



NINTH 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 11 and 12 November 2009, and was chaired by Ms Farani Azevêdo. Mr Julien and Sir Roy Trotman acted as Vice-Chairpersons. Sir Roy Trotman was elected as Reporter.
2. The Committee approved the order of discussion as proposed in document GB.306/PFA/TOB.

Programme and Budget for 2008–09: Regular budget account and Working Capital Fund (First item on the agenda)

3. The Committee had before it two papers¹ on the regular budget account and Working Capital Fund as at 30 September 2009 and contributions received as at 31 October 2009.
4. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) reported that, since 31 October 2009, contributions amounting to 16,775,006 Swiss francs (CHF) had been received from five member States as follows:

	2009	Arrears	Total in Swiss francs
Sierra Leone		2 139	2 139
Comoros		6 142	6 142
United States	71 112	16 430 943	16 502 055
Azerbaijan	19 681	70 784	90 465
Israel	174 205		174 205

Total contributions received to date amounted to CHF343,184,653 comprising CHF282,620,969 for 2009 and CHF60,563,684 in arrears. The total balance due was therefore CHF152,079,731.

5. Mr Julien, speaking on behalf of the Employers' group, endorsed the point for decision.
6. Sir Roy Trotman, speaking on behalf of the Workers' group, supported the point for decision.
7. The representative of the Government of Mexico, referring to article 16 of the Financial Regulations regarding transfers under special resolutions, expected that a detailed list of all transfers proposed by the Director-General would be submitted to the Committee in March 2010 in order that a decision on such transfers could be taken by the Committee.
8. The representative of the Government of South Africa, speaking on behalf of the Africa group, supported the point for decision.
9. *The Committee recommends that the Governing Body delegate its authority under article 16 of the Financial Regulations by requesting the Director-General to submit proposals for any necessary transfers within the 2008–09 expenditure budget to the Chairperson for approval, prior to the closing of the biennial accounts, subject to confirmation of such approval by the Governing Body at its 307th Session (March 2010).*

¹ GB.306/PFA/1 and GB.306/PFA/1(Add.).

Voluntary contributions and gifts (Second item on the agenda)

10. The Committee had before it a paper ² on voluntary contributions and gifts.
11. Sir Roy Trotman, speaking on behalf of the Workers' group, was pleased that trade unions had contributed to the activities of the Office and appreciated the contribution by the Japanese Trade Union Confederation (RENGO) and the International Transport Federation (ITF).
12. Mr Julien, speaking on behalf of the Employers' group, also thanked the RENGO for its contribution and all the other donors.
13. The Committee took note of the Office paper.

Use of the Special Programme Account (Third item on the agenda)

14. The Committee had before it a paper ³ on the use of the Special Programme Account.
15. Mr Julien, speaking on behalf of the Employers' group, said he supported the point in question subject to the outcome of the discussion due to take place the following week on the measurement of decent work. In his view, a decision on the item could not be taken before such a discussion had taken place.
16. Sir Roy Trotman, speaking on behalf of the Workers' group, supported Mr Julien's statement.
17. The representative of the Government of Mexico noted the progress made by the Office in the elaboration of decent work country profiles in Austria, Brazil, Malaysia, United Republic of Tanzania and Ukraine, as reflected in document GB.306/17/5 submitted to the Governing Body at its present session. His Government supported the point for decision, subject to the Governing Body's approval of the activities related to measuring decent work as proposed in the aforementioned document.
18. ***The Committee recommends that the Governing Body, subject to its approval of the activities related to measuring decent work, authorize the Director-General to use US\$500,000 from the Special Programme Account as proposed in paragraph 2 of document GB.306/PFA/3.***

² GB.306/PFA/2.

³ GB.306/PFA/3.

Financial questions relating to the International Institute for Labour Studies

(Fourth item on the agenda)

(a) Programme and Budget for 2010–11

(b) Authorization to accept contributions and gifts

19. The Committee had before it three papers⁴ concerning the International Institute for Labour Studies.
20. Mr Julien, speaking on behalf of the Employers' group, fully supported the point for decision.
21. Sir Roy Trotman, speaking on behalf of the Workers' group, said that the Institute's work in developing talent and leadership, and its role as a think-tank, were highly valued. The work of the Institute should not be based on short-term planning and budgeting, but rather the funding base should be long term and predictable to allow it to continue to produce cutting-edge research.
22. The representative of the Government of France said that as part of the ILO's knowledge strategy, the ILO needed to build on its capacities, and to deliver more and better research products with the help of the Institute in order to remain competitive. The Government of France agreed with the proposals set out in the document.
23. *The Committee recommends that the Governing Body endorse the programme and approve the budget for the International Institute for Labour Studies for 2010–11 as set out in document GB.306/PFA/4/1.*

Proposed 2010–11 budgets for extra-budgetary accounts

(Fifth item on the agenda)

(a) International Occupational Safety and Health Information Centre (CIS)

24. The Committee had before it a paper⁵ presenting estimated income and expenditure in 2010–11 for the International Occupational Safety and Health Information Centre (CIS).
25. Sir Roy Trotman, speaking on behalf of the Workers' group, supported the work of the CIS, including the fifth edition of the ILO *Encyclopaedia of Occupational Health and Safety*. He welcomed the use of electronic formats for publications but emphasized that many workers' organizations did not have the capability to access electronic documents.

⁴ GB.306/PFA/4/1; GB.306/PFA/4/2; and GB.306/PFA/4/3.

⁵ GB.306/PFA/5/1.

Therefore, he preferred that hard copies of all publications would continue to be made available.

26. He hoped that sufficient resources would be available for the CIS to continue its important work in the dissemination of safe work and standards information. He recommended that adequate coordination be maintained between the development of standards and their dissemination. He questioned the need for outsourcing mentioned in the document, suggesting that retaining work in house was useful to reducing precarious employment within the Office.
27. Mr Julien, speaking on behalf of the Employers' group, said that the issue was of fundamental importance both for the Organization and for enterprises and workers. The Employers' group, as a staunch defender of the activities of the CIS, called on it to work more with employers' organizations and provide them with all the necessary information on safety and health at work.
28. He noted that the CIS was doing well with regard to gathering information in that area, a task that was as complex as it was vital. He welcomed the fact that the requests from the Employers for electronic versions had been met. That, in his view, responded to the urgency to which Mr Trotman had drawn attention, and should make it possible to earmark the necessary funds for new research and better publicity. He therefore supported the point for decision.
29. The representative of the Government of India congratulated the CIS on its 50th anniversary. He emphasized the Centre's valuable contribution to OSH through publications and the dissemination of relevant information to ILO constituents. He suggested it was important for all countries to establish a prevention culture to reduce industrial accidents and occupational illness, provide a safe workplace for all categories of workers, improve the enforcement of OSH legislation and enhance social dialogue on OSH strategies and policies. His Government attached great importance to the safety and health of the worker and had improved worker health and safety through a number of laws.
30. He supported CIS efforts to improve the availability of information worldwide, including an expansion of its network. He commented that the fifth edition of the *Encyclopaedia of Occupational Health and Safety* in electronic form was very useful. He suggested the CIS's search engine be made more user-friendly and also suggested the CIS make budget provisions to enable developing countries to attend the Centre's meetings. He also commented on the importance of the International Chemical Safety Cards and requested the CIS to provide a new batch for translation into various languages within his country. He endorsed the proposed development of a new system of international hazard data sheets on occupations.
31. The representative of the Government of Mexico sought clarification on paragraphs 8 and 9 of the Office paper since the amounts reported caused confusion. He supported the point for decision, stressed the importance of health and safety and noted successes within his country using technical cooperation projects to improve prevention to reduce accidents and improve standards for OSH.
32. The representative of the Government of the Bolivarian Republic of Venezuela supported the point for decision and, referring to paragraph 5 of the Office paper, requested information about which countries in the Caribbean region would have new centres.
33. The representative of the Director-General (Ms Al-Tuwaijri, Director, SafeWork) referred to the changes in technology and dissemination of information in OSH. The network of centres had expanded to 159 and worked effectively with employers' groups. She

commented that outsourcing the abstracting of articles for the CIS database was a more cost effective way to work. She explained that centres in Barbados and Jamaica were not very active but she noted the need for regional and subregional centres to deal with various issues, especially local language needs. She also indicated the Centre had noted the need for a centre in Trinidad and Tobago.

34. The Treasurer and Financial Comptroller clarified the amounts referred to in paragraphs 8 and 9. The US\$380,000 in the proposed budget for 2010–11 for extra-budgetary income was the same as that in the approved budget for 2008–09. The CIS was forecasting to receive US\$457,688 in extra-budgetary income in 2008–09 due to a one-off contribution.
35. *The Committee recommends to the Governing Body that it approve the proposed 2010–11 income and expenditure budget for the CIS extra-budgetary account, as set out in detail in the appendix to document GB.306/PFA/5/1.*

(b) Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR)

36. The Committee had before it a paper⁶ containing estimates for the establishment of the extra-budgetary account for the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR).
37. Mr Julien, speaking on behalf of the Employers' group, said that CINTERFOR was an important tool for the ILO in Latin America, and played a key role in the Office's activities in the region. The speaker thanked the authors of the paper, who had followed up the discussion on the question in 2007 and had given a clear account of the Centre's activities, including those carried out with the Turin Centre and headquarters. The new management of CINTERFOR was helping the Centre to regain its dynamism, which the speaker was pleased to note. He hoped that the Office would provide some further information on the use made of CINTERFOR in the context of Decent Work Country Programmes in the light of the Office's increasingly decentralized approach. He supported the point for decision.
38. Sir Roy Trotman, speaking on behalf of the Workers' group, noted increased collaboration between CINTERFOR, the Turin Centre and ILO offices in the region, as well as expansion of its network of vocational training institutions in the Americas and Europe. He wished to see greater involvement of the Bureau for Workers Activities (ACTRAV) specialists in the region and asked that future reports of the Centre include indicators to monitor progress on this issue.
39. Regarding CINTERFOR's programme for the next biennium, he called for a better exploration of the link between the development model, education, work and the productive system, as failure to integrate the three dimensions would aggravate the inequalities within the educational system in the region. He recommended that CINTERFOR further promote the ratification of the Paid Educational Leave Convention, 1974 (No. 140), which only Brazil, Chile, Cuba, Mexico, Nicaragua and the Bolivarian Republic of Venezuela have ratified thus far. He was impressed by the work of CINTERFOR in building and strengthening partnerships between government and private sector employers and workers.

⁶ GB.306/PFA/5/2.

40. He called on CINTERFOR to use its goodwill in the region to encourage the ratification of Conventions Nos 87, 98 and 144. He recommended that CINTERFOR expand training on collective bargaining, unemployment, Convention No. 168, and safety and health at work, as well as put greater effort into tripartite consultations for policy-making in vocational training and in strengthening collective bargaining.
41. The representative of the Government of Brazil stressed the importance of CINTERFOR for the Global Jobs Pact, expressing his satisfaction with its excellent work on sustainable activities in Brazil. He supported the point for decision.
42. The representative of the Government of Mexico cited the Mexican sugar industry as an example of the benefits of CINTERFOR's training. Employers and workers were able to overcome conflict and build a climate of trust thanks to the training given by CINTERFOR. He supported the point for decision.
43. Ms Pacheco, Director of CINTERFOR, referred to the excellent technical meeting held in Brasilia, where training institutions, through the "Brasilia Letter", had expressed their support for the Global Jobs Pact. She explained that CINTERFOR was modernizing rapidly with an expanded database of over 10,000 reference documents. Its network had increased to 51 training institutions worldwide offering 5,300 programmes. By using an automated translation system, its programmes were now available in 51 languages, including Russian.
44. *The Committee recommends that the Governing Body approve the income and expenditure estimates of the CINTERFOR extra-budgetary account for 2010–11, as set out in Appendix I of document GB.306/PFA/5/2.*

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

- (a) **Documents submitted to the 71st Session of the Board of the Centre** (Turin, 5–6 November 2009)
- (b) **Report of the 71st Session of the Board of the Centre**
- (c) **Building the capacity of ILO constituents:
A medium-term strategy for the Turin Centre**

45. The Committee had before it three papers⁷ on the International Training Centre (ITC), Turin.
46. Sir Roy Trotman, speaking on behalf of the Workers' group, stated that the ITC had preoccupied the Governing Body for years. He expressed his gratitude to the current Director of the Centre and to his predecessor. In spite of budgetary challenges, the ITC had contributed significant work in enhancing the visibility of the ILO, in providing training for officials and in strengthening the capacity of employers and workers. Difficulties

⁷ GB.306/PFA/6/1; GB.306/PFA/6/2; and GB.306/PFA/6/3.

stemmed from the fact that the Centre had to rely significantly on Italy and France for funding. The speaker noted that everyone recognized these difficulties and agreed that the status quo could not be maintained. He stressed that ILO excellence depended on ITC excellence.

47. He observed that closing down the Centre or reducing its programme was unacceptable to all three parties and outlined four possible measures to remedy the situation. Firstly, governments could increase their subventions. Secondly, private partnerships could be sought but with the risk of consequences on programme quality. Thirdly, an arrangement could be made with the ILO to absorb part of the cost of the ITC staff, without necessarily resulting in a budget increase. Fourthly, technical cooperation donors could be called upon, but this funding would be subject to potential reallocation by the donors. He questioned whether the Director of the Turin Centre could manage effectively in a financial situation lacking clarity.
48. The Workers' group asked for better integration of the ITC with the ILO, an increase of governments' regular contributions, an increase in the ILO contribution from various sources; and an increase in ITC cost efficiencies.
49. Mr Julien, speaking on behalf of the Employers' group, said he wanted to raise three specific points, the first being the question of the Centre's Programme and Budget for 2010. He recalled the Joint Declaration by the Employers' and Workers' groups on the Turin Centre, which had been presented to the March 2009 session. That Joint Declaration had called for a strategy paper and had proposed measures to broaden and stabilize the Centre's funding. It remained highly relevant in the light of the Centre's 2010 budget, which showed a deficit of 1.2 million euros (€) out of a total budget of €39 million. Such a deficit, which was due to the reduction in the contribution from Italy, highlighted the Centre's fundamental problem, which was its serious vulnerability. The Employers were grateful to the ILO for the direct contribution of US\$500,000, which had been approved in March 2009.
50. The speaker said he was aware that no change could be made to the regular budget before 2012, but he noted that the ILO's contribution, funded from its regular budget, and fixed contributions accounted for only 7 and 29 per cent, respectively, of the Centre's total budget. The Employers considered that, in order to redress the situation in 2010, it was essential to find lasting solutions following an in-depth discussion during the current session of the Committee.
51. He recalled the wording of the request made by the Board of the Centre: "[the Board] urges the ILO in the framework of the Programme and Budget for 2010–11 and within the approach of outcome-based workplanning, to increase cooperation and integration with the Centre and to take measures and make resources available, both from regular and extra-budgetary resources including RBSA and ILO donor partnership, in order to minimize the operational deficit in a way that would also contribute to long-term predictable and adequate funding of the Turin Centre".
52. Consequently, the Employers proposed that the ILO should be asked to increase its contribution. They requested that the Director-General instruct the Regional Directors and the Executive Directors without delay to discuss possible modes of structural cooperation with the management of the Turin Centre, and suggested that greater attention should be given to the recommendations made by the Governing Body Working Party in 2007.
53. Turning to the question of the medium-term strategy, the speaker said the Employers proposed, firstly, an examination of expenditure in order to ascertain whether it was possible to make further savings and, secondly, an analysis of the relevance of the training

programmes. Thirdly, they called for efforts to seek new sources of funding, in particular by emphasizing the added value which the Centre could offer donors and ensuring that training programmes responded to the calls made by the G20.

54. The speaker nevertheless emphasized that those efforts which the Centre had been called on to make were no substitute for those expected of the ILO. For that reason, during the meeting of the Board, the Employers had agreed on the following with the Governments and Workers: “The Board asks the Director to review all expenditure and income items and to develop in informal tripartite consultations a concrete plan for sustainable funding and development of the Centre. The Director should report in March to the Officers of the Board and the PFAC and decisions have to be made in the 72nd Board meeting in 2010.”
55. Although a preliminary draft strategy paper had been drawn up, addressing all the elements referred to in the Joint Declaration by the social partners in March 2009, a number of important questions had not been answered, in particular with regard to the various balances that needed to be found (between fixed contributions and other revenues, field activities and activities on the campus, and so on). For the purposes of the strategy paper to be presented to the Board by the Director in March 2010, the speaker considered that the Turin Centre and the Office needed to hold a policy discussion on the ways in which the interactions between their respective activities could be clearly defined. The Committee should urge them to engage in such discussions without further ado.
56. Lastly, the speaker referred briefly to the Employers’ Activities Programme, which under the leadership of Mr Arnout De Koster was yielding remarkable results. The programme was already helping to mobilize resources not funded by the ILO, and was highly appreciated by the members of the International Organisation of Employers (IOE). In themselves, those were sufficient reasons for continuing to invest in the programme.
57. The representative of the Government of Germany, speaking on behalf of the group of industrialized market economy countries (IMEC group), also expressed concern about approving a budget presenting a deficit of €1.2 million. IMEC believed that more could be done to reduce the vulnerability of the Centre, which heavily depended on one donor. Short- and mid-term measures should be taken to ensure the future of the ITC, which had to respond to new challenges. She recalled that the implementation of the Global Jobs Pact called on the Office to assist constituents through training measures, and that the G20 leaders in Pittsburgh pledged to support robust training efforts in their growth strategies and investments and called on the ILO to design a training strategy. She emphasized that the ITC had a key role to play in assisting the ILO in this task.
58. She urged the Office to increase ITC–ILO cooperation and integration, both through regular budget and extra-budgetary resources, including ILO donor partnerships and the Regular Budget Supplementary Account (RBSA). She expressed IMEC’s appreciation of the leadership role entrusted to the ITC in the implementation of the capacity-building component of the road map in the follow-up to the 2008 Declaration on Social Justice for a Fair Globalization. In this respect, the ITC should be able to rely on simple and predictable financial mechanisms, as this would reduce the high transaction costs now incurred.
59. She requested the Director of the Centre to develop, through informal tripartite consultations, a workplan for development and mobilization of resources, including reaching out to private and non-traditional donors. Progress on this issue should be reported in March 2010 to the Committee.
60. The representative of the Government of France supported the statement made by IMEC. He emphasized that the ITC was instrumental to the ILO implementing strategic objectives and recognized that the growing number of ITC activities showed its adaptability – through

the training offered and the new methods of providing training – and its increased integration with the ILO.

61. He stated that the Centre needed more sustainable funding. He suggested a higher amount from the RBSA and the regular budget should be contributed by the ILO. Donors engaged in cooperation with the ILO could decide to allocate to the Centre a percentage of their contribution to the RBSA, specifically to training and capacity building. Finally, he highlighted the crucial role the ITC had to play in the ILO response to the crisis, drawing on its expertise to support the Global Jobs Pact and to respond to requests from the G20.
62. The representative of the Government of Italy supported the statement made by IMEC. She confirmed that the Italian voluntary contribution would not return to its 2008 level in the near future, due to very strict financial restrictions imposed by the crisis and the desire to reduce public debt. She insisted that Italy was maintaining its commitment to the Centre by not reducing the fixed contribution.
63. She reiterated that the ITC could not rely on one donor only, and called for a larger range of donors. She invited Committee members and the Office to review the strategy document, which, if given effect, would make a real difference. She also highlighted the relevance of the ITC, and its crucial role in implementing the Global Jobs Pact and responding to G20 requests.
64. The representative of the Government of India complimented the Office on the comprehensiveness of the strategy prepared. He stressed the importance of the use of ITC expertise and competencies for better delivery of ILO programmes. The ITC could work effectively with the regions to identify the training needs in countries. The Centre could also contribute to the effectiveness of the Decent Work Country Programmes. Cost containment was important but, to ensure sustainable funding, an increased contribution should come from the ILO regular budget and through donor partnerships. Public–private partnerships should also be considered as well as partnerships with other organizations at the international, regional and national levels.
65. The representative of the Government of Lebanon expressed concerns about the financial situation of the Centre and felt a radical solution had to be found, considering the crucial role played by the ITC. He suggested increasing the ILO contribution from the regular budget and mobilizing resources from donors, especially from G20 countries, and inquired whether Italy could be convinced to increase its contribution.
66. The representative of the Government of South Africa, speaking on behalf of the Africa group, called for greater integration of the ITC and the ILO so that the Centre could benefit from the ILO's regular budget and an increased share of technical cooperation funding. He noted opportunities offered by the G20 requests and called upon the Office to consider allocating that mandate to the Centre.
67. Sir Roy Trotman, speaking on behalf of the Workers' group, emphasized the importance of the relation between the Turin Centre and the ILO. He was pleased that Government members had expressed their support for the Centre and its need for stable funding. Such stable funding for the Centre would also be required to respond to the G20 call on the ILO to help countries emerge from the crisis by training and reskilling.
68. He suggested that improving cost efficiency alone would not solve the financial situation of the Centre and called for increased integration of activities and to produce global products for capacity building to support the Decent Work Agenda. He stressed the importance for the Centre to have sufficient and predictable funding to ensure the coverage of fixed costs.

- 69.** The speaker made three suggestions. The first would be to allocate to the ITC a predetermined percentage of technical cooperation budgets, as well as a percentage of multi-annual partnership contracts and public-private enterprise partnerships. The second suggestion would be to allocate a predetermined percentage of the RBSA. The third suggestion would be to allocate a predetermined percentage of each regional office's capacity-building efforts to the Centre.
- 70.** The Workers' group called for the integration of the Turin Centre into the ILO. They suggested that all ILO staff development activities should be held in Turin. It would be more cost-efficient and would make the Centre more effective. They suggested that all issues, relating to the future of the staff having implications to staff needs and security, should be negotiated with the Staff Union.
- 71.** Mr Eyraud, Director of the ITC, Turin, thanked the Committee for its strong support for the Centre. Concerning the financial difficulties encountered by the Centre, some cost reduction measures were already being studied with the Office. He also noted that a development plan was expected to be presented at the next session of the Committee.
- 72.** The Chairperson thanked the Committee for the very rich, positive and constructive discussion. She recalled that the Centre was central for the ILO to address the financial crisis and supported suggestions for tripartite consultations to find a long-term solution to the need for stable funding for the Centre. She suggested that such tripartite consultations begin as soon as possible with the intent to provide a paper for discussion in this Committee during its March 2010 meeting.
- 73.** The representative of the Government of Germany highlighted the importance of the integration of the Centre. She urged the Committee to quickly begin tripartite consultations and to push for solutions as soon as possible.
- 74.** The representative of the Government of France thanked the Chairperson for her suggestion and shared the Committee's concern to take a decision at the next Governing Body session.
- 75.** Mr Julien likewise thanked the Chairperson for facilitating such a stimulating and lively discussion. In his view, the Office and the Director of the Turin Centre needed to respond to the questions that had been raised, and he called the Office to prepare a plan of work for the informal consultations that were planned. Lastly, the response expected from the Office presupposed dialogue between the Office and the Centre, and consultations would be needed between the Centre, the Office and the tripartite organizations with a view to preparing the plan which the Director of the Centre would present in March 2010.
- 76.** Sir Roy Trotman thanked the Committee for its unanimity regarding the need to take very urgent and very specific actions. He urged the Office to have something that was ready to discuss either later this week or early next week.
- 77.** Mr Eyraud agreed to meet as soon as possible to start discussions with the Officers in order to develop a plan of action.
- 78.** Mr Julien noted that the Director-General had not attended the Board meeting in Turin or the morning discussion, and Ms O'Donovan had not spoken during the discussions. He hoped that did not reflect a lack of interest on the part of the Office, and that the Director-General would speak on the issue during the following week.
- 79.** The Chairperson said that she had spoken to the Director-General about the subject and it was her opinion that the Director-General remained engaged and interested in resolving the

pending issue of the ITC. She noted the consensus in the Committee on the need to develop an action plan proposing long-term solutions for adequate and stable funding for the Centre to enable it to carry out its important work.

- 80.** Speaking on behalf of the Officers of the Board, the spokesperson for the Government group on the Board, Ms Fitting (Germany), noted with concern that the Centre had presented a budget deficit for 2010 despite all efforts at cost saving. The deficit was caused by structural problems, which had been discussed for several years but remained unresolved. To ensure the future of the Centre, an action plan was needed to minimize the deficit, as well as a strategy for sustainable resources for the Centre.
- 81.** The measures to be taken should be linked, coherent, and based on the following principles:
- (a) a medium-term strategy as well as short-term measures;
 - (b) the integration of the Centre, as the training arm of the ILO, into the ILO strategy as stated in the Declaration on Social Justice for a Fair Globalization and in the Programme and Budget for 2010–11;
 - (c) recognition of the key role of the Centre in the capacity building of ILO constituents and its involvement in all the ILO's efforts to enhance their capacity;
 - (d) recognition of the role of the Centre in ensuring sustainability of ILO programmes, especially that of Decent Work Country Programmes;
 - (e) recognition by the Office that the Centre is necessary for the dissemination of knowledge and values, and should be part of the knowledge strategy of the ILO;
 - (f) engagement by the Office in systematic cooperation with the Centre and provision of sufficient and reliable resources for it, so that its financial dependence on market resources will not weaken its role;
 - (g) enhanced cooperation by the Centre and the ILO with other organizations, especially UN organizations and other donors.
- 82.** Those principles would help the ILO to address new challenges arising from the Global Jobs Pact and the G20 mandate by developing training measures with the full involvement of the Centre. The speaker recalled the request made at the recent Board meeting, and asked that the Office and the management of the Centre take that into account, as well as the remarks and suggestions made by the Programme, Financial and Administrative Committee (PFAC), when developing a coordinated action plan for the short, medium and long terms. The speaker requested that the short-term proposals for action be available in March 2010 and that preliminary proposals for medium and long-term action also be presented in March 2010 so that decisions could be made at the 72nd meeting of the Board and the PFAC in November 2010.
- 83.** The Director-General expressed his appreciation to the Governing Body for its support to the Centre and its recognition of the key role that the Centre had played in delivering the ILO's Decent Work Agenda and the Global Jobs Pact. Indeed, the Centre had organized, two weeks before the current meeting, a very successful tripartite workshop on the crisis and the Global Jobs Pact. The Centre undertook a wide range of training and capacity-building activities which were very much appreciated by constituents. The Centre also played an increasingly important role in providing ILO staff development and training.

- 84.** The Centre had demonstrated its capacity to respond to new challenges by adapting its learning model and introducing innovative approaches to learning. The speaker recalled that the Centre had adapted all its procedures to the Decent Work Agenda in order to be able to respond to the four strategic objectives. But the Centre had the potential to do more. To fully realize this potential and position the Centre more strategically, there were short-, medium- and long-term issues that needed to be addressed, together with a review to optimize its methods of work.
- 85.** In relation to the ILO's contribution to the budget of the Centre, the speaker said it was useful to clarify the evolving situation. The ILO contributions to the earned income of the Centre had increased by 14 per cent since the last biennium, to US\$14 million. That was in addition to the regular budget direct contribution of US\$6.3 million for the biennium. In 2009, the total ILO contribution to the Centre from all sources of funds would amount to some US\$12 million which represented 21 per cent of the total budget. The speaker reminded the Committee that even in an environment of zero real growth budgets, he had proposed in the 2010–11 budget that the contribution to the Centre be increased by US\$500,000, which was an additional increase of 8 per cent. From a long-term perspective, after excluding inflation and exchange rate factors, the ILO regular budget contribution to the Centre for 2010–11 had increased by 16 per cent in real terms when compared to 1998–99. During the same period, the total ILO regular budget had increased by less than 1 per cent. That confirmed the importance of the Centre within the ILO regular budget.
- 86.** At the most recent meeting, the Board of the Centre had reviewed progress on the implementation of the medium-term strategy of the Centre, preceded by the PFAC in March of the current year. The strategy document had the full support of the Board and the Governing Body and provided a solid basis to go forward, with a view to making the Centre more efficient and more effective, and to realize its full potential.
- 87.** Following the recommendations and guidance given during the previous week by the Chairperson and the Committee, and further to consultations with the Officers of the Board during the current week, it had been agreed that headquarters would work closely with the Director of the Turin Centre to prepare a workplan to take the strategy forward. That would be done in full consultation with the Officers of the Board.
- 88.** The relevant services at headquarters (particularly FINANCE, PROGRAM and PARDEV) had been requested to work with the management of the Centre to develop concrete proposals to address the resource challenges which the Centre faced, including the projected deficit for 2010 as well as developing options for more sustainable funding over the medium to long term. A first meeting of the internal working group had taken place the day before.
- 89.** Those concrete proposals would be discussed in the March meeting of the PFAC and the 2010 meeting of the Board of the Turin Centre. The exercise would focus on the following areas: addressing the projected deficit for 2010; deepening the integration between the Centre and headquarters at the levels of management and administration, planning, programming and budgeting, in order to reduce duplication of functions, enhance cost-effectiveness and assure predictability of resources; reviewing the Centre's expenditures and identifying possibilities for further savings; developing a common resource mobilization strategy to increase voluntary contributions to the Centre focusing on traditional donors, United Nations agencies, global and regional financial institutions, non-governmental organizations, foundations and private sector companies; and preparing a common capacity-building strategy to support the implementation of the Global Jobs Pact.

90. The speaker expressed his confidence that the exercise would lead to clear and concrete proposals which would secure the future of the Turin Centre and enable it to fulfil its potential. He expressed his appreciation to the Chairperson for her proactive approach to the matter and thanked the members of the Board of the Turin Centre and the PFAC as a whole for their support for the work of the Turin Centre and their commitment to finding sustainable solutions.
91. Sir Roy Trotman, speaking on behalf of the Workers' group, expressed his appreciation for the Director-General's direct response and his involvement with the issue. He said that the Centre's work was critical, at the heart of what the ILO was trying to accomplish, and as such should not rely so heavily on donations. He recognized that finding solutions to the funding problem was difficult, given the reduction in voluntary funding and other increased demands on donors.
92. He was hopeful that the working group would find appropriate solutions, and reiterated that the full range of options discussed so far should be evaluated.
93. Mr Julien, speaking on behalf of the Employers' group, welcomed the Director-General's statement, which he found to be clear and constructive, and which provided some preliminary answers to his questions. The Employers' group was pleased with the Director-General's message about prospects for the future, and looked forward to working with the Office and the Centre on the solutions.
94. The representative of the Government of Portugal expressed concern at the difficulties and uncertainties weighing on the future of the Centre, and fully supported the statement made by the Officers of the Board. It was very important that the Centre be able to count on enough resources to continue work that was essential to the objectives of the ILO. It was hoped that the funding situation could be rectified soon, to the benefit of constituents and the Office.
95. The representative of the Government of Italy supported the statement made by the Officers of the Board, and thanked the Director-General for his response and action. The Government of Italy confirmed its support for the Centre, and its relevance to the work of the ILO. In the context of the reflection on the functioning of the multilateral system, it was hoped that other donors would join Italy in recognizing the relevance of the Centre and providing support. The issue was about more than funding, and had strategic and political dimensions. He emphasized that the Centre's capacity, knowledge, and skills were a precious resource.
96. The representative of the Government of France supported the statement made by the Officers of the Board, and welcomed the Director-General's direct involvement in the matter. The Government of France thought that the Centre had an important role in the ILO's activities, in particular the Global Jobs Pact, and in responding to the requests by the G20, and supported strengthening the linkage between the Centre and the ILO. Efforts had to be made to find sustainable funding.
97. The representative of the Government of South Africa, speaking on behalf of the Africa group, supported the statements made by the Officers of the Board and the Director-General. He requested that the possibility of using Regular Budget Supplementary Account (RBSA) contributions towards funding the Centre be considered.
98. The representative of the Government of Sudan supported the statement made by the Officers of the Board. He noted the good work done by the Centre on behalf of member countries, and expressed his appreciation for the training which had taken place in southern Sudan, and which was available to that area for the first time.

99. The Chairperson acknowledged the contributions made by the different speakers and thanked the Director-General for ensuring prompt action by the Office. She looked forward to a continuation of that work and the presentation of solutions and strategies at the March 2010 session of the Committee.
100. The Committee took note of the three Office papers.

International Public Sector Accounting Standards: Status (Seventh item on the agenda)

101. The Committee had before it a paper⁸ on the status of the ILO's implementation of International Public Sector Accounting Standards (IPSAS).
102. Sir Roy Trotman, speaking on behalf of the Workers' group, was concerned that delays in the field deployment of the Integrated Resource Information System (IRIS) might also affect the full adoption of IPSAS. He asked for a clear deadline by which IRIS would be made available to the regions.
103. Mr Julien, speaking on behalf of the Employers' group, said he regretted the delay with the implementation of IPSAS and was concerned by the costs arising from such a situation. He asked for explanations regarding the delay and for information on any problems encountered with the introduction of those standards in other United Nations institutions. The Employers' group hoped to have an assurance that the implementation of IPSAS and the financial consequences of the delay would not have any repercussions on the introduction of IRIS in the regional offices, something which was already taking a long time. He asked about the measures which the Office intended to take to make up for the structural lag between the field and headquarters, whether in terms of IRIS, Procurement, human resources policy or technology. Provided that adherence to the new timetable was guaranteed, the Employers' group supported the point for decision.
104. The representative of the Government of Japan appreciated the progress made by the Office in implementing IPSAS. He supported the move to standardize accounting standards across the whole of the United Nations. As noted in paragraph 5, he hoped that there would be no further delays.
105. The representative of the Government of the United Kingdom supported the statement made by the representative of the Government of Japan. He shared the same concerns regarding the deployment of IRIS to the regions raised by the Workers' and Employers' groups. On the latter's question about the state of IPSAS implementation in the United Nations system, he pointed to the World Food Programme which had successfully adopted IPSAS in 2008. He asked to know how the ILO compared to other United Nations organizations in terms of their progress in implementing IPSAS.
106. The representative of the Government of Mexico noted the progress by the Office in implementing IPSAS. She agreed with the Office about the risk of introducing all the required changes at once. She stressed that the adaptation of the Office's accounting policies and procedures should not distract the Office from achieving its strategic objectives. She supported the point for decision.

⁸ GB.306/PFA/7.

- 107.** The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) confirmed that the new deadlines were achievable. He noted that on some items such as the recognition of expenditure based on the delivery principle, used in the Office since 1999, and the changes proposed for the 2008–09 financial statements, the Office was ahead of schedule in implementing IPSAS. The deployment of IRIS to the regions was important for the successful implementation of IPSAS as 40 per cent of expenditures were incurred there. He confirmed that the World Food Programme had achieved IPSAS implementation in 2008. He reported that other major United Nations organizations such as the United Nations, the United Nations Development Programme, the United Nations Children’s Fund and the Food and Agriculture Organization had deferred their planned implementation dates. The World Health Organization had adopted a phased approach similar to that of the ILO.
- 108.** *The Committee recommends that the Governing Body take note of the revised implementation plan for the adoption of the International Public Sector Accounting Standards.*

Amendments to the Financial Rules

(Eighth item on the agenda)

- 109.** The Committee had before it two papers⁹ on proposed amendments to the Financial Rules.
- 110.** Sir Roy Trotman, speaking on behalf of the Workers’ group, supported the point for decision. He asked if the changes to the Financial Rules would conflict or override paragraph 5.9.2 of the procurement circular (No. 58), which listed compliance to the relevant international labour standards as an important factor when evaluating procurement bids.
- 111.** Mr Julien, speaking on behalf of the Employers’ group, said he supported the point for decision.
- 112.** The representative of the Government of Canada appreciated the gender-neutral language in the proposed amendments but wished to see all of the Financial Rules amended in a similar way. Regarding Rule 6.10, she asked the Office to clarify which rules would apply to external collaborators, given the proposed amendments.
- 113.** The representative of the Government of Mexico expressed the view that, given the legal nature of the Financial Rules, the proposed amendments should have been submitted to the Committee on Legal Issues and International Labour Standards (LILS Committee). She recognized that the proposed amendments would bring the Financial Rules into line with IPSAS. She supported the point for decision.
- 114.** The representative of the Government of Japan recognized that the proposed amendments would increase transparency in the Office. He welcomed the elimination of the threshold required for invitations to bid as a measure that would increase the flexibility of the Office. He requested the Office to set the threshold and the number of bids required through internal rules, based on the best practices of other United Nations organizations.
- 115.** The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) stated that the Financial Rules were part of a regulatory hierarchy and confirmed that the provisions contained in ILO circulars, including the one on

⁹ GB.306/PFA/8 and GB.306/PFA/8(&Corr.).

procurement, remained valid. Therefore, compliance with international labour standards remained a factor when evaluating procurement bids. The inclusion of procurement principles in the proposed amendment to Rule 10.10, in particular, “[A]ny other interests of the Organisation”, was intended to provide for such requirements. The proposed amendment to Rule 6.10, referring to external collaboration contracts, aimed to clearly differentiate consulting contracts from employment contracts. Consultants would be treated as third party service contracts, and be required to present an invoice before receiving payment. The Financial Rules in their entirety governed such contracts.

- 116.** *The Committee recommends to the Governing Body that it approve the draft amendments to the Financial Rules set out in the appendix of document GB.306/PFA/8(&Corr.).*

Programme and Budget for 2010–11: Technical meetings reserve (Ninth item on the agenda)

- 117.** The Committee had before it a paper¹⁰ concerning proposals for the choice of technical meetings to be financed from the technical meetings reserve for 2010–11. The latter amounted to US\$1,435,558.
- 118.** Mr Julien, speaking on behalf of the Employers’ group, endorsed the point for decision.
- 119.** Sir Roy Trotman, speaking on behalf of the Workers’ group, supported the six meetings proposed in the paper and agreed to the point for decision. He expressed concern, however, about the decrease in the resources allocated to the Workers’ meetings out of the technical meetings reserve in 2008–09. As a result of this decrease, the number of people invited to those meetings had declined by 33–35 per cent and the Workers’ group had not been able to reach as many constituents as in the past. The speaker called for some discussion with the Office with a view to re-establishing a larger allocation for the Workers’ meetings, hoping that this could be agreed in principle by the other two groups.
- 120.** The representative of the Government of Canada remarked that in the past the Committee used to receive more information whenever it was asked to decide on matters like those presented in the paper. She requested clarification from the Office on three points. Firstly, with regard to the preparatory tripartite committee in paragraph 3, reference was made to Worker and Employer delegates only, not to Government delegates. Secondly, if the Governing Body were to have oversight over these issues, it would have been more appropriate for the Committee to decide on the funding of the Employers’ and Workers’ meetings mentioned in paragraph 4 once the subjects of those meetings were known. Thirdly, the statement in the same paragraph that additional participants could be covered by the regular budget for technical cooperation (RBTC) contributions also warranted some clarification.
- 121.** The representative of the Government of the United States fully supported the statement made by the representative of the Government of Canada.
- 122.** The representative of the Director-General (Mr Thurman) confirmed that in the past there used to be larger numbers of participants at Workers’ meetings funded from the technical meetings reserve. At this stage, the proposal in the paper before the Committee was to

¹⁰ GB.306/PFA/9.

reserve resources for the Workers' and Employers' meetings, not to make allocation decisions on those meetings. The amount could be reviewed at a future session. The budget for the consultative meeting on maritime questions mentioned in paragraph 3 was in line with previous practice under which it was possible to arrange that Government delegates would attend at their own cost. The reference to the RBTC in paragraph 4 did not represent an open-ended commitment. Rather, it meant that ACTRAV could use its own RBTC allocation to increase the number of participants at Workers' meetings, as it had done in the past.

- 123.** Sir Roy Trotman, speaking on behalf of the Workers' group, recalled that under the technical meetings reserve an allocation had traditionally been made to Employers and Workers, respectively. The Bureau for Employers' Activities (ACT/EMP) and ACTRAV, in their absolute discretion, determined the subject of those meetings.
- 124.** *The Committee recommends to the Governing Body that the six meetings presented in document GB.306/PFA/9 be funded from the technical meeting reserve for 2010–11.*

Report of the Building Subcommittee (Tenth item on the agenda)

- 125.** The Committee had before it a paper ¹¹ containing the report of the Building Subcommittee.
- 126.** The representative of the Government of Brazil, Mr Paixão Pardo, speaking as Chairperson of the Building Subcommittee, introduced the report. The Subcommittee had considered four documents prepared by the Office; two for decision and two for information.
- 127.** The Building Subcommittee was very pleased to note the renovation works that had been carried out and supported the proposal to use up to CHF750,000 of the funds remaining from the urgent works allocation for the resurfacing of the floors in the P3(A) and P4 parking areas.
- 128.** The Building Subcommittee also discussed the future renovation work and proposed that the Committee recommend that the Director-General enter into arrangements, as he considered appropriate, relating to granting public access to ILO land.
- 129.** Regarding the third item on its agenda, the Building Subcommittee observed that the figures provided annually by the Office had improved considerably. This document had become a useful decision-making tool.
- 130.** The Building Subcommittee, in accordance with the decision taken in 2008 to authorize urgent works, noted that an amount of CHF220,000 had been charged to the Building and Accommodation Fund for the removal of asbestos.
- 131.** Mr Ahmed (Worker member and Vice-Chairperson of the Building Subcommittee) thanked the Office for the completion of the ongoing renovation activities, the installation of a lift for persons with disabilities and the functioning of the Geneva Lac Nation system, which would reduce operational costs for the headquarters building.

¹¹ GB.306/PFA/10(Rev.).

132. The Workers' group supported the points for decision in paragraphs 12 and 25. His group hoped that the Swiss authorities would extend all support and cooperation to the ILO and therefore avoid escalating costs. The Workers' group underlined that the Geneva authorities should contribute financially to the development and the maintenance of the proposed public spaces on ILO land.
133. The speaker requested the Office to keep the Committee informed of negotiations related to the renovation work. He thanked the Office for providing a detailed overview of ILO accommodation and expressed his appreciation to the countries which provide premises to the ILO free of charge. Other member States were invited to do the same.
134. Mr Lima Godoy (Employer member and Vice-Chairperson of the Building Subcommittee) was pleased to learn that the deadlines for renovations were met and that most of the resources available were used for the urgent work that had to be carried out. His group supported the point for decision and recommended the use of the CHF750,000 for resurfacing the parking areas.
135. He noted the importance of establishing priorities in the use of existing resources and to have adequate budgetary provisions for expected renovation work. He underlined that the future renovation work would depend on the outcome of the negotiations held between the Office and the Swiss authorities. Therefore, he urged the Office to continue negotiations and supported the point for decision in paragraph 25.
136. As regards the overview of ILO accommodation, the Employers' group was pleased to note that the document made management of the premises much more transparent. For leased premises, he emphasized the importance of having an appropriate policy in place so that the cost of repair works was shared fairly between the landlords and the ILO.
137. The representative of the Government of Japan requested an amendment to paragraph 7 of the report.
138. *The Committee recommends to the Governing Body that it:*
- (a) *approve the use of up to CHF750,000 of the funds remaining from the urgent works allocation for the resurfacing of the floors in the P3(A) and P4 parking areas;*
 - (b) *authorize the Director-General to enter into arrangements, as he considers appropriate, relating to granting public access to ILO land, including clarification of the respective responsibilities of the parties concerned, in particular as regards the financial aspects.*

Report of the Information and Communications Technology Subcommittee (Eleventh item on the agenda)

139. The Committee had before it a paper¹² containing the report of the Information and Communications Technology Subcommittee.

¹² GB.306/PFA/11.

140. The representative of the Government of Bangladesh, Mr Mowla, speaking as Chairperson of the Subcommittee, introduced the report. The Subcommittee had considered two papers: the first, for decision, on the Information Technology Strategy for 2010–15 and the second, for information, on progress on the implementation of IRIS in the regions.
141. He illustrated the explicit linkage of the Strategy to the other three strategies presented at the current session of the Governing Body, namely the Human Resources Strategy, the Knowledge Strategy and the Technical Cooperation Strategy. The Subcommittee underlined that the linkage between outcomes, indicators and milestones could be improved and requested the Office to provide more costing information for the implementation of the Strategy. It also called for more management-level involvement for further IT resources consolidation. The Subcommittee supported the point for decision and expressed its intention to revisit the IT Strategy during the course of its implementation.
142. Regarding the second progress report on implementing IRIS in the regions, the Subcommittee noted the new deployment schedule proposed by the Office and requested a more precise calendar, as well as detailed information on costs.
143. The Subcommittee emphasized the importance of holding informal briefing sessions and welcomed the proposal from the Office to continue those briefings. It looked forward to further information and an update on the IT Strategy and IRIS during the March 2010 session of the Governing Body.
144. Mr Moore (Employer Vice-Chairperson of the Subcommittee) raised concerns about the fragmentation of information technology (IT) across the Organization, both within headquarters and across the regions. He stated that that situation was a managerial issue that must be addressed. He endorsed the Chairperson's statement asking the Office for a clear timetable in terms of IRIS and supported the point for decision.
145. Mr Nakajima (Worker Vice-Chairperson of the Subcommittee) supported the point for decision and looked forward to revisiting the Strategy at the next Governing Body session. Concerning IRIS, the Workers' group was concerned about delaying the roll-out to the field offices and thus widening the gap between headquarters and the field offices. The speaker also supported the Office's undertaking to report openly and accurately on all categories of IT expenditure throughout the Office, as reflected in the Strategy.
146. *The Committee recommends to the Governing Body that it endorse the Information Technology Strategy 2010–15, taking into account the views expressed during its discussion.*

Results-based strategies 2010–15

(Twelfth item on the agenda)

(a) Overview

147. The Committee had before it a paper¹³ giving an overview of the results-based strategies 2010–15.
148. Sir Roy Trotman, speaking on behalf of the Workers' group, expressed appreciation for the efforts made by the Office in establishing links between the various strategies submitted to

¹³ GB.306/PFA/12/1.

the current session of the Governing Body. He considered those strategies to be important for the implementation of commitments made in the Strategic Policy Framework 2010–15, the Programme and Budget for 2010–11, the implementation plan for the ILO Declaration on Social Justice for a Fair Globalization, and the ILO's response to the crisis. Referring to paragraph 16, he welcomed the emphasis of the strategies on reinforcing the Office's services in response to constituents' needs. This was an important objective, as was the need for the ILO to enhance its technical, research and advocacy capacity in the context of the crisis. The ILO had to become a centre of excellence on economic, social and labour issues, particularly in the light of the growing demands for technical advice from constituents. In this context, the speaker pointed out that it would have been useful for the Committee to receive an update on the implementation of the field structure review as it related to the improvement of the ILO's technical capacity to respond to constituents' needs.

- 149.** Mr Julien, speaking on behalf of the Employers' group, recalled that he had expressed the wish in March 2009 for the various strategies to be examined within a single document, given that the strategies in question were integrated. It would in his view be desirable in future for two conditions to be met: first, any papers relating to strategies should be examined during, rather than six months after, the discussions on the programme and budget; and, secondly, the strategies should be dealt with in a single paper. It was difficult, owing to the overlaps between strategies, to undertake a methodical examination. For example the Internet site was mentioned in the context of the Knowledge Strategy, rather than the Information Technology Strategy; the Knowledge Strategy encompassed training-related aspects which could have been included in the Human Resources Strategy. There were many such examples.
- 150.** The second problem raised by the overview paper lay in the fact that the different strategies remained largely theoretical and were not linked to a concrete implementation plan. They set out a number of general objectives, which, the speaker recalled, were fully supported by the Employers' group. He noted nevertheless that the different documents did not give sufficient practical information, in particular with regard to the financial implications of strategies and the resources that needed to be allocated to them. As the programme and budget had already been adopted it would be necessary to work within that framework, with all the limits it imposed.
- 151.** The speaker noted also that the link with the outcome-based workplan coordinators and the workplans was not sufficiently explicit, which was all the more regrettable given that the debate on results and the teamwork which they had engendered were excellent initiatives and promised much for subsequent activities. The Employers' group would have liked to see that very positive development in the Office's management reflected in the relevant document, and wondered whether the report on the implementation of the programme and budget would include an assessment of the different strategies. The Employers' group therefore wished to withhold its final approval pending the outcome of the discussions, especially with governments.
- 152.** The speaker also wondered about the limits of intervention by the Governing Body in the ILO's strategies, and noted that the question of the role of the Governing Body in human resources management had still not been answered; that posed problems for the Office and for the groups. The Employers' group was anxious to fulfil its governance functions but did not wish to encroach on the responsibilities of the Office or of the Director-General.
- 153.** Referring to the ILO's Declaration on Social Justice for a Fair Globalization, the speaker cited the passage invoking the need for coherence, coordination and collaboration within the ILO, building and maintaining policy and operational capacity, efficient and effective resource use, management processes and institutional structures, adequate competencies

and knowledge base, and effective governance structures. He noted that it was far from certain that the strategies being considered really gave the Office the means of applying those different policies. Indeed, lack of coordination with regard to the examination of the different mechanisms was a continuing impediment to achieving transparency and hindered the Governing Body in its governance role. The speaker, while recognizing the efforts made by the Office to clarify the situation, to ensure coherence between different strategies, and to carry out its particular mandate under the terms of the Social Justice Declaration, noted nevertheless that, even if their general objectives retained all their relevance, the strategies as presented in the documents were insufficiently developed to give the Governing Body the information it needed to take a decision.

154. The Committee took note of the paper.

(b) Human Resources Strategy

155. The Committee had before it a paper¹⁴ on the Human Resources Strategy.

156. The Committee's discussion of this paper is contained in its Second report: Personnel questions.¹⁵

(c) Knowledge Strategy

157. The Committee had before it a paper¹⁶ on Knowledge Strategy – Strengthening capacity to deliver decent work and the Global Jobs Pact.

158. Mr Torres, Director of the International Institute for Labour Studies, introduced the paper, which had been prepared jointly with Ms Tabatabai, Director of the Department of Communication and Public Information, in consultation with other groups throughout the Office.

159. Sir Roy Trotman, speaking on behalf of the Workers' group, noted that ILO research could contribute to a richer understanding of the complex development process and was crucial for helping to implement the Global Jobs Pact. He observed that efforts to make the ILO a centre of excellence had started and should be continued. He recognized that knowledge was constantly interpreted through a theoretical lens, and thus ILO staff should be trained to bear in mind the ILO's unique perspective when approaching research. Regarding peer review mechanisms, he said that not only the academic quality of the material produced by the ILO should be considered, but also its usefulness in policy terms. Since the ILO, like any organization, was limited in its ability to respond to every issue, it was important to enhance cooperation with external partners to leverage the valuable knowledge held in the external community and to mainstream decent work, the Global Jobs Pact and the Social Justice Declaration in the wider intellectual discourse. He emphasized that sustainable recovery from the current crisis must be based on creating decent jobs and increasing disposable incomes for workers, via enhanced social protection and the introduction of a social floor. He suggested that research should focus on four priorities: international economic, social and financial policies for a sustainable and fair recovery; strategies for income-led recovery; understanding successful decent work policies; and research teams

¹⁴ GB.306/PFA/12/2.

¹⁵ GB.306/9/2.

¹⁶ GB.306/PFA/12/3.

for country support. He called for further knowledge exchange and research cooperation between the labour movement, progressive academic institutions and the ILO. He requested that those comments be taken into account in the implementation of the Knowledge Strategy and said that the Workers' group supported the point for decision.

- 160.** Mr Julien, speaking on behalf of the Employers' group, supported the point for decision. He noted that the paper was the best structured among the four results-based strategies before the Committee. An ambitious Knowledge Strategy was fully justified at the current time because of the ILO's role in helping to respond to the crisis. It would have been preferable to consider all the results-based strategies together, and an assessment of the lessons learned from earlier knowledge-management experiences would have been helpful. More details regarding implementation and the financial resources required to achieve the various outcomes would better allow constituents to assess the feasibility of the strategy. He sought clarification on coordination of the activities (paragraph 10) and on the implications for stakeholders (paragraph 14), and he noted that stakeholders should be involved in selecting topics for the projects envisioned in paragraphs 10 and 11. He questioned the implications for other stakeholders stemming from the proposals for peer review. He supported the need for a solid database (paragraph 12), but also wished to draw attention to the positive work that was already under way in this area. He supported the statement that field offices and constituents sometimes perceived research as too general (paragraph 33). Work undertaken must be anchored by the underlying philosophy of the 2008 Declaration. He supported earlier speakers who said that the interpretation of data was a crucial issue that required careful consideration.
- 161.** The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, supported the point for decision. The ILO had been given an important role in monitoring crisis responses and therefore credible, high-quality analytical work was now more important than ever. She welcomed the integrated approach of the paper, in that it dealt with the full cycle of knowledge-related activities, from production to exchange and dissemination. Another strong point of the paper was that knowledge management could not be considered in isolation from the other three strategies.
- 162.** She emphasized the important role of the International Institute for Labour Studies with regard to knowledge generation and management. She expressed the hope that the recurrent item on employment would benefit from the implementation of the Knowledge Strategy. The core objective should be to respond to the needs of constituents. She proposed that the word "increasingly" should be removed from the wording of the third target under indicator 1.1, and that the target for the proportion of peer-reviewed publications should be brought forward so as to be reached earlier. She sought clarification on the criteria used to define high-profile publications. She noted that it would be useful to have some sense of the biennial costs associated with those knowledge outcomes. She referred to the risk stated in paragraph 31 that the Office might not have sufficient researchers and policy analysts. She suggested that close cooperation with other organizations on research activities could be a way to control costs.
- 163.** The representative of the Government of France supported the IMEC statement. He stressed the importance of introducing results-based strategies, especially in the light of the increased responsibilities that had been entrusted to the ILO. He thanked Mr Torres for his role as Director of the International Institute for Labour Studies and for his key role in the course of the ILO's response to the crisis. The ambitious Knowledge Strategy presented to the Committee was timely, because the ILO had to position itself to provide quality data and analysis when called upon to do so. It was crucial that the ILO had the means to increase the visibility and credibility of its work. He noted the importance of integrating the Knowledge Strategy with the other strategies. Cooperation with other organizations could strengthen the capacity of the ILO.

- 164.** The representative of the Government of Argentina supported the point for decision and agreed with previous speakers that a solid, evidence-based Knowledge Strategy was essential to strengthen the capacity of the Office and to deliver on decent work and the Global Jobs Pact. The Strategy would be weakened if the Office was unable to call upon a sufficient number of researchers and policy analysts or if it was not well-coordinated with the Human Resources Strategy. Referring to outcome 1, he pointed out that the process of collecting empirical data for research involved field work and that it was necessary to take regional and subregional developments into account in that process. It was also important to work closely and collaboratively with other organizations. For outcome 3, he noted that communication challenges remained, in particular, the need to define key ILO messages more clearly and determine the target audience more precisely, especially in the context of the Decent Work Agenda.
- 165.** The representative of the Government of Australia supported the statement made on behalf of the IMEC countries and complimented the Office on the high quality of the knowledge strategy document. While the paper clearly defined the issues relevant to the practical management of dissemination, it did not sufficiently address the issue of cultural change, a key issue to implement the Knowledge Strategy. In particular, he referred to the 2004 Joint Inspection Unit (JIU) report entitled *Knowledge management at the International Labour Organization* and recommended that the Office address such cultural change as part of its overall knowledge-management efforts to ensure a culture of knowledge sharing.
- 166.** The representative of the Government of the United States fully supported the statement of the IMEC group. She stressed the importance of producing high-quality, relevant material to facilitate the development of sound policy recommendations. The world was increasingly looking to the ILO for its expertise, as evidenced by the requests made by the G20 and the Economic and Social Council (ECOSOC), and so there was a need to move quickly to implement the Knowledge Strategy.
- 167.** The representative of the Government of India noted that effective knowledge management was key to implementing the Decent Work Agenda and that cooperation with external partners was also crucial to enable the Office to draw on valuable external knowledge and reinforce the quality and relevance of its research. Regarding outcome 3, he stressed the need for the ILO web site to be logical and easy to follow, with clear linkages to the different areas of work of the Organization. There should also be easy access to well-defined country profiles highlighting specific development needs. In endorsing the strategy, he requested that those observations should be taken into consideration.
- 168.** Ms Tabatabai explained that high-profile publications were intended to reach a broader readership beyond ILO constituents and partners and thereby extend the ILO's influence over the long term. High-profile publications received targeted marketing and communications support to maximize their impact and visibility, via both the Web and hard copy. The increased visibility of high-profile publications meant that they were always externally peer reviewed and they had to be of particularly high quality, in terms of both content and form. She agreed that there was a need for clearer presentation of ILO knowledge on the ILO web site, and explained that the Department of Communication and Public Information had already initiated an analysis of web use data and was also currently analysing the results of a user survey intended to show where other improvements could be made. The results had so far indicated that there was a high demand for research and statistical information, as well as information that would help to show the impact that ILO programmes and projects were having on people and communities. With regard to communicating key messages, the speaker said that the main focus was to ensure that as many people as possible were aware of and understood the Global Jobs Pact, and that that was part of ongoing promotion of the Decent Work Agenda. She also emphasized the

important and necessary linkages between the Knowledge Strategy and the other strategies presented to the Committee.

- 169.** Mr Torres noted the importance of clarifying theoretical assumptions in research and how peer review mechanisms can help in that regard. He said that the analytical quality of material and also its policy relevance would be taken into account in the peer review process. Cooperation with other organizations and leveraging external partnerships was essential to maintain and strengthen the Global Jobs Pact message. He noted that the regions were particularly important as a seat of knowledge generation, exchange and dissemination. Regarding training, the International Institute for Labour Studies and the Turin Centre were exploring new initiatives as a follow-up to the 2008 Declaration. He noted the concerns around the lack of costing estimates for outcomes 1 and 2, but stressed that these activities were consistent with the 19 outcomes already approved in the Strategic Policy Framework. In terms of implementation, there was already determination within the Office to move swiftly on many of the initiatives outlined in the Knowledge Strategy, and indeed many efforts were under way. The Office was already reorganizing its work to give effect to the Director-General's recent announcement on implementation of the Global Jobs Pact.
- 170.** The representative of the Director-General (Ms O'Donovan, Executive Director for Management and Administration) noted that the paper, along with the other results-based strategies, demonstrated the Office's commitment to implementing an integrated approach in those core areas. She said that the Committee's discussion had been very helpful in suggesting improvements to be taken into account as the Office worked to implement all the strategies. She stressed that the Office recognized that it was necessary to shift priorities and resources to respond to the needs of constituents and the commitments made by the Office.
- 171.** *The Committee recommends that the Governing Body endorse the Knowledge Strategy 2010–15, taking into account the views expressed during its discussion.*

Evaluations

(Thirteenth item on the agenda)

(a) Annual Evaluation Report 2008–09

- 172.** The Committee had before it a paper¹⁷ comprising the Annual Evaluation Report 2008–09.
- 173.** Sir Roy Trotman, speaking on behalf of the Workers' group, noted the usefulness of the Evaluation Report in highlighting the implementation of the evaluation function in the Office. Referring to paragraph 17, he expressed concern that the Office's main reporting mechanisms were not aligned. Specifically, there were reportedly no integrated, transparent and readily available monitoring systems for programmes and projects. The Workers' group supported the recommendations in paragraph 20, particularly for improving alignment of Decent Work Country Programme priorities with the United Nations Development Assistance Framework (UNDAF) and ILO planning and decision-making frameworks, improving tools for monitoring and assessing performance aspects of Decent Work Country Programmes, and support to constituents to participate in those processes.

¹⁷ GB.306/PFA/13/1.

- 174.** Referring to paragraph 6, he requested further information on how the issues presented in the ILO Declaration on Social Justice for a Fair Globalization were being addressed by evaluations. He highlighted the need for the social partners to be involved in the design of Decent Work Country Programmes, and for international labour standards to be systematically included. He added that the 2008 Declaration and the Global Jobs Pact should largely determine the content and mechanisms of Decent Work Country Programmes.
- 175.** Regarding table 1, he asked why there had been 24 independent project evaluations on child labour and only one on promotion of core labour standards, and suggested that a better balance should be found in the future, particularly in light of the emphasis placed on labour standards as the cornerstone of ILO activities. In addition, he asked that recommendations on how to improve Decent Work Country Programmes should be applied.
- 176.** The Workers' group supported the point for decision.
- 177.** Mr Julien, speaking on behalf of the Employers' group, thanked the Office for responding to the expectations of the Governing Body regarding evaluations. The Employers were convinced that evaluation exercises were essential to the sound functioning of the ILO in carrying out its activities, but had certain reservations regarding the resources allocated for that purpose by the Office. He was concerned in particular by the conclusions referred to in paragraph 17 of the paper, and wanted some response from the Office regarding the measures it proposed to remedy the problems mentioned by the paper, notably the difficulties referred to in paragraph 32, the problems of methodology and the evaluation background mentioned in paragraph 9, and the follow-up to the lessons learned from internal reviews of the Decent Work Country Programmes.
- 178.** While the Social Justice Declaration emphasized the role of the constituents and the need for the Office to adapt to their needs, the paper under discussion failed to indicate whether or not the constituents were satisfied with the work done, and implied that implementing the Decent Work Country Programmes and responding to constituents' needs were two different things. In fact, those programmes needed to respond to constituents' priorities, as identified by them. Similarly, the outcomes should respect those priorities, rather than just being "relevant to" them, as paragraph 11 stated. The current trend needed to be reversed, and a return to the philosophy of the Social Justice Declaration was needed.
- 179.** The Employers wanted the evaluations to reflect the constituents' views regarding the programmes. The speaker requested information on the workshop for constituents held in Turin, on the follow-up of the tripartite committee set up in Zambia, and the involvement of ACT/EMP and ACTRAV in the awareness-raising activities for field office staff. While welcoming the evaluation policy established at the ILO, the Employers wanted to see more attention given to the impact of field activities, with less focus in the Annual Evaluation Report on methodological questions and more on the lessons learned from the assessment, and on the recommendations made and the Office's follow-up work.
- 180.** The speaker said he wanted information on the role and composition of the Evaluation Advisory Committee. He was pleased that his group had been consulted in the independent external evaluation (IEE) of the ILO's evaluation function, and hoped that such consultations would continue, given the importance of the exercise. With regard to the activities planned for 2010, the Employers would have preferred to have a review of the Decent Work Country Programme of Azerbaijan, rather than Kyrgyzstan, which had no employers' organization affiliated to the IOE.

- 181.** In conclusion, the speaker requested that all the managers of evaluated programmes, not just the specialized department concerned, also provide their evaluations. He called on governments to involve the social partners more in the design, implementation and evaluation of the ILO programme from which they benefited, and called on the Office to seek the views of the constituents more often. Lastly, he supported the paper's point for decision.
- 182.** The representative of the Government of Australia complimented the Office on the robust and transparent nature of the Annual Evaluation Report. He emphasized that the Office should respond to each of the recommendations, and that the action taken should be specific and well clarified. Referring to the results of the Decent Work Country Programme evaluability assessment, he commented on the usefulness of introducing performance indicators for the field offices and requested information on that initiative, noting that the Office had undertaken to pursue it at the March 2009 session of the Governing Body. He closed by praising the Office for supporting the IEE of the evaluation function.
- 183.** The representative of the Government of Japan, speaking on behalf of the IMEC group, stated that the report provided good oversight and reported well on how the ILO's evaluation function was being strengthened. He asked for confirmation that the report covered all evaluation activities within the Office. He said that his group welcomed the improved results on the evaluability of Decent Work Country Programmes and emphasized the importance of Decent Work Country Programme evaluations and the need for more work on improving Decent Work Country Programme indicators. Noting the shortcomings referred to in paragraph 17, the IMEC group was concerned that there was not an integrated, transparent and readily accessible monitoring information system. IMEC also appreciated the steps being taken to improve ILO monitoring systems, but called on the Office for continued efforts. Regarding the experience so far with internal reviews of Decent Work Country Programmes, he said that his group emphasized the importance of better alignment of Decent Work Country Programmes with UNDAFs to deliver the Decent Work Agenda effectively. The IMEC group also welcomed the i-Track knowledge system for capturing lessons learned, but expressed concern that the level of uptake of lessons learned by management and staff did not seem to be known. His group proposed that use of lessons learned could be included in the performance appraisals of ILO management and staff.
- 184.** He expressed his group's appreciation for the terms of reference and process being followed for the IEE. The IMEC group recognized the important contribution evaluation should make to the strategic direction of the ILO, but felt that the current links between evaluation, policy formulation and budgeting were not in place. The speaker expressed concern that the Governing Body did not receive a comprehensive and strategic evaluation document linking lessons learned from evaluations to the programming and budgeting for the subsequent year. Noting that the Governing Body would greatly benefit from strategic feedback on evaluation results to fulfil its policy-formulating function, he requested the Office to take that perspective into account when drafting the new Evaluation Strategy to be submitted to the November 2010 session of the Governing Body.
- 185.** The representative of the Government of India stated that his Government: (1) appreciated the alignment with the ILO Declaration on Social Justice for a Fair Globalization; (2) would welcome information on the criteria for the selection of the eight pilot countries referred to in paragraph 6; (3) requested that care be taken in finding indicators that assessed effectiveness, efficiency, relevance, impact and sustainability; (4) requested efforts to eliminate duplication and fragmentation in monitoring systems; (5) appreciated the self-assessment done to prepare for the Strategic Policy Framework 2010–15, and expressed optimism over the move to outcome-based workplanning, stating that its success

would depend on rigorous work; (6) highlighted the need to ensure adequate evaluations in the areas of employment and social protection; and (7) reminded the Office of the need to evaluate ILO field offices separately from the governments' programmes.

- 186.** The representative of the Government of the United States fully supported the IMEC statement and emphasized the importance her Government attached to evaluation. She welcomed the 50 per cent increase in independent evaluations, noted improvements in the evaluability of Decent Work Country Programmes and signalled support for the evaluation plans in 2010, including the IEE.
- 187.** The representative of the Government of the Islamic Republic of Iran commended the report for being multifaceted and comprehensive. He noted the need for more attention to the findings presented in paragraph 17 and highlighted the importance of UNDAF and Decent Work Country Programme alignment. Referring to paragraph 32, he encouraged dissemination of lessons learned, and asked the ILO to appreciate more that “measure is treasure”.
- 188.** The representative of the Government of Lebanon commended the Office on the evolution of the evaluation function, and saw evaluations as important in identifying gaps where new programmes were needed, for example in regard to social protection. He also endorsed the plans for the IEE.
- 189.** The representative of the Director-General (Ms Logan, Chief of the Evaluation Unit (EVAL)) stated that paragraph 17 summarized several shortcomings of the ILO's monitoring and self-evaluation systems. She pointed out that the Office was taking steps to close gaps in current practice, including results-based management (RBM), and that EVAL was working with the Partnerships and Development Cooperation Department (PARDEV) and the Bureau of Programming and Management (PROGRAM) in particular to address those concerns. She mentioned a number of new tools and systems improvements recently developed and being applied, such as the i-Track database, the future roll-out of IRIS and new IRIS functionality in collecting project information. She also highlighted the added capacity brought through the addition of evaluation officers in each of the regions. The i-Track system in particular was capturing lessons learned from independent evaluations of technical cooperation and country programmes, among others. That would support a more systematic treatment of lessons learned in future reporting.
- 190.** Regarding clarification of the review of methodologies for assessing impact by the ILO, she explained that the Office planned to report on the findings in 2010. Likewise, regarding the eight pilot countries for enhancing national evaluation capacities, the Office would begin work in Sri Lanka and finalize the choice of additional countries, ensuring that all regions would be covered.
- 191.** With regard to the high number of child labour evaluations in 2009, this is a reflection of the declining technical cooperation linked to the Declaration's technical programming, and to the likelihood that some projects fell below the US\$500,000 cut-off level.
- 192.** Ms Logan noted that the choice of Kyrgyzstan for a Decent Work Country Programme evaluation in 2010 followed consultation with the region, the Evaluation Advisory Committee and application of the agreed criteria, which indicated that Kyrgyzstan was better suited to an evaluation at the current time. She confirmed that consultations with constituent groups would be held on the IEE, including during the March 2010 session of the Governing Body.

193. Sir Roy Trotman, speaking on behalf of the Workers' group, asked that the Chief of the Evaluation Unit should recognize the importance of including representatives of the Workers' and Employers' groups in consultations over the upcoming evaluations.

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

(a) *request the Director-General to continue efforts to align the evaluation function with the implementation of the Social Justice Declaration; and*

(b) *provide guidance on the evaluation priorities for 2010 and the arrangements for the independent external evaluation of the ILO evaluation function.*

(b) Independent evaluation of the ILO's Decent Work Country Programme in Indonesia

195. The Committee had before it a paper¹⁸ summarizing the independent evaluation of the ILO's Decent Work Country Programme in Indonesia.

196. Mr Julien, speaking on behalf of the Employers' group, thanked the Office and EVAL for the report, which was both comprehensive and succinct, but regretted that it did not describe the country's economic and social situation, especially with regard to social dialogue, which was a fairly new concept in Indonesia.

197. The speaker called on the ILO to implement the recommendations recapitulated in paragraph 40. The lack of interest among donors for social dialogue was disappointing, and the speaker called on governments to take action in response.

198. Recommendation 1 required some explanation, as it called for special attention to workers' organizations but not to employers' organizations.

199. With regard to paragraph 11, the speaker wondered about the factors that had limited the Office's actions in terms of learning transfer, and in particular whether that reflected a problem of management or of motivation. Similarly, paragraph 28 required some clarification because it hinted at a problem with the organization of the ILO's evaluation activities. The speaker expressed concern at the comments concerning RBM in paragraphs 31–34, especially in paragraph 32, and said he would return to the issue when agenda item 7 was discussed.

200. The speaker called on the ILO Jakarta Office to implement recommendation 9 with the aid of headquarters, which was responsible for ensuring that the regional officers were able to operate as effectively as possible. In the view of the Employers' group, a delivery rate of 76 per cent was nothing extraordinary. Lastly, he noted that the Decent Work Country Programmes had not yet come to maturity, and at the moment were only a rather disparate set of projects in the countries concerned. The development of an overarching strategy for each country was a major challenge, which the Office needed to meet in order to respond to its constituents' expectations. He endorsed the point for decision.

201. Sir Roy Trotman, speaking on behalf of the Workers' group, considered that the evaluation provided a good assessment of the programme's successes, difficulties and the challenges faced, and highlighted the finding that resources had been insufficient to support the priority on social dialogue and capacity development of constituents and workers'

¹⁸ GB.306/PFA/13/2.

organizations in particular. He stressed the need to better address the identification of objectives when designing the country programmes in future, mentioning that the current programme had been designed primarily around the portfolio of technical cooperation projects.

- 202.** While much was done in the area of disaster recovery, comparably little was done to build and sustain workers' organizations through such initiatives, or to focus on working conditions. The speaker appealed to donors to fund activities addressing those critical areas. He commended the approach of the Better Work programme, but suggested that RBSA resources should be used to fund social dialogue-related programmes and projects.
- 203.** The Workers' group strongly endorsed the development of future programmes in consultation with all constituents. It considered that the Indonesia Decent Work Country Programme should have aimed to build more capacity, foster democracy and empower trade unions, among other things. More interventions could have been articulated around Conventions Nos 87 and 98 on freedom of association and collective bargaining. The speaker cautioned against advocating flexicurity in developing countries. He also asked whether ILO projects, such as the project "Education and Skills Training for Youth Employment in Indonesia" (EAST) (paragraph 17) adhered to the ILO's mandate, given the project's collaboration with the Ministry of Education and civil society organizations.
- 204.** Paragraph 35 on good practices should be acted on and a focal group for monitoring Decent Work Country Programmes created after agreement with the constituents and social partners. He also called on the Regional Office to establish the necessary structures for regular monitoring, and for ILO workers' specialists to be used to link the Office and the trade unions. Lastly, with regard to strengthening gender mainstreaming, the Workers' group supported the recommendation that priority should be given to building the capacity of workers' organizations on gender equality issues.
- 205.** In summary, the Workers' group expressed support for the implementation of the recommendations, noting that recommendations 1, 2, 5 and 8 were of particular importance, and supported the point for decision.
- 206.** The representative of the Government of Australia welcomed the report and the constructive criticism it entailed. He stressed the need for appropriate follow-up, while praising the recommendations for their clarity, practicality and feasibility. The methodology was found to be clear and robust. He suggested that the style and content be emulated in other evaluations.
- 207.** The speaker also commended the reported achievements, such as ratification of 18 Conventions by Indonesia, as well as the social dialogue that underpinned those ratifications. He regretted that those accomplishments were not linked to the Decent Work Country Programme. With regard to the influence of technical cooperation on the Decent Work Country Programme design, he asked whether it was realistic to design Decent Work Country Programmes in isolation from the technical cooperation portfolio. He suggested that the existing technical cooperation portfolio in a country should affect its Decent Work Country Programme, and this should influence which future technical cooperation projects are pursued.
- 208.** The representative of the Government of the United States appreciated the candid presentation of both positive accomplishments and shortcomings of the Indonesia Decent Work Country Programme, the high delivery rate and its expanded influence and partnerships. The Office should consider the lessons learned from this experience and the evaluation finding that results at country level had fallen outside the strategy laid out in the

Decent Work Country Programme. She emphasized the high quality of the Evaluation Report and supported the point for decision.

209. The Chairperson called on Ms Yamamoto, Director of the Regional Office for Asia and the Pacific, to respond on behalf of the Director-General.
210. Ms Yamamoto endorsed of the findings of the evaluation, in particular those related to building the capacity of constituents, the need to enhance social dialogue, and the recommendation for an integrated approach to incorporating the strategic objectives of the ILO in the next Indonesia Decent Work Country Programme. She believed the evaluation would help improve the design of future Decent Work Country Programmes. Noting that the current Decent Work Country Programme had been written in 2006, she pointed out that it had provided the framework but was very much a work in progress, so constructive criticism could be taken on board.
211. The speaker noted recommendation 6 and the need to be innovative in addressing the resourcing of social dialogue and the capacity building of constituents. She emphasized that the ILO Office in Jakarta had incorporated social dialogue elements into projects focusing on child labour and youth employment and had been able to maintain social dialogue high on the agenda in those matters. The Better Work programme continued to seek improvement of labour standards and working conditions as well as social dialogue.
212. With regard to RBM practices, she was mindful of the need to improve the synergy between technical cooperation projects and the Decent Work Country Programme outcomes. The Regional Office had increased RBM training, and more training was planned for both staff and constituents in the next biennium. The current Decent Work Country Programme had started before the Office's guidelines on RBM had been circulated but, through consultation with headquarters, the linkages between projects and the Decent Work Country Programme outcomes were becoming more supportive of each other.
213. On flexicurity, the Office continued to consult constituents on the way forward and how to reflect their concerns, but resource limitations made it difficult to further specific plans in this area.
214. *The Committee recommends that the Governing Body request the Director-General to take into consideration the findings, recommendations and lessons learned from the independent evaluation of the Decent Work Country Programme in Indonesia 2006–09, in the preparations of the next Decent Work Country Programme for Indonesia.*

(c) Independent evaluation of the ILO's strategy to increase member States' capacities to develop policies and programmes focused on youth employment

215. The Committee had before it a paper¹⁹ summarizing the independent evaluation of the ILO's strategy to increase member States' capacities to develop policies and programmes focused on youth employment.

¹⁹ GB.306/PFA/13/3.

- 216.** Mr Julien, speaking on behalf of the Employers' group, welcomed the evaluation summary. Before commenting on the report, he wished to return to a question that had already been raised in previous discussions, namely, impact measurement, and would have liked the report to respond to the question whether the Organization had helped its member States to adopt measures that had boosted youth employment.
- 217.** Turning to specific points, he asked whether the uneven capacities mentioned in paragraph 11 related to human or financial resources, and what the repercussions of that situation were. He wanted some explanations regarding the "bottlenecks" concerning the public-private partnerships in Latin America referred to in paragraph 14, and the problems of coordination alluded to in paragraph 15. He emphasized that, because in the final analysis it was enterprises that hired young people, the issue of the failure to match training systems with labour market requirements would need to be discussed; the problem was a worldwide one. He emphasized that the ILO needed to encourage closer contacts between the world of enterprise and training. Lastly, the Employers endorsed the calls to strengthen coordination in paragraph 26 and the recommendations made in paragraph 33, and called on the Office to implement them. The Employers wanted more examples of activities showing how the issue of youth employment was included in the Decent Work Country Programmes. They supported the point for decision.
- 218.** Sir Roy Trotman, speaking on behalf of the Workers' group, supported the point for decision and confirmed his group's concern over the plight of young people, including the working poor and those with insecure contracts and poor working conditions. He emphasized the importance of addressing rights at work and collective bargaining as key aspects of the youth employment strategy, as agreed at the 2005 session of the International Labour Conference, and of adequately including programming areas beyond those in the employment sector. He asked the Office to comment on what would be done to address that issue.
- 219.** In addition to initiatives to generate self-employment, he encouraged the Office to work towards setting up the right set of macroeconomic policies to promote decent employment for young people. He called on the Office to work more closely with ACTRAV to ensure that workers' concerns were adequately addressed.
- 220.** In closing, he noted that the Workers' group particularly supported recommendations (a) and (c), but was disappointed that the Office's response did not better address the weaknesses of the programme highlighted by the evaluation.
- 221.** The representative of the Government of the United Kingdom noted that several recommendations called for a more integrated approach and improved coordination and coherence. He drew special attention to recommendation (i) calling for improvements in the national monitoring and evaluation systems to support national policy-level decision making. He also called for efforts to better link youth employment to long-term economic growth. Noting that policies to match skills to employment demand were critical, he suggested that it should be considered for a future Conference discussion.
- 222.** The representative of the Government of Australia pointed to the evaluation's use of outputs as evidence of results achieved instead of assessing the impact on youth employment. The evaluation also assumed that links existed between ILO action, such as raising awareness, and improved youth employment. She noted that some of the recommendations focused on process and asked whether it was because those problems needed addressing or because the evaluation had not uncovered the more complex issues to improve youth employment programmes. The report also highlighted the uneven use of indicators and the difficulty in evaluating the youth employment programme and the technical cooperation interventions without measurable indicators. She called on the Office

to move forward on developing indicators on field office performance, and requested information on the progress made on that front.

- 223.** The representative of the Government of India considered that the report contained useful findings and recommendations, and agreed with the treatment of youth employment as a cross-cutting concern and its integration in the Global Employment Agenda. He was pleased to see that the evaluation found youth employment relevant to constituents, that progress was adequate, and that the ILO's work was found to increase member States' capacities in problem analysis and policy formulation. He gave the example of India and the assistance of the ILO in developing a national skills development policy as a positive reflection and additional evidence of the report's findings. He also provided information on India's promotion of public-private partnerships and joint efforts for deciding curricula and skills matching, and encouraged the Office to explore that as a good case study. He noted that the report highlighted areas of concern, such as efficiency and internal coordination, that required improvements. He expressed appreciation for the fact that the Office took note of the evaluators' recommendations. He supported the point for decision.
- 224.** The representative of the Government of Canada stated that the evaluation had flagged significant areas requiring improvement and requested a full response from the Office indicating action to be taken to implement the recommendations. In particular, the recommendations on the strengthening of the indicators to enable future assessment should be acted upon. The speaker supported the point for decision, provided that follow-up action from the Office was taken.
- 225.** A representative of the Director-General (Mr Salazar-Xirinachs, Executive Director of the Employment Sector) assured Committee members that the Office took the recommendations of the evaluation very seriously and conceded that the Office response had been short. He confirmed the Office's plan to respond to each recommendation and circulate a summary of it to all concerned units.
- 226.** Regarding the need to improve internal coordination, the Office had streamlined employment strategies as part of implementation planning for the Programme and Budget for 2010-11 with a youth employment indicator, and 15 target countries had been identified. As part of the Millennium Development Goal Achievement Fund, several external offices had put in place joint youth employment action plans across the four strategic objectives. Expressing his appreciation of the Government of Spain, he further explained that the ILO was the lead technical agency in 13 of the 15 approved youth employment projects under the Millennium Development Goal Achievement Fund, and was responsible for implementation linked to US\$20 million of the US\$80 million in total funding.
- 227.** In response to recommendations to improve the ILO's capacity for youth employment, he emphasized the improved coordination brought about through the introduction of regional youth employment coordinators, who, in particular, link child labour and youth employment activities, and the core team at headquarters, which currently included a dedicated coordinator.
- 228.** Regarding comments on recommendation (c), he highlighted cases in Egypt, Latin America and Serbia, where the social partners and social dialogue had been integral to the establishment of national action plans, and China and Serbia, where work on rights at work had been given prominence. He also indicated his willingness to continue work with ACTRAV and ACT/EMP in ensuring that social dialogue was part of the agenda for youth employment. He agreed that more could be done to improve the dissemination of best practices and lessons learned and knowledge sharing, and noted that work was under way

with the World Bank and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

229. Regarding national monitoring and evaluation of youth employment issues, he stated that that was a high priority. Several initiatives under way through the Youth Employment Network focused on capacity building and more rigorous impact assessment of youth employment programmes.
230. On public–private partnerships, Mr Salazar-Xirinachs reminded the Committee that the programme in Latin America was a pilot designed before the ILO had rules on public–private partnerships, and indicated that future projects would go through a different process of consultation and approval in accordance with the new ILO rules and guidance.
231. *The Committee recommends that the Governing Body request the Director-General to take into consideration the findings and recommendations in the paper, together with the deliberations of the Committee, to continue supporting efforts to integrated approaches to address youth employment.*

Matters relating to the Joint Inspection Unit: Reports of the JIU

(Fourteenth item on the agenda)

232. The Committee had before it a paper²⁰ on matters relating to the Joint Inspection Unit (JIU).
233. Sir Roy Trotman, speaking on behalf of the Workers' group, indicated that he had no comments to make.
234. Mr Julien, speaking on behalf of the Employers' group, took note of the paper and called on the Office to implement the recommendations of the JIU that concerned the ILO. He noted, however, that the Office submitted reports that were far too succinct which did not allow in-depth discussion by the constituents. The Office should therefore present the JIU's recommendations clearly, indicate those that would be implemented, and set out the follow-up measures adopted with regard to the previous recommendations.
235. The representative of the Director-General (Mr Thurman) noted that the follow-up system of the JIU'S recommendations had been the subject of continued dialogue between the Office and the JIU, as well as between the JIU and the UN System Chief Executives Board for Coordination (CEB). He indicated that, in line with Governing Body decisions, the Office had tried to keep the paper short, while providing information on the availability of the full reports on the JIU web site in three languages. In the light of Mr Julien's comments, however, more details would be provided in future papers, particularly on the recommendations specifically addressed to the ILO.
236. The Committee took note of the Office paper.

²⁰ GB.306/PFA/14.

Other financial questions (Fifteenth item on the agenda)

Financial arrangements for activities related to the preparation of amendments to the Constitution of the International Labour Organization in order to introduce inclusive language for the purpose of promoting gender equality

237. A document ²¹ was submitted to the current session of the LILS Committee on the substance of the item in question. Pending the outcome of the discussion of the document in the LILS Committee, consideration of the item by the PFAC was deferred.

Geneva, 16 November 2009.

(Signed) Sir R. Trotman
Reporter

Points for decision: Paragraph 9;
Paragraph 18;
Paragraph 23;
Paragraph 35;
Paragraph 44;
Paragraph 108;
Paragraph 116;
Paragraph 124;
Paragraph 138;
Paragraph 146;
Paragraph 171;
Paragraph 194;
Paragraph 214;
Paragraph 231.

²¹ GB.306/PFA/15/1.