph 150 was on strengthening coordination among the different bodies

responsible for labour administration, while equal importance should be placed on building basic capacity. Strong support was expressed for ILO work on standards, particularly as articulated in paragraphs 158 to 173. The comprehensive strategy and ongoing work of the Committee on Legal Issues and International Labour Standards (LILS Committee) to enhance the effectiveness of all ILO standards-related activities should be reflected in the SPF. The separation of outcomes 13 and 14 on fundamental principles and rights at work caused some confusion in the narrative texts accompanying them. She suggested that the statement of outcome 15 be amended as follows: “National and international actions for decent work are effectively supported by an enabling and up to date normative framework and effective supervisory machinery”. She urged the Director-General to allocate sufficient resources to the International Labour Standards Department in the Programme and Budget for 2010–11.

47. Endorsing efforts to “green” the ILO, the speaker highlighted the need to consult the Governing Body on any allocation of funds to purchase carbon offsets. Lastly, she stated that her Government continued to support a zero nominal growth budget across the UN system.
48. The representative of the Government of Hungary endorsed the IMEC statement and added three observations. First, his Government supported the four strategic objectives, noting that the one on employment reflected a very important goal worldwide. In that regard, he asked whether the Office had any suggestions to help member States mitigate any negative impacts of the crisis. Second, the development of a vocational education and training system continued to be a priority in his region and an area in which ILO assistance was expected. Third, efforts to strengthen the Office knowledge base were appreciated.
49. The representative of the Government of Austria supported the IMEC statement, the proposal by the Workers to split outcome 5 on safety and health and working conditions into two outcomes, and the request for amending outcome 12 as proposed by the Government of Canada. She also supported the statement by the Government of Belgium, specifically with regard to the fact that the SPF should establish a vision statement in addition to the detailed strategy and that the ILO was a standard-setting Organization and should remain so.
50. The representative of the Government of Germany expressed support for the statement of the IMEC group. He pointed out that the Office should proceed with caution, taking into account a number of issues, including available resources. He noted that the regional priorities could be further discussed and confirmed, notably in the context of upcoming Regional Meetings. He indicated that some important areas of ILO work, such as social finance, were not adequately emphasized in the SPF.
51. Sir Roy Trotman, speaking on behalf of the Workers’ group, agreed that the SPF should capture the balance and priorities set out in the 2008 Declaration. He endorsed the call for internal coherence and the comments on impact measurement and the relationship between the SPF and the programme and budget, including the proposal for new targets for each programme and budget in addition to those achieved in the previous biennium. The SPF should include more consistent reference to formalizing the informal economy through the extension of wage and social security coverage, the establishment of workers’ and employers’ organizations, and recognition of the employment relationship wherever it existed.
52. He agreed with previous speakers that the ILO should become a centre of excellence. The SPF should stress the urgent need to rebuild a strong labour market capacity on wages, collective bargaining, labour inspection, industrial relations and labour jurisprudence. He reaffirmed the need for further reflection on the list of indicators in the appendix to the

SPF, several of which required more quantifiable targets in terms of numbers or proportions of workforces or populations. He endorsed the suggestion that the SPF should set out what new concepts it contained and how it had been shaped by the 2008 Declaration.

- 53.** While supporting the suggestion to include separate outcomes on governance Conventions and up to date Conventions, he strongly advocated retaining the proposed separate outcomes 13 and 14. He recalled the Workers' proposals for additional outcomes and the need to review the use of the term "job-rich growth" as indicated in his previous intervention. He fully endorsed all comments on the importance of standard setting. Standards should occupy a central position in the SPF, which should promote all international labour standards with a view to expanding the level of ratification and full implementation. Ratifications and implementation should be measured and reported on regularly.
- 54.** In several cases, the SPF appeared to suggest a departure from current ILO policy, such as the reference to employment in paragraph 10, and that to sustainable enterprises in paragraph 121. The target dates in a number of milestones could be brought forward. The role, resources and reporting arrangements of ACTRAV and ACT/EMP should be strengthened and the number of specialists employed by the Organization, including economists, wage specialists and those with expertise in labour inspection, should be increased. Existing databases required improvement and quality control.
- 55.** Lastly, turning to the issue of resource mobilization, the speaker said that the RBSA should be brought into the governance envelope, in line with the Director-General's comments to the Committee in March 2007, particularly given the expected rise in the RBSA. He suggested that further detailed comments, including on regional priorities, be sent to the Office.
- 56.** The representative of the Director-General (Mr Thurman) thanked the members of the Committee for the rich discussion. He indicated that the Office would provide a written response to the questions raised, including through the SPF portal. He summarized three different views on the role of the SPF that had emerged from the discussion. First, some members advocated a much more streamlined, shorter and more strategic document, emphasizing a tripartite vision but not dealing with means, regional priorities and management capacities. A second view called for a much more detailed results-based plan, including targets for each indicator for the three biennia of the planning period and details on the value added of capacity strategies. A third approach built on the strategic framework in the existing document, adding priorities and more details, including the Workers' specific requests for a significant number of additional outcomes. Mr Thurman suggested a possible way forward. As both the SPF and programme and budget proposals would be submitted to the Governing Body in March 2009, it should be possible to move the less strategic components of the SPF to the programme and budget document without losing essential information. The requests for additional detail could also be handled in the programme and budget. Both formal and informal consultations could be carried out to ensure that the overall vision presented in the SPF corresponded to the tripartite consensus reflected in the 2008 Declaration. The Office would continue to make improvements to results-based formulations and quality measurement, including better target setting for the three biennia of the SPF. Finally, while not all considerations of capacities could be removed from the SPF, the SPF could concentrate on what was new in response to the Declaration, leaving details to the programme and budget, management strategies and other submissions to the Governing Body.
- 57.** The Committee took note of the Office paper.

## Evaluation

(Third item on the agenda)

### (a) Annual evaluation report 2007–08

58. The Committee had before it a paper entitled “Annual evaluation report 2007–08”.<sup>3</sup>
59. Mr Julien, speaking on behalf of the Employers’ group, welcomed the quality of the evaluation report 2007–08 and the independence shown by the Evaluation Unit (EVAL). The Employers considered that follow-up to the recommendations was very important and therefore requested that the Governing Body be regularly informed of the implementation of the recommendations, as was done in the reports of the External Auditor and the Chief Internal Auditor.
60. The speaker asked the Office why it had only acted on 46 per cent of the recommendations. He requested an explanation of the reasons for the decline in the number of evaluations referred to in paragraph 16 of the paper, and stated that donors should have access to all the evaluations of technical cooperation projects. Noting that the DWCPs had become the cornerstone of ILO action in several countries, he invited the Office to follow EVAL’s suggestions and ensure that the DWCPs were prepared in cooperation with the constituents so that they would truly reflect their priorities. He recalled the Employers’ concern that their priorities were not sufficiently visible in the DWCPs. He also requested information on the DWCP indicators mentioned in paragraph 45. Lastly, he wished to see a greater focus in project evaluations on lessons learned, as well as the possibility of drawing on the experience gained to set up other projects in other countries, and the sustainability of projects.
61. The Employers’ group supported the point for decision.
62. Sir Roy Trotman, speaking on behalf of the Workers’ group, drew attention to the ILO’s pre-eminence in addressing matters surrounding social justice and protection of workers and vulnerable groups. He called for the ILO to make social justice and the 2008 Declaration the fundamental basis for DWCP evaluation, with the four strategic objectives building on those. As an integral part of results-based management, the annual evaluation report had given honest assessments, which should continue, even though there was a need to address the various initiatives (country studies, annual evaluations, external evaluations, etc.) in a more integrated way.
63. Referring to paragraph 8, he requested additional information on the ILO’s involvement in the evaluability study of “One UN” pilot initiatives. The Workers’ group was concerned that the ILO commitment to tripartism should be carried forward by other United Nations and donor agencies, in part through adequate involvement of representative workers’ organizations in evaluations. Key questions addressing these concerns should be regularly incorporated to better understand the situation of the Office and constituents regarding the “One UN” Fund. Evaluations also needed to draw attention to where there had been failures and put forward suggestions for how to deal with those. The Office should be careful not to rely too heavily on self-assessment, which could diverge from the ILO’s tripartite nature. For 2009, the Workers’ group welcomed the strategy evaluation of youth employment and on the countries suggested, but invited the Office to submit ideas to the constituents at an earlier stage. Furthermore, he asked for better synergies.

<sup>3</sup> GB.303/PFA/3/1.

64. Noting these various elements, Sir Roy Trotman called for a modification of the point for decision in paragraph 46, to add a third point as follows: “(iii) request that the implementation strategy contain clear provisions for analysis and guidance in the execution of DWCPs in light of the Declaration on Social Justice for a Fair Globalization.”
65. The representative of the Government of Uruguay, speaking on behalf of GRULAC, stressed the requirement that documents be provided in advance so that there was sufficient time for any amendments to be properly considered.
66. The representative of the Government of Mexico and the representatives of the Governments of the United States, Jordan and Lebanon considered that the annual evaluation report had been much improved and showed continued progress in strengthening the ILO’s evaluation function. Referring to paragraphs 13 to 15, they requested that more detail be provided on the funding of evaluations, preferably by type, as well as the origin of such resources.
67. The representative of the Government of the United States also encouraged EVAL to collaborate with outside evaluation experts and expressed strong interest in the planned external evaluation of the evaluation function of the Office. With regard to the evaluation field positions, she asked about the Office’s plans for these once current extra-budgetary allocations ended, and whether the knowledge management expert was funded as part of the core unit team in Geneva.
68. The representative of the Government of India endorsed the annual evaluation report. Referring to paragraphs 10 to 12 on improving the usefulness of evaluations, he emphasized that that depended on the dissemination and communication of the results to inform future decision-making. In that respect, the upgrading of the evaluation IT systems was welcome, as that should support dissemination of the results in a timely and comprehensive manner to stakeholders. He expressed support for the choice of youth employment for a high-level evaluation. Regarding country programme evaluations, he requested that evaluations focus on the ILO’s contribution to national programmes and strategies for decent work.
69. The representative of the Government of South Africa, speaking on behalf of the Africa group, asked for additional information regarding the reported lack of understanding of DWCPs amongst constituents. He noted concern that the social partners were not adequately consulted and wondered why this was the case.
70. Mr Paraiso responded on behalf of the Director-General. He noted the importance of previous comments by the Committee in guiding the improvements made to the annual report, including the adoption of a more transparent approach aligned with international evaluation standards to apply evaluation as a management tool, not only as an external activity. With regard to the role of the social partners and governments in the implementation and follow-up of DWCPs, their key roles had to be outlined clearly, and there was a need for more participation of the social partners in setting up the DWCPs.
71. The annual evaluation report provided information on EVAL’s contribution to a UN-wide evaluability study of the eight “One UN” pilot countries. The results gave the ILO a greater awareness of the importance of integrating the ILO’s work with the UN country teams. With regard to the knowledge management expert position and the field-level evaluation positions, nearly all were currently financed out of extra-budgetary funds, with the intention that they would be integrated into the regular budget in the following biennium.

72. The Chairperson suspended the discussion to give members the opportunity to consider the amended point for decision. Following consultations, the Committee reviewed and adopted the amended point for decision.

73. *The Committee recommends that the Governing Body:*

(i) *request the Director-General to continue to strengthen the evaluation function in accordance with the findings of the report, taking into account the deliberations of the Committee;*

(ii) *note its agreement with the implementation priorities for 2009; and*

(iii) *request that this implementation contain provisions for analysis of Decent Work Country Programmes in light of the Declaration on Social Justice for a Fair Globalization.*

**(b) Independent evaluation of the ILO's strategy to support member States to improve the impact of international labour standards**

74. The Committee had before it a paper<sup>4</sup> summarizing the results of an independent evaluation of the ILO's strategy to support member States to improve the impact of international labour standards.

75. Sir Roy Trotman, speaking on behalf of the Workers' group, stated that the Workers attached great significance to standard setting within the ILO and welcomed focus on that subject area in order to strengthen it. He emphasized the importance of keeping the body of standards relevant and up to date and pointed out that the ILO's implementation and supervisory mechanism was the best in the UN system. The evaluation focus should be on implementation of the strategy and linkages to the ILO supervisory mechanism.

76. He expressed reservations on recommendation 2, noting that national capacity building for ratification and implementation was being well handled by ACTRAV. However, it would be useful to better understand the interlinkages among other departments and regional offices, including the work of the International Labour Standards Department on that matter.

77. The Workers' group supported recommendation 4, but called on the Office to do more on human rights education. The speaker drew attention to the 60th anniversary of Conventions Nos 87 and 98 and asked what the Office was doing to increase the visibility of those Conventions.

78. In the future, the evaluation should consider the impact of standards on the work of other international agencies, such as the Bretton Woods institutions and the WTO, indicate what was being done regarding supervisory systems and look into organizational structure and management aspects, as well as the level of resources. He asked for an update on the status of unfilled standards positions in the field, and noted the usefulness of such publications as *The rules of the game: A brief introduction to international labour standards*, which should be widely disseminated.

<sup>4</sup> GB.303/PFA/3/2.

79. Mr Julien, speaking on behalf of the Employers' group, wondered whether the PFAC was the right forum for a discussion of the paper under consideration. While it was true that the PFAC should keep abreast of the operational objectives under the programme and budget, the subject under discussion was also a technical matter that was more appropriate for discussion in the LILS Committee. He therefore proposed that the matter be examined by that Committee at the March 2009 session. Looking at the paper, the speaker had noted a number of discrepancies: the reference period in paragraph 3 was 2000–06, whereas the strategy referred to in paragraph 7 covered the period 2006–07; the LILS paper only mentioned four components, while the PFA paper referred to a fifth; the LILS paper referred to standards policy, while the PFA paper talked about keeping the body of standards relevant and up to date.
80. The speaker said that a reduction in the number of standards would make for greater transparency and impact, and streamline the supervisory systems. The ILO should continue to consolidate the existing body of standards, in line with what had been done for the maritime Conventions. It was important to update the body of standards through a regular review mechanism enabling the identification of standards to be revised or withdrawn, since standards evolved as did any system of regulations. He also recalled that the information on relevant standards should be more user-friendly and that only those standards should be posted on the ILO web site. The Employers' group supported recommendation 1, subject to its comments.
81. Concerning recommendation 2, the speaker noted that the evaluation report referred to the reporting mechanism as a constraining factor for governments. Such mechanisms should be simple, in terms of both the report forms and the standards themselves. The Office could draw on the experience of the Maritime Labour Convention, 2006, or focus the reporting system on a smaller number of relevant Conventions. The ILO could also provide assistance to countries before ratification, to ascertain each government's capacity to meet its obligations pursuant to ratification. That said, the Employers' group supported recommendation 2.
82. Concerning recommendation 3, the speaker stated that it was for the constituents in each country, not the ILO, to decide in the light of the national situation and ratified standards, whether the promotion of certain standards should be included in the DWCPs. The latter were intended to serve Members, not the Office. Recommendation 3 thus implied that standards could be the subject of tripartite consensus in order to be integrated into DWCPs. With regard to recommendation 4, he invited technical sectors to prioritize the provision of information to the constituents, rather than the wider public as the paper suggested.
83. Referring to paragraphs 32 to 35 of the paper, the speaker emphasized that standards alone could not solve the problems of the informal economy, as its growth was often due to the excessive constraints imposed on the formal economy. The Employers' group thus did not consider recommendation 5 relevant.
84. Recommendation 6 did not pose a problem for the Employers' group. The speaker considered that the report on follow-up to the paper should be discussed in the LILS Committee. The Employers' group supported the proposal in paragraph 53 of the paper.
85. The representative of the Government of Japan, speaking on behalf of IMEC, welcomed the evaluation and found it timely; however, he noted that its content would be more relevant to the discussions taking place in the LILS Committee. The IMEC group supported recommendations 1, 2 and 6 and asked about the Office's thinking in linking the 2008 Declaration to ongoing work to update existing Conventions. The group also suggested that the Director-General address the issue of capacity and the share of resources

given to each strategy component and consider transferring resources from less critical areas of work of the Office to support the supervision of standards.

86. The representative of the Government of Mexico, speaking on behalf of GRULAC, drew attention to inconsistencies regarding the period of time covered in the evaluation. He highlighted the value of independent evaluation, but questioned the involvement of ILO specialists in the process as stated in paragraph 13. GRULAC also indicated that the report should be presented to the LILS Committee, although it was important that it also be discussed by management.
87. The representative of the Government of Spain noted that the document was well done, contained useful information and was very relevant given that labour standards were the cornerstone of the ILO. He did not, however, think that the discussion belonged in the PFAC but in the LILS Committee. He called for a reconsideration of recommendation 5 calling for an extension of standards to the informal economy, since the latter did not officially exist.
88. The representative of the Government of the Bolivarian Republic of Venezuela indicated support for the GRULAC statement but called on the Office to analyse the reasons behind the discrepancy between the number of ratifications and the number of denunciations of Conventions (paragraph 13).
89. The representative of the Government of India strongly supported recommendations 4 and 5, noting the need to extend the knowledge and awareness of international labour standards to government institutions beyond labour ministries. Regarding the extension of international labour standards to the informal economy, India had not been able to ratify a number of Conventions in part because of their prescriptive nature. India asked the Office to analyse why some countries were not able to ratify Conventions and consider how to modify existing Conventions to address those obstacles.
90. The representative of the Government of Lebanon noted that the report fell within the competence of the LILS Committee. She also asked that the Office consider the factors delaying the ratification of Conventions in some member States, and identify those elements within Conventions so as to make them more conducive to ratification.
91. The representative of the Workers' group expressed concern that some government interventions seemed to bring into question decisions reached in the International Labour Conference, particularly those comments regarding the prescriptive nature of Conventions. He underlined that core Conventions were core to rich and poor countries alike and the ILO should not seek to depart from them.
92. Mr Tapiola responded on behalf of the Director-General. He confirmed that the evaluation had focused on the implementation of the strategy and was not an evaluation of the strategy itself. He noted that the evaluation made useful points with which the Office had no problem and agreed with the conclusions. He also cautioned that while the Office also agreed with the recommendations, their successful implementation would also depend on the constituents.
93. He advised the Committee that since 2005, the LILS Committee had been discussing a comprehensive strategy to strengthen international labour standards, and that work was ongoing and would benefit from the evaluation. He closed by reconfirming the Office's commitment to follow up on the report's recommendations.
94. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings and recommendations,***



*together with the deliberations of the Committee, for continuing support to international labour standards.*

**(c) Independent evaluation of the ILO's country programme for Zambia: 2001–07**

95. The Committee had before it a paper<sup>5</sup> summarizing the independent evaluation of the ILO's programme for Zambia.
96. Sir Roy Trotman, speaking on behalf of the Workers' group, noted the evaluation. In relation to recommendation 4, he hoped the tripartite advisory committee for the implementation of the Zambia DWCP would ensure that the views of ACTRAV and ACT/EMP were taken into account. He called for capacity building concerning HIV/AIDS in the workplace, and more worker involvement in the DWCP implementation. He supported all the findings and recommendations of the report, but emphasized that from then on every country programme should look at all components of the Decent Work Agenda as expressed in the 2008 Declaration.
97. Mr Julien, speaking on behalf of the Employers' group, welcomed the quality of the report and the interesting information it contained. Referring to paragraph 13, which stated that the resources allocated to the social partners largely fell outside DWCP implementation, he recalled that the social partners had specific priorities that the ILO should not lose sight of.
98. He regretted that the issue of establishing an enabling environment for enterprises – particularly sustainable enterprises – had not been addressed in the report and hoped that future DWCPs would incorporate that aspect, which was essential to economic and social development in Zambia.
99. Paragraphs 22 to 24 of the report raised matters that should be addressed during the examination of the regional structure scheduled for the following March.
100. The Employers' group supported the point for decision.
101. The representative of the Government of Zambia welcomed the evaluation and wished to reaffirm the relevance of the ILO to improving decent work in Zambia. He pointed out that tangible progress on items contained within the DWCP was being made as the evaluation had concluded. He highlighted the importance of strengthening the participation of social partners in decent work implementation. He said all constituents must build on policy coherence to produce composite programmes and work together for tangible results. He underlined the key finding that constituent capacity needed to be enhanced. He also wished to acknowledge the dynamic work of the ILO Office in Lusaka and its Director who ensured that decent work was visible in the country. The representative concluded by noting that the DWCP in Zambia was launched by the country's recently elected President.
102. The representative of the Government of South Africa, speaking on behalf of the Africa group, welcomed the evaluation and, noting that its lessons aimed to inform the future, welcomed the honesty and frankness of the report. He drew particular attention to the challenges concerning the capacity needs of the ILO Office in Lusaka and the Ministry of Labour and Social Security and other social partners. He fully supported recommendation 4 concerning the establishment of a tripartite advisory committee for the implementation of the Zambia DWCP. He concluded by underlining the importance of

<sup>5</sup> GB.303/PFA/3/3.

decent work as a locally driven process, and supported the point for decision contained in paragraph 35.

103. The representative of the Government of the United States said it was useful to hear from the representative of the Government of Zambia, as his intervention added an element of knowledge lacking in the report. She said the evaluation did not outline what had been achieved under the three priorities of the DWCP. Furthermore, the three priorities contained in the report differed from the four priorities contained in the evaluation terms of reference. She asked the Office for clarification of the actual priorities and an explanation for that discrepancy. She said that the report's conclusions and recommendations were presented without findings and evidence, so it was hard to assess their validity. Nevertheless, the report made an important observation regarding the need for better monitoring and tracking of impact, particularly in the form of qualitative and quantitative targets and indicators. She hoped the Office would act with all due speed to address those priorities.
104. The representative of the Government of Mexico noted that the report was coherent with the ILO evaluation strategy. He regretted, however, that there was no systematic examination of the work of the ILO and related lessons learned. He referenced the presentation of the Jordan evaluation report as facilitating a greater understanding of those processes. He noted the report's finding that tripartite interlocutors were facing weak institutional support, and questioned why resources and activities were sometimes not aligned to the DWCP. He recommended that all ILO resources be focused on the framework of the DWCP. He mentioned the particular support of the Government of Mexico for recommendations 4, 6, 10 and 11.
105. Mr Dan responded on behalf of the Director-General. He thanked the Committee members for their kind remarks about the work of the ILO Office in Lusaka and the Regional Office. He had taken note of the Workers' group's concerns, including those regarding the importance of including the views of ACTRAV and ACT/EMP and the greater involvement of the social partners. He promised that would improve in the future. He acknowledged that social partners had their own priorities, and clarified the meaning of paragraph 28, which concerned the need to address the capacity of the ILO Office in Lusaka.
106. He thanked the representative of the Government of Zambia for his support, and said the Office intended to improve cooperation with the Zambian Government and social partners. He expressed appreciation for the fact that the President of Zambia had launched the decent work process in the country. Answering the question of the representative of the Government of the United States, he said that the differences in the number of DWCP priorities stemmed from the fact that the report covered the period 2001–07, which preceded the DWCP time frame of 2007–11. Finally, he took note of the comments of the representative of the Government of Mexico and said resources should be focused on the DWCP, and he intended to devote regular budget resources as well as extra-budgetary and RBSA resources to that end.
107. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings and recommendations, together with the deliberations of the Committee, for continuing support to Zambia through the ILO's DWCP.***

**(d) Independent evaluation of the ILO country programme for the Hashemite Kingdom of Jordan: 2002–07**

- 108.** Mr Julien, speaking on behalf of the Employers' group, said that evaluations today represented true value added. Reading the report<sup>6</sup> had, however, given him the feeling that country programmes did not provide a sufficiently in-depth response to constituents' priorities. Constituents' ownership of DWCPs was important to ensure that their concerns were met. It was therefore hoped that the ILO, while maintaining those programmes, would change its approach and involve constituents earlier on in the process.
- 109.** The report raised several technical, financial and management issues, as well as failures of coordination and inconsistencies. The ILO must take immediate steps to try to resolve those difficulties. The text also mentioned the problem of ILO visibility in the framework of the United Nations. It was important in that respect for the Office to commit itself to making the other organizations in the United Nations system more aware of its activities. The Employers' group supported the recommendations made in the report. With regard to recommendation 5, it was not just a matter of training constituents, but also of training ILO staff to understand the challenges facing constituents, as well as their needs.
- 110.** Sir Roy Trotman, speaking on behalf of the Workers' group, said the report provided an opportunity for a "reality check" on the situation in Jordan. He regretted that Convention No. 87 had not been ratified, and a number of other core worker interests had not been met. However, he expressed satisfaction with forthcoming legislation concerning social protection for agricultural and domestic workers, as well as that concerning wages and working hours. He asked the ILO to continue supporting the Government of Jordan in the establishment of an economic and social council, and to ensure that the Better Work project was fully integrated with other ILO activities.
- 111.** He noted that a key point of concern for his group was that of the 1.2 million workers in the private sector, more than 200,000 of whom did not enjoy decent working conditions. He stated that trade unions should be free to organize all workers. Further points of concern were the inability of migrant workers to unionize, and the lack of health insurance coverage. He also called for greater efforts to end discrimination against women in the labour market. He hoped that all those issues would be addressed as a matter of urgency within the ILO's decent work programme in the country. He agreed with the point for decision.
- 112.** The representative of the Government of the United States thanked the Office for the excellent report as it provided a summary of activities, successes and obstacles relating to Jordan's DWCP priorities. She accepted the point for decision, noting that the recommendations were clearly linked to identified priorities and problems and seemed to be sound.
- 113.** The representative of the Government of Mexico reiterated his earlier point that the presentation of the report facilitated understanding of the situation in Jordan. He requested that all evaluation reports should share that form of presentation. Noting the high number of personnel changes in the Jordanian Ministry of Labour over the review period, he questioned whether the delays in project implementation could have been avoided by greater follow-up activities. He supported the point for decision.

<sup>6</sup> GB.303/PFA/3/4.

**114.** *The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings and recommendations as well as any observations by the Committee, in continuing support to Jordan through the DWCP.*

**(e) Independent evaluation of the ILO's strategy to improve the protection of migrant workers**

**115.** Sir Roy Trotman, speaking on behalf of the Workers' group, concurred with the findings of the evaluation<sup>7</sup> but said it fell short in drawing logical conclusions and recommendations from its own analysis. The ILO took a rights-based approach to the protection of migrant workers through standard setting, which should be applied on a broad, cross-cutting basis. The evaluation pointed to new ratifications of Conventions Nos 97 and 143, but also indicated that labour migration issues were not sufficiently reflected in the DWCP. That suggested a lack of cohesion and policy coordination within the Office regarding the implementation of the plan of action under the 2004 ILC resolution concerning a fair deal for migrant workers in a global economy.

**116.** The Workers' group noted that the report neglected to recommend increased promotional efforts for a rights-based approach and promotion of ILO instruments protecting the rights of migrant workers. Regarding understaffing and resources, the report called for the Office to step up its action on strengthening the positive linkages between labour migration and development cooperation with tripartite partners. The Workers' group welcomed the reference in paragraph 21 to strengthening social dialogue and asked that efforts to coordinate projects on labour migration included ACTRAV and ACT/EMP. The speaker closed by indicating support for the point of decision.

**117.** Mr Julien, speaking on behalf of the Employers' group, congratulated EVAL on the quality of its work. The Employers' group asked the Office to respond to two observations made by the evaluation team, namely: (1) the lack of a specific approach for the development of an implementation plan; and (2) the lack of alignment between the programme and budget on the one hand and activities on the other, which demonstrated the sometimes excessively rigid format of the programme and budget already highlighted by the Employers' group. The speaker wondered about the lack of a common vision raised in paragraph 6 of the document and the lack of a common strategy mentioned in paragraph 7. That lack of a common strategy brought up the matter of workplans, which the Employers had requested on a number of occasions. Nevertheless, the Employers expressed their disagreement with the analysis presented in paragraphs 12 and 13 of the document. In their view the ILO should not rely solely on a standards-related approach, but instead should find one that was pragmatic. The idea was to develop effective tools, not standards for standards' sake.

**118.** With regard to the first recommendation contained in the report of the evaluation team, the speaker noted that it was a question of resources and thus of priorities. The Governing Body would debate those choices in March 2009. He approved recommendation 2, which encouraged the Office to develop partnerships, and proposed collaboration between the IOE and the International Organization for Migration (IOM).

**119.** Lastly, with respect to the proposal concerning the setting up of an advisory committee on labour migration and development, he indicated that a prior evaluation of the financial and human resource implications of such a measure was necessary.

<sup>7</sup> GB.303/PFA/3/5.

120. The Employers' group approved the point for decision.
121. The representative of the Government of Mexico supported the recommendation to further develop an internal cross-cutting strategy to deal with the issue of labour migration, giving priority to the promotion and protection of rights for all migrant workers regardless of migratory status. He requested the Office to report on the implications of that for the ILO's budget.
122. He noted the call to strengthen collaboration with the Global Migration Group and other international and regional organizations in that technical area. He mentioned recent conferences in Honduras and Uruguay which led to the Montevideo Declaration on migration, development and human rights of migrants, and reminded the Office to actively prepare for the upcoming Manila Forum. GRULAC asked the Office for additional information on its participation in that Forum and plans for contributing to agreements stemming from the conference. Finally, he asked for additional information on the composition and budget for the proposed advisory committee, and indicated GRULAC's support for the point for decision.
123. The representative of the Government of the United States noted that the evaluation found there was no coherent strategy for addressing the seven components on labour migration issues in the 2004 ILC resolution. In addressing that matter, the Office should consider whether current resources were being used to full capacity. The normative function of the ILO was its comparative advantage and in that regard the United States agreed with the evaluation that the ILO should collaborate with other international organizations based on a clearly defined sphere of action for itself.
124. She further suggested that the ILO focus on protection of migrant worker rights and issues surrounding reintegration of migrant workers, as well as advise on policies for the productive use of remittances, but the ILO should let other partners exercise their own comparative advantage on specific labour migration issues. She advised that the ILO should not set up an advisory committee which would duplicate other bodies already working in that area.
125. The representative of the Government of the Bolivarian Republic of Venezuela signalled his country's support for the GRULAC statement and the call for a new strategy for the protection of migrant workers. The implications of the current economic and financial crisis were just beginning and countries would face many issues around labour mobility. The ILO should redouble its protection efforts for migrant workers. It should work with, and supplement the activities of, key partners working in labour migration. He supported the point for decision.
126. The representative of the Government of Canada welcomed the key findings and recommendations of the report and asked the Office to focus on labour rights and protections for migrant workers with support from regular budget funding. She cautioned against the Office expanding its activities and overlapping with the work of other organizations working on broader migration issues. Regarding the call for a strong internal vision and strategy (paragraph 18), she indicated the need for improved management and accountability for results, and better use of self-evaluation and assessment of impact. Canada strongly supported the introduction of methods for identifying goals and the development and implementation of concrete targets. Canada did not support recommendation 4 to establish an advisory committee without further consultation and information.
127. The representative of the Government of the United Kingdom also requested details on the implications of setting up an advisory committee and called on the ILO to work within its comparative advantage with regard to migration, with additional cooperation and partnerships with other organizations.

128. The representative of the Government of India noted the increasing need to address international labour migration and the need for the ILO to contribute to the development of a coherent multilateral approach. He expressed satisfaction that the issue continued to be a critical pillar of the decent work framework. There was a need for a better knowledge base on labour migration, which could provide data disaggregated by age, gender and education. There was also a need for qualitative data on issues such as the problems faced by migrant workers. He supported the point for decision.
129. The representative of the Government of Spain recalled that Spain was now a receiving country of labour migrants, with foreign workers accounting for 10 per cent of its population. His delegation requested the ILO to pay greater attention to all issues related to labour migration by encouraging the implementation of the Multilateral Framework for Labour Migration. Although the Office had a competent team of people dealing with labour migration, he considered that the volume of human and financial resources devoted to MIGRANT was insufficient.
130. Spain also supported recommendation 2 on strengthening partnerships. The Office should develop a stronger partnership with the IOM. It was imperative to produce the strategy document that would clearly show the cross-cutting character of labour migration. In his view, the evaluation in question should be considered by the Committee on Employment and Social Policy.
131. Mr Diop responded on behalf of the Director-General. He pointed out that the issue of labour migration fell within the purview of the ILO in so far as it related to labour policies and rights and touched on issues of working time, working conditions, social security, inspection and pensions. The issues of education and health services for migrant workers' families were related but often forgotten. Labour migration was a cross-cutting issue that affected almost all departments in the ILO. The Office was concerned with strengthening its existing partnership with the IOM, an organization with which it had good working relations.
132. The Director of the International Migration Programme of the ILO clarified that the ILO plan of action for migrant workers adopted as part of the ILC 2004 resolution provided a rights-based approach to labour migration, and its implementation was being followed by the International Migration Programme at headquarters and in the field. Because the plan was sufficiently clear and covered all the necessary issues, no additional implementation plan had been drafted. However, the Office would now develop a strategy document, as called for in recommendation 1. He also mentioned partnerships developed through joint projects with the United Nations and a number of its agencies, including the Economic and Social Council (ECOSOC), the Office of the UN High Commissioner for Refugees (UNHCR), the Office of the UN High Commissioner for Human Rights (UNHCHR), and the IOM, as well as with the Common Market of the Southern Cone (MERCOSUR).
133. The spokesperson for the Workers' group said that the ILO should not encroach on the work of other organizations but needed to address the problem as a whole as it related to the ILO's mandate. He would have preferred the point for decision to call for "mainstreaming", rather than "streamlining", migrant labour activities, but he nevertheless supported the point for decision.
134. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings and recommendations, together with the deliberations of the Committee, to continue supporting efforts to streamline activities aimed at protecting migrant workers' rights and access to decent work.***

## Report of the Building Subcommittee (Fourth item on the agenda)

135. The Committee had before it a paper<sup>8</sup> containing the report of the Building Subcommittee.
136. Mr Paixão Pardo, Chairperson of the Building Subcommittee, introduced the report. The Subcommittee had considered three documents<sup>9</sup> prepared by the Office. With respect to the status of ongoing renovation activities and preparations for future activities at the headquarters building, the Subcommittee had requested that members be kept regularly informed on the status of the works. It expected that the Office would present detailed financial and technical proposals concerning future renovation works in March 2009.
137. With respect to ILO office accommodation, the Subcommittee had requested the Office to negotiate in those countries where rents were the highest in an effort to reduce costs. It had also requested that future reports on accommodation include information on the status of locally recruited staff and that the Office continue to submit a paper on ILO accommodation on a regular basis.
138. With respect to the provision for funding urgent repairs from the Building and Accommodation Fund, the Subcommittee had expressed its support for the proposal before the PFAC to earmark CHF500,000 in the Building and Accommodation Fund for the purpose of urgent repairs and maintenance of buildings owned by the ILO, to authorize the Director-General to use the funds when needed, and to report back on the use of the funds to the Subcommittee.
139. Mr Lima Godoy (Employer Vice-Chairperson of the Subcommittee) noted with pleasure that the Office had kept within the CHF7.7 million budgeted for the first phase of the headquarters renovation. He reiterated that members of the Subcommittee should be kept regularly updated on the progress of the works and on the related health and safety issues. He regretted the delay in the work to install a lift for persons with disabilities, but noted that the work would be carried out by the end of 2009. He suggested that the bulk of the renovations to the restaurant and kitchens should form part of the next invitation for tender to run restaurant operations, to be launched in 2009.
140. With regard to future headquarters renovation, he indicated that the alternative of constructing a new building did not seem realistic, particularly given the stance of the Government of Switzerland on a loan for such a project. The Office should concentrate on renovating the existing building. He recommended that the Office seek architectural recommendations for more efficient use of office space. He emphasized that putting in place a project management team with an internal ILO expert and external consultants was an effective way to ensure that the work would proceed in order to minimize time and cost.
141. The Employers were in favour of exploring public–private partnership arrangements. He looked forward to the master plan, including financial options and office space arrangements, to be presented by the Office in March 2009.
142. Mr Ahmed (Worker Vice-Chairperson of the Subcommittee) noted the inadequate upkeep of the headquarters building over the years. He was pleased that health and safety measures had so far been respected, as it was important that the ILO set an example in that regard.

<sup>8</sup> GB.303/PFA/4.

<sup>9</sup> GB.303/PFA/BS/1, GB.303/PFA/BS/2 and GB.303/PFA/9/1.

143. He observed that the estimated cost for the headquarters building renovation had gone up from an initial amount of CHF120 million to the current CHF182 million during more than two years of deliberations.
144. The Workers cautioned that the profit motive would drive public–private partnerships and stressed the need to retain the social focus and scope of the Organization. The Workers had several questions concerning the alternatives of constructing a new building or renovation work, given the Swiss Government’s unwillingness to provide a loan. He noted that the detailed options would be included in a master plan to be presented by the Office in March 2009 and requested that the Subcommittee be kept informed of progress prior to then.
145. He expressed gratitude to the governments that provided free accommodation for ILO offices. He requested that the Office contact the host governments in those locations where rents remained high, such as New York and Tokyo, in an effort to obtain free accommodation.
146. The Committee adopted the report.

## **Report of the Information and Communications Technology Subcommittee** (Fifth item on the agenda)

147. The Committee had before it a paper<sup>10</sup> containing the report of the Information and Communications Technology (ICT) Subcommittee.
148. Mr Mowla (Bangladesh), Chairperson of the ICT Subcommittee, presented the report. The ICT Subcommittee had reviewed two papers,<sup>11</sup> both of which had been submitted for information.
149. With regard to the Information Technology (IT) Strategy for 2007–09, the ICT Subcommittee had noted the progress in specific areas that included the Plone system for collaborative working, the upgrade of the Integrated Resource Information System (IRIS), the Internal Governance Documents System (IGDS), and the e-registry. The members had raised concerns over the delays in the implementation of the Electronic Document Management System (EDMS), the lack of detailed budgetary information for each of the 12 strategic initiatives, the current IT governance ratings, and the lack of clear articulation of objectives and goals, which hampered a proper assessment of progress made.
150. With regard to the progress report on IRIS in the regions, several ICT Subcommittee members had stressed the need for details regarding field roll-out timelines. They had also highlighted the need to address both the capacity and connectivity issues, with the objective of ensuring that no region or office would lag behind. It had been suggested that collaborative approaches with other UN agencies be explored to overcome capacity and connectivity deficiencies.
151. Some ICT Subcommittee members had questioned the ongoing need for the Subcommittee, but it had been understood that the future role of the ICT Subcommittee could be examined in the context of a governance review, as stipulated by the 2008 Declaration.

<sup>10</sup> GB.303/PFA/5.

<sup>11</sup> GB.303/PFA/ICTS/1 and GB.303/PFA/ICTS/2.



152. It had been noted that, in November 2009, the Office would submit the new IT strategy for 2010–15. The Office was requested to hold informal consultations with the ICT Subcommittee members during 2009 on the new IT strategy.
153. Mr Nakajima (Worker Vice-Chairperson of the Subcommittee) concurred with the summary presented by Mr Mowla. The Workers added that they had reflected on the Office replies at the ICT Subcommittee meeting and had concluded that there was still much to be done by the Office for March 2009. In order for the ICT Subcommittee to help the Office in evaluating the adequacy of the strategies, clear and concrete financial information for the 12 IT initiatives had to be provided. The lack of detailed information and figures prevented the Subcommittee from fulfilling its mandate.
154. The Workers called on the Office to provide detailed financial information on savings, costs, cost–benefit analyses, the time frame of the IRIS field roll-out and its financial implications, targets and baselines as inputs for the programme and budget discussion in March 2009 in the PFAC. That was a critical issue and had a great impact on the Office’s ability to carry out its activities.
155. Mr Julien, speaking on behalf of the Employers’ group, said that he had no comments to make and that he supported the point for decision.
156. The representative of the Government of Australia, speaking on behalf of the IMEC group, indicated that the annual report on the IT strategy for 2007–09 was very useful, but that the value of the report was limited by the nature of the strategy itself. The absence of precise goals matched against definite timelines, baselines and cost estimates meant that it was very difficult to gauge progress. It was noted that the inclusion of these results-based elements had been a recommendation of the ICT Subcommittee to the Office in August 2007. IMEC considered that it was important for the credibility of IT governance in the ILO for that issue to be comprehensively addressed in the next IT strategy. IMEC also attached importance to ensuring that the IT Strategy was integrated into the ILO’s SPF and into other strategies articulated by the Office.
157. With regard to the roll-out of IRIS to the field, IMEC noted the additional and helpful information provided by the Office, in particular the additional cost information. IMEC appreciated that any Enterprise Resource Planning (ERP) project was complex and contained significant risk, and considered the careful approach adopted by the Office in the roll-out to be prudent. IMEC noted that the approach should incorporate the outcomes from the field structure review.
158. The IMEC group shared the concerns raised by the Employers and Workers that constituents had yet to be provided with a roll-out schedule. Such a schedule was critical for the good governance of such a key project. The group was pleased to learn that the roll-out was to be completed in the 2010–11 biennium, and that the Office was likely to release a timeline following the completion of pilot projects in mid-2009. IMEC strongly urged the Office to provide a roll-out schedule as soon as possible, and no later than the middle of 2009.
159. IMEC noted the question raised by the Employers to consider discontinuing the ICT Subcommittee. IMEC’s view was that the ICT Subcommittee’s work was hampered by the absence of a solid foundation of IT governance, in other words a results-based IT strategy integrated into the Office’s overarching strategic framework. It was noted that important IT issues confronted the Office, most significantly the development of a new IT strategy in 2009, and the roll-out of IRIS to the regions. IMEC considered the small forum of the Subcommittee to be conducive to the in-depth discussion of such important issues.
160. The Committee adopted the report.

**Financial questions relating to the  
International Institute for Labour Studies:  
Acceptance of contributions and gifts**  
(Sixth item on the agenda)

161. The Committee had before it a paper<sup>12</sup> considered by the Board of the International Institute for Labour Studies at its meeting on 14 November 2008.
162. The Committee took note of the Office paper.

**International Training Centre of the ILO, Turin**  
(Seventh item on the agenda)

163. The Committee had before it four papers<sup>13</sup> on the International Training Centre of the ILO, Turin.
- (a) **Documents submitted to the 70th Session  
of the Board of the Centre**  
(Turin, 6–7 November 2008)
- (b) **Report of the 70th Session of the Board  
of the Centre**
- (c) **Follow-up to the Working Party on Funding of the  
Turin Centre and collaboration between Geneva  
and Turin on technical cooperation programmes**
164. Sir Roy Trotman, speaking on behalf of the Workers' group, stressed the importance of the Centre as the training arm of the ILO and its constituents and noted the key role it played in capacity building. The Workers' group considered that an increase in training provided in the field by the staff of the Turin Centre would be a more cost-effective way to deliver training.
165. He emphasized that efforts at strengthening resource mobilization for the Centre should result in the stronger delivery of services in support of the Decent Work Agenda. He called on the Governing Body and the PFAC to examine methods to increase cooperation between the Centre and the ILO.
166. The Centre should obtain an increased share of funds from technical cooperation, the regular budget and the RBSA. That would enable the integration of training into the DWCPs to build local capacity. He appealed to member States to increase voluntary contributions to fund specific programmes.
167. He hoped that the comments provided would be incorporated in the revised strategic policy framework to be submitted in March 2009, and highlighted the work required to implement the recommendations of the Working Party on Funding of the Turin Centre.

<sup>12</sup> GB.303/PFA/6.

<sup>13</sup> GB.303/PFA/7/1, GB.303/PFA/7/2, GB.303/PFA/7/3 and GB.303/PFA/7/4.

- 168.** In conclusion, he supported the items tabled and suggested an examination at the November 2009 session of the progress made in implementing the Working Party's recommendations.
- 169.** Mr Renique, Employer member and Vice-Chairperson of the Board of the International Training Centre of the ILO, supported the comments made by Sir Roy Trotman and emphasized the need for broader, more stable and less vulnerable funding sources for the Centre, as well as more structured cooperation with the ILO.
- 170.** He presented for consideration elements of a draft strategic plan suggested at the Centre's Board meeting which covered: the role of the Centre in the implementation of the 2008 Declaration; the follow-up of the Working Party on Funding of the Turin Centre; the role of the Centre in the financial crisis, focusing on social aspects, tools and remedies; the consequences of the ILO's "deliver as one policy", particularly with regard to technical cooperation and coordination with Geneva; the opportunities presented by UN reform; cooperation with the ILO regional field structure; the role of the Centre in Turin and in the Piedmont region; and the possibilities of public-private partnerships. The strategic plan could be incorporated into the ILO Strategic Policy Framework 2010-15 to reflect the Centre's role as the ILO's training arm.
- 171.** He shared the disappointment of the representative of the Government of Kenya, speaking on behalf of the Africa group, at the minimal reference to the Centre in the SPF of the ILO, especially given the potential asset the Centre represents.
- 172.** He commented on the slow pace of progress made on the follow-up to the report of the Working Party on Funding. The vulnerability of the Centre's funding was underlined by the reduction in the Italian Government's contribution and the recent global financial crisis. The discussion in Turin suggested increases in the ILO regular contribution to the Centre (2 million of a budget of 42 million), increased cooperation on technical cooperation (TC) and RBSA programmes and direct support by governments. He advised, as suggested by the Government representative of South Africa on the Board of the Centre, that an agreement should be drafted for TC projects between the Centre and the ILO detailing coordination, early involvement in joint programming and possibly a target for the total budget of projects. Additionally, RBSA donors could be encouraged to devote part of the donor budget to training activities delivered by the Centre.
- 173.** He requested regular updates on the progress of the recommendations of the Working Party and further financial information on training courses provided by the Centre as a result of cooperation with the ILO.
- 174.** Finally, he praised the Employers' programme which, since 2006, had tripled the number of participants to 1,000 per year. He looked forward to its continuing success and prospects for further growth in cooperation with the management of the Centre.
- 175.** The representative of the Government of Germany expressed agreement with the comments of the Employer representative and supported the early involvement of the Centre in the planning of TC projects and the use of RBSA.
- 176.** She highlighted the contribution of the Centre to the goals of the ILO and the vital importance of the Centre's financial stability. She called for the ILO to take concrete steps to achieve such stability. She requested additional information on those matters from the Office in March 2009.

177. The representative of the Government of Spain supported the statements by the representative of the Government of Germany and requested three amendments relating to his interventions, to paragraphs 11, 45 and 71 of document GB.303/PFA/7/2.
178. The representative of the Government of India complimented the Centre on the progress that had been made on the Working Party's recommendations relating to collaboration and integration with the ILO. He praised the efforts of the Centre at the regional and subregional levels, particularly its coordination with ILO field offices on regional human resource development.
179. He suggested further involvement with national and regional training institutes. He noted the expertise of the National Labour Institute (NLI) in India, which had the potential to become a centre of learning on labour issues for the South Asian region. He hoped that further progress would be made on the implementation of the Working Party's recommendations and endorsed the suggestions on the agenda.
180. The representative of the Government of South Africa reiterated the need for a predictable and stable resource base for the Centre. He queried the second sentence in paragraph 82 of GB.303/PFA/7/2, which should be amended for greater clarity.
181. The representative of the Government of Italy praised the Centre's expertise, facilities and training capacity. She reiterated the importance of cooperation and joint programming in the design, formulation and implementation phases of TC projects. She expressed support for the recommendations of the Working Party on increasing the predictable share of TC funding directed to the Centre, and the recommendation of the Centre's Board on closer collaboration with the Partnerships and Development Cooperation Department (PARDEV). She called on the ILO to include the Centre in all its funding strategies, including the regular budget, extra-budgetary funds and the RBSA.
182. The representative of the Government of France expressed his agreement with the representatives of the Governments of Germany, Spain and Italy. He welcomed the Centre's efforts at integration with the ILO and noted the Centre's key role in implementing the 2008 Declaration. He expressed satisfaction with the increase in joint planning and coordination and hoped for an increase in the extra-budgetary funds directed to the Centre. He recommended that the discussion of the Centre's funding and coordination with the ILO should be included in the agenda of future sessions of the PFAC.
183. Mr Eyraud, Director of the International Training Centre of the ILO, explained that there were continuing discussions with various ILO departments in relation to increasing integration, TC projects, ILO field offices and the mobilization of resources.
184. The Committee took note of the three Office papers.

**(d) Membership of the Board of the International Training Centre**

185. *The Committee recommends to the Governing Body that it appoint a representative of the Government of Spain as a member of the Board of the Turin Centre for the period 2008–11.*

## **Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU** (Eighth item on the agenda)

186. The Committee had before it a paper<sup>14</sup> on matters relating to the JIU.
187. Mr Julien, speaking on behalf of the Employers' group, expressed his group's support for the JIU and noted that its reports were a useful source of information and comparison between agencies.
188. He raised three issues. With regard to the first, which was of a general nature, his group requested clarification regarding the selection criteria for the reports of the JIU submitted to the Governing Body, as the number of reports had fallen from 12 to six, and finally to three.
189. With regard to the first report on voluntary contributions, Mr Julien encouraged the ILO to implement the recommendations it contained and, noting that paragraph 9 was not exhaustive, requested the Office to explain how it envisaged responding to those recommendations. The Employers had no comment to make on the second report.
190. With regard to the third report on the age structure of the organizations of the United Nations system, he emphasized that it should be read together with the discussion on human resources management at the ILO. His group shared the opinion of the JIU that the ILO should welcome young professionals and regretted that there was no specific programme aimed at encouraging a culture of tripartism among those professionals. He wanted a balance to be found between the policy of lowering grades and maintaining the level of expertise and ability.
191. The representative of the Director-General (Mr Thurman) explained that the JIU had itself decided that only six out of the 12 JIU reports were relevant to the ILO. When the Office paper was drafted, the UN Chief Executives Board for Coordination (CEB) had commented on only three out of the six reports. The remaining three reports would be dealt with in the next Governing Body paper on the JIU.
192. The Committee took note of the Office paper.

## **Other financial questions** (Ninth item on the agenda)

193. The Committee had before it four papers<sup>15</sup> on other financial questions.

### **(a) Urgent repairs**

194. Mr Julien, speaking on behalf of the Employers' group, said that he had no observation to make on that item on the agenda.
195. Sir Roy Trotman, speaking on behalf of the Workers' group, supported the point for decision.

<sup>14</sup> GB.303/PFA/8.

<sup>15</sup> GB.303/PFA/9/1, GB.303/PFA/9/2, GB.303/PFA/9/3 and GB.303/PFA/9/4.

**196. The Committee recommends that the Governing Body:**

- (a) earmark an amount of CHF500,000 in the Building and Accommodation Fund to be used for urgent repairs and maintenance of ILO-owned buildings; and*
- (b) authorize the Director-General to use these funds on an as-needed basis and to report to the Building Subcommittee on any such use.*

**(b) Independent Oversight Advisory Committee**

**197.** Mr Julien, speaking on behalf of the Employers' group, recalled that the obligation to submit complete reports to members of the Independent Oversight Advisory Committee (IOAC) was a Governing Body requirement and not a decision at the discretion of the Director-General. He wished the Committee every success and eagerly awaited its comments.

**198.** The representative of the Government of Japan, speaking on behalf of the IMEC group, welcomed the creation of the IOAC. He looked forward to developing a strong and cooperative relationship with its members and asked them to assist, as well as challenge, the Office in matters of risk management, financial management, accountability and results-based management.

**199.** The Committee took note of the Office paper.

**(c) Disclosure of internal audit reports**

**200.** Mr Julien, speaking on behalf of the Employers' group, welcomed even the partial publication of the internal audit reports. Recalling their importance, he hoped that they would be available to the secretariats of the Employers' and Workers' groups, and not only to the members of the Governing Body.

**201.** He wished to know the reasons behind the provisions of subparagraph (f) of paragraph 4 and warned against the risks of a lack of transparency. In conclusion, he asked what the practice was in this regard in other institutions.

**202.** The representative of the Government of Japan welcomed the disclosure of internal audit reports to the Governing Body as a move that would enhance the Office's transparency.

**203.** The representative of the Government of the United States welcomed the disclosure policy but expressed reservations about the right of the Director-General to redact or withhold reports that were deemed too sensitive. Only the Chief Internal Auditor should have that right. She asked that the IOAC be given access to draft audit reports and working papers, a move that would enhance its ability to fulfil its mandate. She suggested that the Office should follow best practices.

**204.** The Chief Internal Auditor confirmed that the secretaries of both the Workers' and Employers' groups would be given access to internal audit reports. She explained that the decision to redact or withhold sections of reports or full reports would be made only after consultation with the Legal Adviser to ensure that they would not expose the Office or the constituents to legal or other risks. The risk of legal action by any persons or entities mentioned in the reports, as well as the risk that disclosure may impede ongoing investigations, would determine any decision to redact or withhold any section of a report or a full report.

205. She explained that the practice of disclosure of internal audit reports varied among United Nations organizations. The disclosure policy adopted by the Office was fully consistent with that which had been approved by the CEB.

206. The Committee took note of the Office paper.

**(d) Financial arrangements for a commission of inquiry concerning the non-observance by Zimbabwe of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98)**

207. Mr Julien, speaking on behalf of the Employers' group, supported the point for decision.

208. Sir Roy Trotman, speaking on behalf of the Workers' group, supported the point for decision.

209. The representative of the Government of South Africa sought clarification on the selection process of the members of the commission of inquiry, the number of members to be selected, the breakdown of the staff cost of \$510,000, and whether the honorarium daily rate was appropriate for that part of the world.

210. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) responded that the staff cost of \$510,000 consisted of two professional staff work-years and one general staff work-year, which was consistent with the standard support structure for previous commissions of inquiry. He clarified that the honorarium daily rate was based on previous Governing Body decisions applying to all commissions of inquiry. It was not based on the location where the function was to take place, but reflected the fact that commissioners were drawn from all parts of the world.

211. *The Committee recommends to the Governing Body that, should it decide to establish a commission of inquiry concerning Zimbabwe:*

*(a) an honorarium at the rate of \$300 per day be paid to each member of the commission of inquiry; and*

*(b) the cost of the commission in 2008–09, estimated at \$660,000, be financed in the first instance from savings in Part I of the budget or, failing that, through Part II, on the understanding that, should this subsequently prove impossible, the Director-General would propose alternative methods of financing at a later stage in the biennium.*

Geneva, 17 November 2008.

*(Signed)* C. Eriksson  
Reporter

*Points for decision:* Paragraph 73;  
Paragraph 94;  
Paragraph 107;  
Paragraph 114;  
Paragraph 134;  
Paragraph 185;  
Paragraph 196;  
Paragraph 211.

## Appendix

### **Director-General's address to the Programme, Financial and Administrative Committee** (12 November 2008)

Mr Rapacki, Chairperson of the Governing Body,

Sir Roy Trotman, spokesperson of the Workers' group,

Mr Emmanuel Julien, spokesperson of the Employers' group,

Distinguished Government, Employer and Worker delegates,

Dear friends,

This meeting of the Programme, Financial and Administrative Committee takes place at a time of financial, economic and social turmoil.

We cannot escape the impact of the global crisis on the real economy – the economy that you, Employers, Workers and Governments, represent. It permeates your agenda.

The tripartite voice of the ILO must help shape solutions nationally and internationally. It is both a responsibility and an opportunity to be true to the 2008 Declaration on Social Justice for a Fair Globalization. Next week, the Governing Body will address these issues.

Allow me to extend a warm welcome to those members of the Committee who are joining the Governing Body for the first time, and to greet those with experience of previous Governing Body meetings – new blood and old hands!

I should like to start by thanking those governments that have promptly and fully paid their assessed contributions to this Organization for the current year, and in particular those that have already paid their 2009 contributions. Compared to this time last year, more governments have fully or partially paid their contributions, thereby showing their commitment to the Organization. I strongly encourage all governments to follow this good practice.

Very particularly, I want to thank again those many governments that have provided the Organization with additional resources, through the fully functioning Regular Budget Supplementary Account, or through the extra-budgetary-funded technical cooperation.

Let me begin by stating my full commitment to the process of change launched by the 2008 Declaration. Together, we have a major opportunity to enhance our governance system and the methods of work of the Office and the entire institution.

Let me refer to some specific issues in your agenda.

I am pleased to report continued progress on governance, transparency and accountability issues.

The Independent Oversight Advisory Committee has been established, started its work, and held its first meeting. We are also working fully with the new External Auditor and her team.



I have also implemented a new policy providing access to Governing Body members to the reports of the Chief Internal Auditor.

We are committed to acting in accordance with the highest standards of transparency and accountability in responding to our constituents' priorities. Suggestions on how to continue on this road are welcome.

You have before you five reports on evaluation, four of which address specific programmes. We have gradually strengthened the evaluation function, which is delivering useful results.

We intend to further consolidate this function. I look forward to your views and comments on how to move forward on the basis of these reports.

The report of the last session of the Board of the Turin Centre speaks for itself. The Centre is fully performing its tasks. The level of activity is rising. Two-way collaboration between the Centre and the Office continues to improve.

I would like once again to publicly thank the Government of Italy and the authorities of the City of Turin and of the Piedmont region for their unfailing support to the Centre.

An important strategic issue will be to further integrate the Centre's response to the 2008 Declaration within the overall Office response, and to work together on responding through capacity building to the crisis we are facing in the real economy.

Tomorrow, you will consider the report of the Building Subcommittee. As you know, we have, as a matter of due diligence, further explored all the options available in the best interests of the Organization.

These include: renovation of this building beyond the urgent works currently under way; partnerships with public and private entities; and the possibility of constructing a new building on adjacent ILO land. The Office has contracted expert advice to examine these options further.

Foremost on our minds is the concern to make full use of the assets of the ILO, to minimize the impact on the contributions of member States, and to find the best longer-term solution for the Organization.

As we work through these various options, including with the Swiss authorities, we will consult closely with the Officers of the Building Subcommittee and the PFAC in order to enable the Governing Body to make an informed decision in the Organization's best interests at its next session in March 2009.

I would like to draw your attention to the human resources strategy report before you. It is comprehensive. It is encouraging. It shows tangible progress in a number of areas.

We have thoroughly accelerated, enhanced and modernized our recruitment procedure. We have made substantial advances in gender balance and in mobility, particularly from Geneva to the regions, and in encouraging progress in improving the geographical diversity of staff. The achievements are quantified against agreed targets.

The report describes the groundwork that has been done on the introduction of a new staff performance management system.

I see this as the next major step in our human resources strategy. This is a pivotal element in our renewed emphasis on human resources management. We are ready to start implementing this as early as possible.

We actively monitor staff security in full coordination with the United Nations secretariat, particularly in countries exposed to significant levels of risk. We provide continuous training to staff and implement recommendations made by our security advisers. The situation remains volatile in a number of countries which we monitor closely. We adapt our presence and activities accordingly, balancing our programme commitments with our best judgement of staff security.

We have an open dialogue, formal and informal, with the Staff Union. There are some differences of views, as is to be expected, but we are committed to finding solutions through dialogue.

None of the advances that I have mentioned all too briefly here could have happened without the commitment, professionalism and hard work of all ILO staff. I have in mind support staff in the regions and at headquarters, technical staff in field offices, in technical cooperation programmes, and in technical departments, as well as staff with management responsibilities, including the Senior Management Team who share with me the responsibility for the day-to-day operations of this Office.

It is a great privilege for me, for you, and all constituents, to be able to count on the constant drive for achievement I observe in our ILO colleagues. Of course, there is always room for improvement and I am not complacent. But I also wish to acknowledge tangible results when we see them.

This commitment has proved instrumental, as we realized early on the nature and proportions of the financial and economic crisis that is affecting working women and men and enterprises in all countries.

The Office has given its first reaction to the crisis, and I count on the Governing Body's guidance on the next steps.

On 11 October, in Washington, DC, I addressed the International Monetary and Finance Committee of the IMF, of which the ILO is a full member. I was also asked by the UN Secretary-General, Mr Ban Ki-moon, to address the Chief Executives Board which convened on 24 October. These statements have been available publicly since then.

The main point is that the Decent Work Agenda, firmly rooted in the real economy and based on dialogue among governments, employers and workers, provides a practical and balanced platform from which to respond to the crisis.

Why? Because:

- we need to sustain productive enterprises and job creation;
- we need to enhance access to social protection from unemployment benefits for informal economy workers, and show particular care to sustain pension systems; and
- we certainly need social dialogue to facilitate tough decisions.

We may disagree on how and why we got into the present financial mess. We certainly cannot disagree on how to move forward together in a tripartite manner, to make our unique tripartite contribution to help address the crisis.

For now, let me say that we are already seeing, both globally and from constituents in countries throughout the world, the ILO message in the sense that decision-makers must do more to safeguard and expand employment and protect workers and their families, to sustain and promote productive enterprises, and to enhance the role of tripartism and social dialogue as an essential part of what each country, sector and enterprise must do. And many countries are already doing so.

Many are also telling us that the World Commission on the Social Dimension of Globalization got it right when it highlighted the imbalances of globalization.

We are stepping up ILO delivery in response to the crisis and adapting priorities in our programmes. The Senior Management Team has already begun examining how best we can use existing resources and meet the new challenges of the crisis. The Governing Body will address the matter next week.

Attending to the urgent issues of today should not prevent us from preparing for the future. As you well know, I have insisted from the beginning that the preparation of the Strategic Policy Framework (SPF) 2010–15 be open, participative and inclusive, extending to all ILO constituents and ILO staff.

The Office deeply appreciates the high level of interest you have shown, and the numerous and detailed contributions you have submitted. An important moment was the informal consultations held in mid-September. We have gone through a process that has helped us to improve our focus on results and our understanding of constituents' priorities.

The draft SPF takes into account a major long-term shift in the economic and social policy agenda that is in the making.

We witness a widespread interest in values, principles and outcomes in line with what the ILO stands for.

We find this interest in political debates and election outcomes. We read it in public opinion polls.

We see it in political declarations of support for the ILO Decent Work Agenda at the highest levels in all regions.

People are mobilizing around it.

The latest example is the Beijing Declaration on Sustainable Development, which was adopted on 25 October in Beijing by 16 ASEAN and other Asian countries and 27 European Union countries and expresses strong support for our ILO Decent Work Agenda. The International Trade Union Confederation on 7 October organized a Decent Work Day in over 130 countries. Taken together, these and other developments confirm Decent Work as an agenda of our times.

Not least we saw an extraordinary coalition of support among Members of the Organization for the ILO Declaration on Social Justice for a Fair Globalization. This Declaration captures a unique moment of strength and confidence in the institution.

The main objective at the heart of the draft SPF before you is to organize our work for strengthening the capacity of the Organization to assist its Members, along the lines requested by the Declaration.

We clearly have a unique and historic opportunity before us. We should seize it in order to significantly advance the ILO's mandate.

The SPF will cover the period 2010–15. So in the immediate future, we need to concentrate on the crisis – but we must define a six-year perspective that goes beyond the crisis.

This is the sense in which the SPF has been prepared. Allow me to highlight three features of the document.

First, the SPF proposes to concentrate the ILO's substantive programme around 15 core areas of the Decent Work Agenda strategic objectives. We feel this represents a major move towards a simpler framework. For each of these outcomes a new set of measurable indicators is proposed. There is joint accountability across sectors and regions for these Office-wide outcomes.

Second, in keeping with the letter and spirit of the Declaration, which define the four strategic objectives as “inseparable, interrelated and mutually supportive”, new working methods and better integrated policy approaches are called for.

Teamwork and shared responsibility across the 15 outcomes are central to the strategy of the SPF. This will call for changes in management practices and organizational culture.

Third, the SPF is comprehensive, as it incorporates into one strategic outlook the substantive programme as well as the capacities, governance, management and support domains.

Both the “what” and the “how” are captured in one common framework. Our capacity to generate knowledge, information and analysis of direct use by constituents is absolutely critical. The knowledge strategy discussed earlier by the Governing Body stands squarely at the centre of the strategy.

This branches out to the management of human resources; to the organization of the delivery of our programmes; to the organization of capacity in field offices; and to our growing collaboration with UN country teams.

We are placing before you a six-year perspective that emphasizes results, focus, delivery, effectiveness and efficiency. We address the challenge of reinforcing ILO capacity and strengthening our services to constituents.

All of this has specific implications in different regions, particularly in terms of the implications of the crisis. Your regional perspectives must be clearly reflected, and I call upon you to give us the necessary guidance.

The SPF does not purport to be a detailed planning document. More detailed implementation planning is the domain of the biennial programme and budget, which adjusts the programme and the performance targets in the light of an evolving context and determines resource levels.

In keeping with the spirit of the June 2008 Declaration and my call for transparency and participation, it is essential that we find common ground in a Strategic Policy Framework reflecting the basic concerns of all Members.

The discussion and guidance of your Committee now will enable us to finalize this document and submit it for approval in March 2009. We will carry out further consultations before that date. It is in the institutional interest that we all feel comfortable with the document we finally approve.

The SPF provides a strategic outlook on resources spanning the regular budget and the voluntary contributions of member States. As I have already indicated publicly, it is my intention to submit to you next March a budget for the 2010–11 biennium based on zero growth allowing for cost increases.

This acknowledges the present context of great budgetary difficulties facing many governments.

At the same time, we foresee reasonable growth in voluntary contributions to the ILO's total budget which we feel are in line with the rising demand for our services and the political support received.

Next March you will have both the Strategic Policy Framework and the Programme and Budget for 2010–11 before you for adoption.

The latter document will have to accommodate some space for responding to what could be an enduring crisis and its possible aftermaths.

So looking towards the future, we feel energized by the widespread support for ILO values, policies and proposals, and challenged by the difficulties ahead.

Our task is to rise to the opportunity to strengthen our capacity to service the needs of our constituents in advancing the Decent Work Agenda.

This is the sense of our action. This is what this SPF is about.

I look forward to hearing your views.