



Governing Body

309th Session, Geneva, November 2010

GB.309/PFA/15

Programme, Financial and Administrative Committee

PFA

FOR DECISION

FIFTEENTH ITEM ON THE AGENDA

Matters relating to the Administrative Tribunal of the ILO: Financing of the Tribunal

Overview

Issues covered

This paper presents a proposal to modify the system of financing the overhead costs of the ILO Administrative Tribunal.

Policy implications

None.

Financial implications

The proposal aims to provide more stability to the financing of the Tribunal's overhead costs.

Decision required

Paragraph 9.

References to other Governing Body documents and ILO instruments

Previous decision taken on the same topic: GB.274/205, GB.274/PFA/14/1.

1. Interest in recognizing the jurisdiction of the Administrative Tribunal of the International Labour Organization has risen considerably in recent years. There are now 58 organizations in addition to the ILO whose requests have been approved by the Governing Body. This means that more than 46,000 international civil servants are currently covered by the Tribunal's jurisdiction. The ILO should be proud of this manifestation of confidence in one of the most efficient and respected international judicial bodies.
2. This increase has caused some concerns regarding the capacity of the Tribunal's Registry to ensure the same level of quality services and support to the judges with the same level of budgetary resources.
3. There are currently two types of Tribunal expenses. The first type of expense relates to each individual case filed by a staff member against an organization. Pursuant to article IX, paragraph 2, of the annex to the Tribunal's Statute, these expenses are borne by the organization against which the complaint is filed. These expenses, which include judges' fees and expenses, as well as the cost of legal and translation services, are referred to as "session costs", as they are calculated for each session of the Tribunal. The total cost of the session is divided by the number of cases dealt with at that session to determine the cost attributable to each case. Consequently, the ILO only pays those costs corresponding to the number of cases filed against it that were dealt with by the Tribunal at each given session. Any modification relating to this type of expense may require an amendment to the Tribunal's Statute.
4. The second type of expense relates to the Tribunal's "overhead costs". These expenses include the operational costs of the Registry, including officials' salaries, cost of the maintenance of the Tribunal's database (TRIBLEX) and website, costs related to the publication and distribution of judgments, etc. All these costs were previously paid by the ILO, but since 2000 they have been partially shared among participating organizations. The ILO still covers a major share of total overhead costs from its regular budget, paying the salaries of the Registrar and a part-time secretary, and certain direct operating costs. In addition, the Office provides the Tribunal at no charge with office and tribunal space and related services in the ILO headquarters building, and provides support through administrative services such as the Legal Service, Human Resources Development Department and the Financial Services Department. The remainder of the overhead costs, consisting of Professional wages, General Service wages and direct administrative costs (such as photocopies, post and courier services) is shared among all other organizations proportionate to the total number of their staff. The amount of these costs for 2009 was US\$652,326. Once the shares are calculated for each organization, shares less than US\$180 have been absorbed by the ILO. This methodology was decided by the Governing Body at its 274th Session (March 1999).¹
5. Following informal consultations with constituents and the organizations concerned, the Office considers that changes to the methodology for apportioning "overhead" costs may be introduced.
6. First, the Office proposes to introduce a one-time fee that should be paid by each new organization lodging a request with the Governing Body for recognition of the Tribunal's jurisdiction. The proposed amount is US\$2,000, to cover the cost of advice given to applicant organizations by the Legal Service as well as costs relating to consideration of the request by the Governing Body (preparation of documents, translation, printing, session costs, etc.).

¹ GB.274/205, para. 30, deciding the proposal submitted in GB.274/PFA/14/1.

7. Second, it may be desirable to introduce, as a matter of principle, a minimum contribution to the overhead costs from each organization that has recognized the Tribunal's jurisdiction. The amount initially proposed was US\$3,000 per annum. In light of the reservations expressed by some organizations during the consultations, it is now proposed that this amount be US\$1,000 per annum. For many organizations this amount would represent their total annual contribution to the Tribunal's overhead costs. This change in methodology would ensure that all organizations would contribute to the costs of the Tribunal more equitably than at present.
8. Third, the Office proposes to maintain the principle of apportioning the overhead costs among organizations in proportion to the number of their staff. In order to reduce the current pre-financing by the Office, it is also proposed to introduce advance invoicing at the beginning of each year based on the previous year's charges. A first instalment of the lesser of 80 per cent of the amount paid in the previous year, or the minimum share of US\$1,000, would be invoiced at the beginning of each year. The second instalment, covering remaining shares of the actual overhead costs, would become due at the end of the year. Thus, the only change for the organizations concerned would be the timing of payment of already budgeted contributions. This approach should provide more stability in the Tribunal's resource base.
9. *In the light of the above, the Committee may wish to recommend that the Governing Body decide:*
- (a) to introduce a one-time fee of US\$2,000 for each new organization to be applied prospectively;*
 - (b) to introduce a minimum contribution to overhead costs in the amount of US\$1,000 per annum, to be paid by all organizations irrespective of their size, thus superseding subparagraph (c) of paragraph 30 of the decision taken by the 274th Session of the Governing Body; and*
 - (c) to request all organizations concerned to make payment of their contribution to remaining overhead costs in two instalments, the first consisting of the lesser of 80 per cent of the amount paid in the previous year, or US\$1,000, to be paid at the beginning of the year, and the second covering the remaining shares of actual overhead costs, at the end of the year.*

Geneva, 25 October 2010

Point for decision: Paragraph 9