



## Governing Body

309th Session, Geneva, November 2010

GB.309/11(Rev.)

### ELEVENTH ITEM ON THE AGENDA

## Report of the Programme, Financial and Administrative Committee

### Contents

	<i>Page</i>
Financial questions .....	1
Programme and Budget for 2010–11: Regular budget account and Working Capital Fund.....	1
Preview of the Programme and Budget proposals for 2012–13.....	2
Use of the Special Programme Account .....	12
Implementation of the revised field structure .....	13
Evaluation .....	18
(a) Annual evaluation report 2009–10.....	18
(b) Independent evaluation of the ILO country programme for the United Republic of Tanzania: 2004–10 .....	21
(c) Independent evaluation of the ILO’s DWCP for Kyrgyzstan: 2006–09 .....	24
(d) Independent evaluation of the ILO’s strategy to extend the coverage of social security .....	26
(e) Independent external evaluation of the ILO’s evaluation function.....	27
Report of the Building Subcommittee.....	30
Report of the Information and Communications Technology Subcommittee .....	32
Financial questions relating to the International Institute for Labour Studies: Authorization to accept contributions and gifts .....	33
International Training Centre of the ILO, Turin .....	33
(a) Documents submitted to the 72nd Session of the Board of the Centre (Turin, 4–5 November 2010) .....	33
(b) Report of the 72nd Session of the Board of the Centre.....	33
Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU .....	36
Other financial questions .....	36
(a) Replacement of elevators .....	36

(b) Financial arrangements relating to appointments to be made with respect to the Seafarers' Identity Documents Convention (Revised), 2003 (No. 185).....	36
Personnel questions .....	37
Statement by the Staff Union representative .....	37
Report of the International Civil Service Commission .....	39
Amendments to the Staff Regulations.....	40
Matters relating to the Administrative Tribunal of the ILO.....	40

*Appendices*

I. Address by the Director-General to the Programme, Financial and Administrative Committee .....	43
II. Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Committee of the ILO Governing Body (309th Session – November 2010) .....	47

1. The Programme, Financial and Administrative Committee (PFAC) of the Governing Body met on 11 November 2010, and was chaired by Ambassador Jemal. Mr Julien and Sir Roy Trotman acted as Vice-Chairpersons. Mr Julien was elected as Reporter.
2. The order of discussion proposed in document GB.309/PFA/TOB was agreed.
3. Sir Roy, speaking on behalf of the Workers' group, addressed the issue of the action during the previous day. He noted that in November 2009, the Governing Body had expressed concern at the state of relations between management and staff and the potential adverse impact on constituents and the Governing Body. It had been his understanding that every effort was being made by the Office to resolve these issues, including mediation.
4. He recalled that in March 2010, the Governing Body had expressed alarm at the worsening situation. His group had anticipated that industrial action would be an outcome and had confirmed at that time that the Workers' group would not cross a picket line. The Governing Body had concluded that it would not be able to complete its deliberations on changes in the Staff Regulations unless discussions with the Staff Union had been completed, and called upon the Director-General to find mutually acceptable solutions. His group had been satisfied that, with senior officials at Executive Director level charged with the mediation process, hopefully a serious effort was being made.
5. He wondered why the Committee had not received a progress report on discussions with the Staff Union one year after the initial request to bring the matter to a close. He further inquired as to why the issues had not been solved, resulting in a situation where the Governing Body had to face a picket line and the threat of further industrial action the following week. He asked if the Office had dismissed the concerns of the Governing Body, and queried the absence of an agenda item for the Office to report on efforts to resolve the matter and the status of mediation. He concluded by expressing concern as to whether adequate attention had been paid to the views of the Governing Body or whether they were marginalized.

## Financial questions

### **Programme and Budget for 2010–11: Regular budget account and Working Capital Fund** (First item on the agenda)

6. The Committee had before it two papers <sup>1</sup> on the regular budget account and Working Capital Fund as at 31 October 2010.
7. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) reported that, since 31 October 2010, contributions for 2010 and prior years amounting to 4,266,650 Swiss francs (CHF) had been received from three member States as follows:

<sup>1</sup> GB.309/PFA/1, GB.309/PFA/1(Add.).

	Contribution received for 2010	Contribution received for arrears	Total contributions received in Swiss francs
Afghanistan	3 856	7	3 863
China	115 056	–	115 056
Republic of Korea	4 147 731	–	4 147 731
<b>Total</b>	<b>4 266 643</b>	<b>7</b>	<b>4 266 650</b>

The total contributions received in 2010 amounted to CHF268,675,065. Of that amount, CHF242,858,678 represented contributions for 2010 and CHF25,816,387 represented contributions for arrears. The balance due as at 11 November 2010 was CHF192,055,666.

8. Sir Roy, speaking on behalf of the Workers' group, thanked the member States that had paid their outstanding assessments in the current difficult economic environment, in particular Japan, the United Kingdom, France and Spain. He urged other larger contributors, specifically the United States, Italy and Germany, which had not paid their contributions, to expedite their payments so as to enable the ILO to fulfil its mandate.
9. Mr Julien, speaking on behalf of the Employers' group, thanked the Office for the paper under review, which was still very useful and demonstrated the relatively sound financial health of the Organization. The Employers were aware of the problems faced by certain countries as a result of the crisis and the effects of the exchange rate, but he stressed that it was paramount for the Organization to be able to rely on a stable budget in order to be able to carry out the programme adopted by the constituents. For that reason, the Employers appreciated the efforts made by the 26 member States that had already paid their contributions for 2011, in part or in full.
10. The representative of the Government of Nigeria announced that Nigeria's assessment for 2010 had been paid.
11. The representative of the Government of Italy explained that a technical difficulty was the reason for the delay in the payment of Italy's contribution. That difficulty was being resolved and the contribution would be paid shortly.
12. The representative of the Government of Germany indicated that a technical difficulty had also caused the delay in the payment of Germany's contribution. That difficulty was being resolved, and the amount due would reach the Office soon.
13. The Committee took note of the papers.

### **Preview of the Programme and Budget proposals for 2012–13** (Second item on the agenda)

14. The Committee had before it a paper on the Preview of the Programme and Budget proposals for 2012–13 and an addendum to that paper containing an explanatory note.<sup>2</sup>

<sup>2</sup> GB.309/PFA/2 and GB.309/PFA/2(Add.).

15. The Executive Director of the Management and Administration Sector read a statement on behalf of the Director-General, introducing the preview of the Programme and Budget proposals for 2012–13 that was before the Committee. The statement is appended to this report as Appendix I.
16. Mr Julien, on behalf of the Employers' group, thanked the Office for the document under consideration, as well as for the consultations that had been held with all the constituents with a view to preparing the preview.
17. The Employers completely agreed with the first part of the paper, regarding the key role of knowledge, as such an approach was in line with the strategy adopted by the Governing Body in that regard and was consistent with the 2008 Declaration on Social Justice for a Fair Globalization. In their view, knowledge management contributed to the better streamlining of ILO tools. By way of an example, the speaker stressed the urgent need to streamline the realization of country studies in order to avoid unnecessary overlaps between country programmes, country profiles and the Global Jobs Pact. Further streamlining was also needed for the statistics prepared by the ILO, which were poorly known at that time due to the lack of a unified approach. All the Office's statistics work should be handled by the Department of Statistics (STATISTICS), including the Key Indicators of the Labour Market (KILM) tool. The Employers agreed with the division of work into three sections as illustrated in figure 1 of the paper, although they felt that the areas of centralization and knowledge management required clarification. Other than the significant savings that such an approach would entail, the harmonization of statistical work was a priority in the light of the 2008 Declaration on Social Justice for a Fair Globalization, which urged the Office's departments to work together more closely.
18. The speaker expressed two concerns that the Employers had regarding knowledge. First, the Employers noted with concern that due to the effect of an imbalance created between headquarters and the regions, the Office had lost a good part of its expertise in areas such as labour inspection and occupational safety and health. It was important to retain a certain level of expertise at headquarters, whose role was to prepare and coordinate global products and field activities. That would not be possible with teams reduced to a bare minimum in Geneva. Secondly, the Employers were concerned by matters relating to the Organization's mandate. They were in favour of further cooperation with other international bodies, as called for in the 2008 Declaration on Social Justice for a Fair Globalization, but they felt that the ILO should endeavour not to stray from its fields of expertise or to encroach on other international forums' areas of competence, particularly with regard to economic and financial issues. The credibility of the ILO rested on that. Furthermore, the Employers would have liked to have seen in the paper greater clarification on the place of the ILO within the United Nations reform framework. Conversely, the ILO must offer its expertise when the economic and financial organizations addressed the issue of social challenges. For the Employers, such types of further cooperation, particularly within the framework of the G20, were an opportunity for the ILO to strengthen the quality and relevance of its work.
19. With regard to the order of priorities to be determined for the ILO outcomes and programmes, the Employers felt that it was important to define what the ILO could and indeed should do for its constituents. He noted that although the level of extra-budgetary funds was satisfactory, the level of the Regular Budget Supplementary Account (RBSA) was still insufficient. Clearly, certain programmes on the periphery of the Organization's mandate should not be financed only by technical cooperation funds, which in turn should not be used for fundamental activities.

- 20.** The speaker could see in table 1 an initial response by the Office to the request made in the 2008 Declaration on Social Justice for a Fair Globalization to identify the constituents' needs. In the Employers' opinion, however, the table raised numerous issues. For example, it could be said that outcomes 13, 14, 15, 17 and 19 did not respond to the constituents' demands and that any ongoing work in that regard should be halted. Of course, that was simplistic reasoning, not to mention the fact that the global demand had not been taken into account. The table had been drawn up on the basis of outcome-based workplans and country programmes. The Employers welcomed the approach, even though they regretted not having any prior knowledge of the plans. They were hopeful that the exercise, which prioritized results but was still in its infancy, would be refined in the future. However, they still had some doubts with regard to the country programmes which sometimes resembled more a catalogue of ILO activities than a real programme corresponding to the constituents' demands. The Employers wanted the national constituents to feel that they had ownership of the programmes.
- 21.** Returning to the issue of the weak demand registered for certain outcomes, the speaker noted that outcome 13 related to sectoral activities and that it responded more to global demand than to the demand of any one country, which was why it had to be retained. Outcomes 14, 15 and 17 covered three out of the four fundamental principles, which made it difficult not to consider them as a priority. The question was how much time should be spent on those subjects by the Office. For example, he wondered whether a subject such as forced labour should be covered more by extra-budgetary funds rather than by the regular budget. The weak demand for outcome 19 raised the problem of the ILO's role in certain economic and social policies. Finally, the Employers were not entirely convinced by the explanation given in the addendum regarding the targets that exceeded demand and they therefore invited the Office to correct that observation.
- 22.** Defining priorities was without doubt a difficult but necessary task. In the speaker's opinion, it was therefore important to concentrate not on the weak levels of priority demands but rather on the high levels. For the Employers, the first priority was the help and services provided to the constituents, as was particularly noted in paragraphs 15 and 16 of the paper. The Employers attached great importance to that and regretted that the first recurrent discussion had not better responded to that key priority, as laid down in the 2008 Declaration on Social Justice for a Fair Globalization. Regarding the help and services accorded to employers' organizations, the speaker indicated that those organizations must be associated with the delivery of the outcomes and so must work with all departments and all regions. There should be no monopoly on activities regarding the Employers, as could be clearly seen in an outcome-based programme and budget. The Employers' group called on all directors to participate in activities with employers' representatives, who as a group were not yet sufficiently integrated into numerous fields by the ILO.
- 23.** The speaker said that the role of the Bureau for Employers' Activities (ACT/EMP) was crucial, especially where the Office's activities aimed at employers were concerned. ACT/EMP therefore needed to be informed of, or involved in, all ILO activities that concerned the employers as constituents. In addition, it was developing its own capacity-building programmes for employers' organizations, without which there could be no real social dialogue. The willingness to engage in social dialogue was not enough; there had to be strong and representative partners to dialogue with too. Currently, for lack of human and financial resources, ACT/EMP could not do everything that it was supposed to do, though it was performing admirably and making the best possible use of such resources as it possessed. Its management was exemplary and widely appreciated.
- 24.** Given the emphasis on resource management, ACT/EMP now had a decisive role to play in the Organization, as it was the sole source of information on the employers as constituents. That was why the Employers' group considered it essential that greater

importance be attached to the services that were made available to employers in the next programme and budget. That meant both increasing ACT/EMP's own resources, notably in terms of non-staff resources and technical cooperation, and at the same time encouraging employers' organizations to play their part in pursuing all the objectives set. The next programme and budget should therefore perhaps set more targets directly involving the social partners.

25. The Employers' group believed that the Office's activities needed streamlining so that it could concentrate effectively on the real priorities of its constituents. Certain sectors needed to be reorganized so that they could focus on fewer activities but actually achieve the outcomes expected of them. The Employment Sector was a case in point. As was abundantly clear from outcomes 1 and 2 in table 1, the Office needed to concentrate on its priorities in the field of employment and skills development. Outcome 2 was the ILO's response to the request for a world training strategy that it had been asked to devise by the G20.
26. At a time when other organizations were taking up the mantle of employment, the ILO had to maintain its place on the international scene and tackle the situation more incisively. The Office must also make sure that there were no redundant posts in some of its sectors or branches, especially at the management level. The same applied to all the regions, whose management of their budgetary and extra-budgetary resources was still very approximate. The speaker reiterated the Employers' request for details of budgetary allocations at the regional level and said that they were looking forward to receiving a budget for the regions in March 2011 that was broken down by outcome, as well as by strategic objective.
27. The speaker then voiced a number of economic considerations. In the first place, with regard to the fund for technical meetings, the Employers wondered whether it might not be more judicious to allocate those resources to the actual programme for the constituents. Secondly, the Employers' group was somewhat dubious about the role of the Policy Integration Department (INTEGRATION), whose mandate could well be reviewed so as to make it more efficient and more focused. The same applied to the Institute, which ought to be more of an integral part of the Office so as to avoid duplication. In the speaker's view, the Institute should stick to its mandate and remember that certain prizes did not necessarily enhance the ILO's image. Some subjects were dealt with at the ILO by several people at the same time, and that was a source of confusion. The Employers were determined that the ILO should play a more forceful and conspicuous role. Thirdly, though a regional dialogue among constituents was of course important, the Employers felt that Regional Meetings were too expensive. Better advantage could be taken of the Conference to avoid duplicating the work of the Regional Meetings. Other options included shortening the meetings, or sharing expenses more equitably with the host country. Regional Meetings were a costly business for governments, too, as they had to pay for the constituents to participate. Was their added value really worth it? Fourthly, the reform of the Governing Body and of the Conference had to be pursued in order to meet modern-day needs. There were major dysfunctions in the ILO's statistical activities, which absorbed too many financial resources. As with the Employment Sector, some of the available funds needed to be reallocated. The Employers' group was aware of the considerable effort that the Office had made, but it was convinced that there was still much that could be done – in terms of outsourcing and relocating certain branches for example, as paragraph 37 of the document suggested.
28. Before concluding, he stressed the importance of the transparency and governance of the Office. The efforts that had been undertaken could be pursued further and could involve, in particular, strengthening the role of the Office of Internal Audit and Oversight. The Employers' group called on the Office to ensure greater transparency at the regional level. The regions carried out activities that were at the heart of ILO action and played a crucial

role in the implementation of the programme and budget. For that reason, the Employers also called for greater transparency with regard to allocations in the regions and the activities carried out there. Finally, he stressed that, in the context of emerging from a difficult crisis, the ILO should demonstrate in its next programme and budget that it was at the forefront in terms of ensuring value for money and governance and that it was taking on the concerns relating to cost-cutting and efficiency that were driving national administrations and enterprises. Referring to paragraph 4 of the document, he said that one-off adjustments should sooner or later give way to a comprehensive review of priorities and resources. The Employers' group counted on the Office to provide an adequate response to a world that had invested high hopes in the Organization. The Employers remained at the disposal of the Office to reflect further along those lines, and would support the programme and budget in the light of the points that had just been raised.

- 29.** Sir Roy, speaking on behalf of the Workers' group, subscribed to the message that the Programme and Budget for 2012–13 would be influenced by the slow recovery of employment from the crisis. He called on the Office to respond to the increasing number of requests, especially from workers – who were most affected by the crisis – and urged it to align the next programme and budget with the vision set out in the Declaration on Social Justice for a Fair Globalization and policies and decisions of the ILO governance bodies. In that regard, the documents before the Committee fell short of what was required, as they focused mainly on knowledge, hence giving the impression that the adoption of the Strategic Policy Framework (SPF) relieved the Governing Body of holding a deep discussion on programmatic and resource issues at that stage.
- 30.** The speaker expressed concern that the priorities set out in the addendum had been identified on the basis of Decent Work Country Programmes (DWCPs), which had structural deficiencies in that they did not satisfactorily address workers' priorities, did not adequately involve the trade unions in their design and implementation and did not include all the four dimensions of decent work, in particular with regard to issues such as standards, wages and collective bargaining. Identifying priorities based on DWCPs went against the vision set out in the SPF, which called for an integrated approach to realize all four areas of decent work. He also expressed his concerns over a governance issue – what was the role of the Governing Body if the priorities were already decided on by the regions? He sought clarification on the guidance issued by the Office concerning the need to limit priorities in DWCPs to a maximum of three, noting that such a limitation was not consistent with the vision set in the Declaration on Social Justice for a Fair Globalization.
- 31.** Sir Roy also expressed concern about two issues related to outcome-based workplans. First, in setting priorities, there seemed to be a division between national needs and overall international policies, which made the implementation of priorities difficult. On the one hand, country programme outcomes (representing national needs) did not always reflect the international policies set by the ILO's governing organs; on the other hand, global products (representing international policies) lacked links to those outcomes. The current programming processes needed to address the linkages between country programme outcomes and global products in a systematic way. There seemed to be no clear obligation to address such issues as international labour standards, including freedom of association and collective bargaining. Second, "target" country programme outcomes were often selected because results were obtainable, while the outcomes where the results were difficult to obtain immediately, and where trade unions would need increased assistance, would be given a "pipeline" status and not have priority for resource allocations.



32. His group considered that it was sometimes difficult to see the balance between DWCPs and decisions taken by the policy organs. The difference between “prioritized demand” and “proposed target” in table 1 was puzzling. The low targets on important issues such as freedom of association and collective bargaining across all regions, social dialogue and industrial relations in Asia, working conditions in Africa and occupational safety and health in the Arab States were unacceptable and should be reviewed upwards in the March proposals. Country-level work was important in terms of providing services to constituents, especially in times of crisis, but the ILO was a global and value-based organization. Therefore, national-level implementation had to be based on decisions, policies and standards adopted by the Conference and the Governing Body. The speaker considered that table 1 did not reflect most of the issues identified by the Workers’ group as a priority.
33. The speaker identified the following priorities for 2012–13: (i) mainstreaming of standards across the 19 outcomes, alongside the promotion of up-to-date standards and the development of new standards accompanied with additional resources for the International Labour Standards Department (NORMES); (ii) macroeconomic, trade and fiscal policies coherent with the Decent Work Agenda; (iii) a clear integrated approach and sufficient resource allocation for the implementation of the Global Jobs Pact; (iv) vertical and horizontal extension of social security; (v) wages and income-led growth; (vi) export processing zones and precarious work; (vii) employment relationship; (viii) social economy, including cooperatives and the public sector; and (ix) multinational enterprises and global supply chains. Each outcome should provide evidence of work and resources for worker constituents. Likewise, more resources should be allocated to the Bureau for Workers’ Activities (ACTRAV), including from RBSA and extra-budgetary resources.
34. Sir Roy recognized the importance of strengthening the ILO’s knowledge base but reiterated that it could not be the only focus of the proposals. The Office should streamline various ongoing country-level initiatives in line with the integrated nature of the four strategic objectives and with the understanding that trade unions’ and employers’ policies were part of national policy development. That exercise could not be exclusively driven by the regions, but should involve the Senior Management Team (SMT) and headquarters units, with the involvement of ACTRAV and ACT/EMP. Similarly, the knowledge base could not be exclusively country-focused, as the ILO also needed to develop concepts and undertake evidence-based research to address the global debate and subsequently apply it at the country level. The reference to moving away from general knowledge towards country-specific knowledge was a concern as it could lead to leaving a remote role for universal standards and policies, with country-specific knowledge being selectively adapted in picking and choosing what to measure.
35. The speaker noted that figure 1 did not address capacity building at the global level, nor did it include issues such as multinationals, the impact of trade on labour and global governance. He expressed concern about putting at the same level as DWCPs, the Governing Body and the Conference, capacity building at regional level and the global level with Global Reports and sectoral analysis, and questioned why there were no arrows linking the global to the regional and national levels. In line with the Declaration on Social Justice for a Fair Globalization, the Office should undertake research on the interlinkages across the four strategic objectives. That was an issue to be addressed not only in the database, but also in the programme and budget as a whole. Investing in knowledge networks and in the research work of other institutions was equally important. He expressed concern over existing gaps in the Office’s knowledge capacity, exemplified by the limited number of technical specialists in areas such as sustainable development, green jobs, minimum wages and standards, the latter case concerning particularly Asia.

- 36.** Referring to the section on outcome strategies, Sir Roy inquired how the strategy texts would be made more practical, concrete and specific and who would evaluate them, in particular with regard to the workers' needs. Reference to core labour standards and international labour standards in general should be added as a critical element of all outcome strategies. The section on strengthened services and capacity building for constituents was unsatisfactory. The text gave the impression that the constituents were essential for the success of the Office, instead of the Office being essential for the success of the constituents. The Office should quickly implement the decisions taken by the Conference and the Governing Body and assist member States in implementing the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact. He welcomed the sections on lessons learned and other strategy elements. The Office should improve the measurement of impact by focusing on outputs instead of processes and on qualitative instead of quantitative information. An explicit reference to the Declaration on Social Justice for a Fair Globalization should be moved to the top of the document, as the Declaration was at the heart of the programme and budget exercise.
- 37.** In conclusion, the speaker stressed that the document for March needed to be political and strategic, clearly outline the focus of the Office's work on the four strategic objectives and reflect resource reallocations towards the priorities identified by his group.
- 38.** Mr Major, speaking on behalf of the Government group, noted that his group appreciated the acknowledgement in the paper of the financial constraints faced by many governments and the need to balance them with increased demand for ILO services by member States in their crisis response and recovery. The group looked forward to further consultations in the coming months, based on more detailed information to be made available in a timely manner, in particular on the link between the budget proposals and the strategic outcomes, in order to provide sufficient time for member States to consider proposals as they were developed, provide responses and seek clarifications as necessary.
- 39.** The representative of the Government of the United Kingdom, speaking on behalf of the group of industrialized market economy countries (the IMEC group), expressed the hope that, despite different views on the details, the Governing Body could agree on some general principles to inform the proposals for 2012–13. First, the current context of pressure on public resources had led many governments to control their spending. While recognizing the important demand for ILO services to assist countries in their crisis response and recovery, budgetary prudence and value for money were necessary and required the ILO to focus on essential priorities, eliminating or deferring less important work. Second, table 1 was complex and ambiguous. Information for consideration by the Governing Body in March 2011, and in future programme and budget previews, should provide a direct link to the outcomes, targets and indicators of the Strategic Policy Framework, including shortfalls or surpluses for each outcome and its indicator. Third, the group saw merit in developing a more systematic and effective ILO knowledge base, by building on and streamlining existing databases. The costs involved in implementing such a system in terms of human resources and information technology infrastructure, together with plans to accommodate those costs, should be clearly identified. The speaker asked for clarification with regard to whether the recruitment of new staff mentioned in paragraph 11 was provided for in the Human Resource Strategy for 2010–15. Fourth, his group attached particular importance to the ILO's unique work on standards and requested that such work should be appropriately resourced in the Programme and Budget for 2012–13. Fifth, the proposed improvements in the outcome strategies were welcome, in particular the standardized structure and the emphasis on the elements concerning support to constituents, knowledge, gender and lessons learned, including from evaluation. The latter was an essential feature of results-based management. The speaker asked for clarification on the peer review process mentioned in paragraph 13. Sixth, additional information was needed on the statement in the paper that the Global Jobs Pact might require funding. The

group considered that the Pact provided countries with a menu of options to respond to the crisis and the Office's support to its implementation should take place in the context of the DWCPs. Seventh, while welcoming efforts to identify more efficiency savings, the IMEC group noted that such efforts should go beyond administrative measures and encompass a wider range of options, taking also into account the current discussions on the reform of the Governing Body and the Conference. Eighth, the group urged the Office to be conservative on estimates of voluntary contributions, given the uncertainties existing in that area. In conclusion, he said that the IMEC group expected the Director-General to present realistic and sustainable budget proposals in March.

40. Continuing his intervention, but speaking on behalf of the Government of the United Kingdom only, he said that he supported the IMEC group's statement and emphasized the importance of resource restraint for the 2012–13 ILO budget level. In many countries, such as his own, measures adopted by governments to achieve efficiency savings would result in budget cuts. The same degree of rigour was expected across the UN system and should be reflected in the ILO's programme and budget proposals. He further requested that budgetary information, even provisional, should be made available as early as possible to facilitate discussions in March 2011.
41. The representative of the Government of Australia, speaking on behalf of the Asia and Pacific group (ASPAG), noted that, as recognized in the paper, the current global economic environment had an impact on the preparation of the budget priorities. On the one hand, many member States were facing difficult financial and economic circumstances; on the other, an increasing number of countries resorted to ILO services in their recovery from the crisis. The situation was exacerbated by the impact of natural disasters, which required greater attention by the ILO. ASPAG welcomed the proposal to introduce a more effective knowledge-management system, building on the 2009 Knowledge Strategy. It said that the Governing Body should be provided with a full plan for the development and implementation of such a system, including information on overall responsibility for implementation and management, on monitoring arrangements and on the interaction of regional offices with the system. While welcoming the use of outcome-based workplans as a basis for setting targets, the group stressed the need for workplans and the system for their management to be robust enough to underpin the programme and budget. Table 1 showed considerable mismatches between demand and supply across regions. Once a more extensive analysis was completed, the Office should consult constituents to seek a better alignment between prioritized demand and targets.
42. The representative of the Government of Argentina, speaking on behalf of the group of Latin American and Caribbean States (GRULAC), thanked the Office for the informal consultations and the briefing on the agenda item, as well as for the addendum that had been prepared at the request of his group. He regretted that the document did not contain preliminary proposals on the financial dimension and the allocations for the biennium. He further stressed four points. First, the group supported the proposed emphasis on knowledge and requested additional information on how that would be put in place, including in terms of the human resources plans mentioned in paragraph 11. Second, the reference in paragraph 13 to improved services to constituents warranted further elaboration, with emphasis on the differences and value added compared to past action. Third, with regard to paragraph 22, more details were needed on how the Office planned to build the lessons learned into the strategies for 2012–13. Fourth, while the information in table 1 and in the addendum was welcome, the Office needed to find a better way to present it in the final proposals with a view to facilitating the evaluation of results achieved in 2012–13. In conclusion, the speaker noted that the deliberations of the Committee should serve as input to the Office in two ways: to improve the provision of financial data and budgetary estimates; and to maintain a stronger consultation process in the lead up to the Governing Body's discussion in March 2011.

43. The representative of the Government of South Africa, speaking on behalf of the Africa group, noted that the paper remained too general to allow the nature or level of contributions for 2012–13 to be determined. The inclusion of preliminary budgetary estimates would have helped the Committee in that regard. His group acknowledged the need for the ILO to be a centre of excellence in retaining a world of work knowledge, but requested further details on how that knowledge would be used by constituents. Likewise, more information was required on the budgetary implications of the efficiency savings mentioned in paragraphs 33, 34 and 38. Other savings should also be explored, for example in the running of Governing Body and Conference meetings. The group shared the Workers' concerns on the targets presented in table 1 and noted that a subregional breakdown would have been useful. Finally, while recognizing the financial difficulties faced by many governments, the speaker called for measures to ensure that at least a zero real growth budget would be adopted in March in order to maintain the capacity of the Office to respond to increasing demands.
44. The representative of the Government of Japan emphasized the financial constraints faced by many governments. The discussion of the Programme and Budget proposals for 2012–13 should take due account of that harsh context. He reminded the Office that, in the past, his Government had repeatedly expressed support for a zero nominal growth budget. The speaker welcomed the proposed strengthening of the knowledge management system, which was essential for policy formulation and service provision. He expressed concerns about the system by which collected data would be integrated and urged the Office to take measures to avoid cost overruns. In commenting on the unfavourable developments in voluntary contributions in paragraph 44, the speaker noted that each budget account should be dealt with separately and that problems in extra-budgetary resources and RBSA should thus not affect the regular budget.
45. The representative of the Government of France made four points. First, the document had both the advantage and the disadvantage of focusing mainly on method-related issues. It clearly reflected the Office's acknowledgement of the budgetary restrictions existing in many member States as a result of the crisis. At the same time, the lack of budgetary information did not allow a proper discussion on concrete proposals. The speaker requested that such information should be made available to the Committee's members as soon as possible. Second, the context of budget rigour and the growing demand for ILO services called for the establishment of a clear hierarchy of priorities. That should be accompanied by action in two main areas: concentrating resources primarily on services to constituents and on areas of ILO comparative advantage; and redeploying means and developing internal capacities. Third, the Office should provide clearer information on services to constituents. The indicators in table 1 should be simpler and more readable in order to give a better picture of ILO action in response to demands. Fourth, the growing responsibilities and demands for ILO services required enhanced cooperation with other international organizations, as part of the wider move towards policy coherence.
46. The representative of the Government of Mexico welcomed the inclusion in the document of specific sections under the heading "Improved outcome strategies" on lessons learned, support to constituents, gender and partnerships. She asked for clarification on the peer reviews mentioned in paragraph 13. Acknowledging the growing demand for ILO services along with the financial constraints faced by many governments, she called for continued efforts by the Office to mobilize voluntary contributions with a view to avoiding increases to the regular budget level.
47. The representative of the Government of Pakistan made the point that, alongside the effects of the economic crisis, natural disasters would also have a major impact on the labour market, as the recent experience of his country showed. He noted that the programme and budget did not include any provisions for meeting emergency employment

challenges and urged the Office to give attention to that issue in preparing the Programme and Budget proposals for 2012–13.

48. The representative of the Government of Jordan elaborated on some specific issues relevant to the Arab States. Table 1 showed a growing momentum for the ILO's work in the region, where significant extra-budgetary resources had been mobilized at the local level, including through the UN system. However, core work areas required core technical capacity from the ILO. He called on the Office to consider an increase in the budget for the region for 2012–13, even if in the form of seed money to leverage other resources.
49. The representative of the Government of Egypt emphasized the increase in demand for ILO services across the whole region. In that respect, he expressed concern about possible budget cuts, at a time when the need for financial and technical assistance to African countries was higher as a result of the crisis.
50. The representative of the Government of India emphasized the need for the ILO to focus its programme on essential priorities, given the financial constraints faced by many governments. He welcomed the proposed single unified data collection process, noting that it should also take into account welfare programmes on social security and health implemented by member States at the national level. Linkages between the Turin Centre and national training issues in member States should be established to diversify and decentralize capacity-building services. The speaker expressed support for the 19 outcomes in table 1, while indicating that more attention should be given to social security, HIV/AIDS and occupational safety and health beyond factories and national establishments. Gender mainstreaming should also be given priority. He also noted that outcome 19 should be more specific.
51. The representative of the Government of Italy referred to the law recently approved by the Italian Government, which imposed severe budget cuts in public spending, affecting among others the budget of the Ministry of Foreign Affairs on which assessed contributions to international organizations were paid. She reiterated the commitment of her Government to fulfil its international obligations, while calling for further efforts by the Office with regard to identifying priorities and efficiency savings.
52. The representative of the Government of China urged the Office to make efficient use of available resources and to take a prudent budget approach in preparing the proposals for 2012–13. The Office should seek to maintain the current regular budget level, while finding ways for more savings and more extra-budgetary resources. The speaker supported the proposed knowledge-management system, which should also provide a platform for knowledge and information sharing among constituents.
53. The representative of the Government of Germany underlined that the demands of the constituents had increased by a greater extent than the budget. Therefore, a process of prioritizing was necessary in order to maintain balance amongst the four pillars of the Decent Work Agenda. She referred to the fourth bullet point in paragraph 10 and proposed that social security and social dialogue should be added as topics of the unified research agenda. With regard to savings, it was important to reflect on issues such as areas of work to be discontinued as well as measures to lighten administrative processes and remove internal bureaucracy.
54. The representative of the Government of Nigeria welcomed the knowledge-management system as a critical step towards improved services to constituents and supported the proposed three-track data collection system, which – he noted – should continue to be implemented in an integrated approach, consistent with the Declaration on Social Justice for a Fair Globalization. Gender equality and non-discrimination were areas where the ILO

might be able to attract additional funding in the context of the Millennium Development Goals. Concerning Table 1, the speaker noted that the information therein provided just an indicative direction of expenditure in 2012–13 and requested that a targeted financial indication should be included in the March proposals, within the context of a zero real growth budget.

55. The representative of the Government of Canada urged the Office to present in March budget proposals that would take account of the economic situation in member States. In addition to knowledge, she identified the following priorities for 2012–13: strengthening governance, including well-structured and appropriately financed evaluation and audit functions and mainstreaming of results-based management throughout the Organization; Governing Body and Conference reforms as possible ways to seek increased efficiencies; implementation of standards-related policy, including the review and updating of ILO standards; and focused interventions at the country level, leading to concrete results through the capacity building of constituents.
56. The representative of the Government of Kenya recalled the challenges faced by many governments in terms of finding a balance between recovery measures and fiscal consolidation. In welcoming the proposed strengthening of the ILO's knowledge base, he emphasized the need to ensure that constituents from less-equipped infrastructural contexts benefited from it. Likewise, special attention was required to support constituents from less-developed regions, particularly sub-Saharan Africa. With regard to efficiency measures and investments, more information on the redirection of savings, particularly to technical work, would have been useful.
57. The representative of the Director-General, Mr Thurman, recalled that the purpose of the preview was to allow the Committee to express its priorities and provide guidance. He focused his reply on four issues. First, the requests for value for money and for prioritization would be duly taken into account in preparing the March proposals. Nevertheless, the Office was confronted with a number of budgetary challenges. For instance, extra-budgetary resources approved by donors during the first ten months of 2010 had amounted to less than half of the approvals for 2009, while approvals for Africa had fallen by 80 per cent. Second, the Workers' emphasis on the need for a balanced approach to avoid becoming a purely demand-driven organization was well noted. Already the table showed a fairly balanced distribution of both demand and targets among the four strategic objectives. Third, the Office had taken note of the wide support for knowledge. More detailed and concrete information on that proposal would be reflected in the programme and budget proposals. Fourth, he recognized the calls for consultations before March. He would ensure that a satisfactory consultation process was agreed on with all three groups before the end of the Governing Body's session.
58. The Committee took note of the Office paper.

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

59. The Committee had before it a paper<sup>3</sup> on the use of the Special Programme Account (SPA).
60. Mr Julien, speaking on behalf of the Employers' group, stated that the reference paper was very weak in terms of content and extremely vague. The Office had not provided a

<sup>3</sup> GB.309/PFA/3.

proposal of sufficient substance to allow for a proper debate to take place. The speaker therefore suggested deferring the debate and including the matter in the framework of the forthcoming informal consultations, so as to give the Office enough time to provide a more complete and detailed paper by the March session.

61. Sir Roy, speaking on behalf of the Workers' group, commented that while his group was prepared to discuss the paper, it was willing to accommodate the request of the Employers' group, if governments would also agree to move in that direction.
62. The representative of the Government of the United States, speaking on behalf of the IMEC group, urged the Office to include in the paper for consideration by the Governing Body in March, high-priority items related to the application of standards that met the SPA criteria.
63. The representative of the Government of Australia sought clarification on the arrangements for consultations on the item.
64. The Office confirmed that informal consultations would be arranged prior to the March 2011 session of the Governing Body.
65. The Committee noted that more detailed proposals would be submitted in March 2011.

### **Implementation of the revised field structure**

(Fourth item on the agenda)

66. The Committee had before it a paper<sup>4</sup> on the implementation of the revised field structure.
67. Mr Julien, speaking on behalf of the Employers' group, thanked the Office for the reference paper, which bore witness to the progress made in implementing the Organization's field structure. His group feared, however, that the current decentralization process was going too far, to the detriment of the level of expertise left in Geneva. It was important that the overall level of expertise at the Office should remain high to facilitate both the preparation of global products and the coordination of regional activities. It was also important for the Office to be consistent in its message to the world. Such policy coherence was essential and should be supported by training and knowledge networking.
68. Referring to the document adopted by the Governing Body in March 2009, the speaker recalled that it had stated clearly that employers' and workers' specialists in the regions should report directly to ACTRAV and ACT/EMP, respectively, and be accountable to them. Given that that point had not been clearly made in the reference document, the speaker asked the Office to make the necessary amendment in a clear fashion. Furthermore, the speaker recalled that tripartism was not merely an empty formula; it was the cornerstone of the ILO. However, that constitutional principle tended to be forgotten by certain departments and donors when it came to the field. Furthermore, it was essential that employers' specialists and ACT/EMP worked closely together in order to be able to identify the needs of their employer constituents and guarantee the efficiency of the services provided to them.
69. With regard to United Nations reform, the speaker regretted that the paper was rather lacking in information and expressed the wish for the Office to supply information on the effectiveness of the reform, particularly with regard to coherence and the participation of

<sup>4</sup> GB.309/PFA/4.

the tripartite constituents in the process. They would also have liked to have had more information on the indicators intended for measuring the performance of field offices.

- 70.** It was essential to ensure an optimal level of governance and accountability in the regional offices. It was a matter of constant concern for the Employers, however, that the field offices remained opaque to many employers' organizations, given the insufficient awareness of and access to their services. The Office must therefore pay attention to the pedagogical aspect of the field structure review and improve communication with local constituents.
- 71.** The Employers' group supported the reorganization under way, but was concerned that moving activities away from headquarters and the regional offices to the country offices would hamper the dissemination of the Office's message and lead to a lack of coordination. The field structure review addressed the need to improve both the structure of Office action at the local level and coordination among the various operators in the field. The speaker concluded by saying that, despite its unwavering support for the reform, the Employers' group felt that it did not go far enough, as the level of governance for field offices was not aligned with headquarters.
- 72.** Sir Roy, speaking on behalf of the Workers' group, noted that the new structure would change the contact points for constituents, the reporting lines for staff, and decision-making processes. He was concerned that the paper was unclear on how the new processes would function and interrelate.
- 73.** Although a goal of the restructuring was to create a critical mass of technical experts, there were not enough experts on labour law reform and industrial relations in the Asia and the Pacific region, with only two standards specialists for the region. He requested information on the specific measures taken to strengthen standards-related work and services to workers' organizations, consistent with the ILO's four strategic objectives. He wondered how the proposed low targets for outcome 14, freedom of association and collective bargaining, for the Asia and the Pacific region and the Arab States would address the real deficits in freedom of association in those regions.
- 74.** He observed that paragraph 7 had not mentioned ACTRAV among the units involved in the change exercise. In a number of offices, the staff was largely unaware of the implications of the structural changes. He requested the Director-General to issue an addendum to IGDS No. 192 on roles and responsibilities of senior managers in the ILO, clarifying the role of ACTRAV and relations between ACTRAV staff at headquarters and in the region with senior ILO management at headquarters and in the field. That should reflect IGDS No. 150, which provided for the continuation of current practices for ACTRAV concerning reporting lines of its staff and their direct contacts with workers' organizations.
- 75.** He noted the consultations with tripartite constituents in missions to Dakar, Harare and Manila, but asked why consultations had not been held during missions to Addis Ababa, Cairo, Pretoria and Yaoundé.
- 76.** He observed that in a number of cases, staff in the regions received instructions before the whole issue was discussed with the Staff Union at headquarters. He requested details on those consultations. He pointed out that, while paragraph 19 specified that job losses had been avoided, staff in Harare and Manila had been reassigned to technical cooperation activities, and he asked whether this had changed their status, and what options had been provided to them.



77. As to the recruitment of national coordinators referred to in paragraph 15, he called for information on consultations with the Staff Union and clarification on the presumably “non-career” status of national coordinators. He raised several concerns which highlighted the potentially precarious nature of their employment and pointed out that such status was not consistent with ILO values and undermined their independence. He noted that those concerns had been expressed before with respect to the national coordinators in Central and Eastern Europe, and that the practice was now applied to other regions.
78. He expressed his interest in the development of indicators to measure performance in the field and requested information on the level of involvement of ACTRAV, ACT/EMP and the social partners in developing the indicators. He also suggested greater inclusion of standards in DWCPs, an integrated approach towards decent work elements and the need for capacity building for the social partners to allow their participation in DWCPs. Those should be added to the performance measures.
79. The speaker questioned the lack of coverage by Decent Work Technical Support Teams (DWTs) of developed countries, such as Australia, New Zealand, Japan and the Republic of Korea, particularly in the context of the global crisis. The Republic of Korea, for example, had serious problems with regard to industrial relations, workers’ rights and labour law. ACTRAV field specialists should receive the necessary resources from the Regional Office to address such issues.
80. He emphasized the importance of the continuation of existing reporting lines for ACTRAV specialists, who should receive technical support and political guidance from ACTRAV in headquarters. He reminded the Office that, during the field structure review, no changes in reporting lines had been envisaged. He requested confirmation from the Office on that matter.
81. He noted that point (c) in paragraph 31 called for the adoption of smarter approaches to increased demands for services, and asked for assurances that it would not have a negative impact on ACTRAV’s capacity to address the needs of workers’ organizations. He requested information on the financial impact of the revised field structure.
82. The speaker expressed concern, and requested further clarification, regarding the use of terminology in paragraph 31, which suggested that the Office was applying a purely managerial approach to human resources, which was potentially inconsistent with the ILO’s values and mandate. He requested clarification on how that impacted on the collective agreement. He called for more information on the specific measures being undertaken to empower country offices.
83. He concluded by emphasizing that information channels should be improved, highlighting the need for adequate consideration of the different roles and responsibilities of field ACTRAV specialists and the differing levels of comprehension of the practical implications of tripartism by the country offices and directors of DWTs. Further guidance was required from ILO headquarters departments with the involvement of ACTRAV, ACT/EMP and the Staff Union.
84. The representative of the Government of Canada, speaking on behalf of the IMEC group, congratulated the Office for its work on the development of indicators, in line with the commitment to transparency. She thanked the Office for its efforts to stimulate better collaboration between headquarters and the regions, to improve communication between managers and staff, to ensure appropriate staffing and to clarify roles, responsibilities and functions.

- 85.** Future reports should emphasize other work on the field structure, as agreed in March 2009. The development of indicators measuring success in delivering decent work and the global independent evaluation were considered of critical importance from a governance perspective. Next steps should include regular discussion and consideration of the ongoing development of the indicators by the Governing Body, including in March 2011. In support of that discussion, she proposed that further details on costs of operating field offices be provided, which should comprise information on staffing in each office, including staff on temporary contracts and those employed as national coordinators, as well as the level of support provided by the host country.
- 86.** The cost savings and efficiency gains resulting from the development of field indicators and reorganization of field structures would enable field staff to demonstrate their effectiveness and efficiency under different conditions. That would benefit constituents and improve the implementation of the Decent Work Agenda. In addition, field indicators would enable identification of best practices and areas of improvement for the entire field office network. She welcomed the consideration being given to different indicators for country offices in industrialized countries as opposed to other countries. She stressed the importance of field offices in delivering decent work outcomes and the corresponding importance of field indicators.
- 87.** The representative of the Government of South Africa, speaking on behalf of the Africa group, requested further clarity on the process. He indicated that the impression of smooth transition presented in the paper was in contrast to the known challenges around budgetary constraints, office space constraints and the reorientation of staff to a more consultative culture. He expressed disappointment in three areas: first, that the office in Abidjan was still not operational; second, that the restructuring appeared to be a rearrangement of available resources, resulting in concerns about service delivery, without any analysis of benefits to constituents; and third, while paragraph 19 stated that the Office had been able to avoid job losses, the footnote indicated that staff had been offered agreed terminations.
- 88.** The representative of the Government of Australia, speaking on behalf of ASPAG, urged that priority be given to the development of field office performance indicators. He emphasized the importance of those indicators to the governance role of the Governing Body.
- 89.** He suggested the application of the United Nations accountability architecture to the indicators and urged the Office to incorporate a mechanism for governments to provide feedback on the work performed by the ILO in their respective countries in the context of government priorities. He pointed out that the paper did not contain any mention of further consideration by the Governing Body of field indicators and requested that that be included in the next steps. He emphasized ASPAG's belief that the revised field structure and indicators were critical to improving the delivery of decent work outcomes globally.
- 90.** The representative of the Government of Egypt drew attention to the regional approach indicated in paragraph 31 and asked whether consultations had taken place with the tripartite constituents and whether the indicators would be implemented without consultation with headquarters.
- 91.** The representative of the Government of Singapore, speaking on behalf of the Association of Southeast Asian Nations (ASEAN), noted the implications of the changes for the delivery of services to constituents, particularly its impact on south-east Asia. She recalled that the ILO and the ASEAN Secretariat had signed a cooperation agreement in March 2007 and had collaborated in many areas, including industrial relations, occupational health and safety, social protection, labour standards, labour market statistics and child labour. She drew attention to the ILO's support for the ASEAN Labour Ministers' work

programme for 2010 to 2015. She sought assurances that the new field structure would not disrupt existing partnerships and ongoing programmes in South-East Asia or compromise the quality or timeliness of technical assistance to constituents.

92. She said that the performance of the DWTs should form an integral part of the indicators. She reiterated the importance of the development of clear indicators and looked forward to more information as to how the ILO would translate the five broad indicators into quantifiable targets. She welcomed the global and independent evaluation of the impact of the changes to be carried out in 2013 and reported to the Governing Body in 2014. She suggested that interim updates be provided, including an interim internal evaluation of the impact of the restructuring on country programmes, staff mobility and budgets, an assessment of the achievement of initial objectives concerning better service delivery to constituents, and the challenges encountered in implementation. She requested that the Office provide a list of new focal points in the Regional Office, country offices and DWTs.
93. The representative of the Government of Kenya said that the implementation process had not been explained satisfactorily. The budgetary implications and the real criteria for the appointment of national coordinators and their reporting relationships remained unclear.
94. He regretted that the country office for Africa in Abidjan was not operational and considered it unfortunate that Africa had not been considered for a single national coordinator. He asked for clarification of paragraph 20. He urged the Office to ensure that clarity be provided in the implementation of the revised field structure, for the benefit of all constituents.
95. The representative of the Government of India took note of the progress made so far and emphasized the importance of a smooth and effective transition to avoid hardship for constituents. Responding to the concerns of staff was another area of focus since national officers and General Service staff were not subject to geographical mobility.
96. Concerning recruitment and selection, he suggested that appointments be preceded by consultation with national tripartite partners. He emphasized the importance of support from specialists in country offices and suggested that a greater number of specialists be recruited from the country itself. When implementing the revised field structure, distribution of the technical competences should be made in view of the practical requirements of each region in order to avoid over-concentration.
97. He thanked the Office for having placed a DWT in New Delhi and suggested the inclusion of two indicators to measure the performance of the revised structure: the level of tripartite participation and the training programmes and participatory workshops organized for constituents.
98. Concerning the implementation of a two-tier field structure, the representative of the Government of Mexico requested the Office to avoid duplication of work and increased spending. She asked the Office to provide more information regarding the six-month transitional period. More precision was expected regarding consultation with national tripartite constituents at the final stage of the recruitment process of national coordinators. Concerning the implementation of the changeover, she asked how the structure had been determined and what the “dual function” of country offices and DWTs meant. She stated that the formalization of the ILO Accountability Framework would improve ILO governance.
99. The representative of the Government of Australia considered the proposed indicators in the document a good start. He suggested the inclusion of some additional indicators – for instance, one that reflected a field office’s success in attracting extra-budgetary resources

and another that reflected a field office's success in delivering decent work outcomes generally. There was a strong focus on DWCP outcomes, but no recognition of a field office's performance in delivering decent work outcomes that might fall outside DWCPs. He noted that since field offices had a key role in the national development strategies and good relations with government, workers' and employers' organizations, an indicator based on constituents' views as to the office's successes should be included.

**100.** The representative of the Director-General (Ms Strachan) underlined that the ILO Declaration on Social Justice for a Fair Globalization provided the compass for the field restructuring. She explained that the implementation process had been guided by the decisions taken during the Governing Body of March 2009. The Office was now at the start of the process and time would be needed to generate results. She clarified that the document showed the five areas where performance would be measured and not the indicators themselves. She confirmed that employers' and workers' specialists were integral members of the DWTs with full responsibilities to liaise with and to support employers' and workers' organizations. ACTRAV and ACT/EMP staff continued with previous practices and maintained direct contacts with their constituents and continued to work using dual reporting lines to both the DWT Director and to ACTRAV and ACT/EMP. The implementation was still under way and if any new arrangements posed any difficulties, these would be assessed and the necessary adjustments made.

**101.** In response to the issue of accountability, the Accountability Framework had been finalized by the Director-General and a number of measures introduced to support this. These included the clarification of the roles of the different levels of senior managers and the introduction of the new performance management system. She stated that the revised field structure was being implemented within existing resources, as directed by the Governing Body. Concerning the recruitment and selection procedures for national coordinators, she explained that guidelines had been prepared and shared with regional offices, and were being applied within their regions.

**102.** As regards the member of staff who had accepted an agreed termination, he had been rehired on a technical cooperation project and benefited from a better position. Since the Office paper had been issued, further consultations with tripartite constituents had been organized in Cairo and Yaoundé. The Regional Offices had also issued letters to constituents in the various countries in Africa explaining the new arrangements. She said that the office in Abidjan had been designated as a country office but explained that this would be reviewed in 2011. She stated that the Office would continue to ensure that the changes did not result in any disruption of services to constituents. She concluded by indicating that the "dual roles" referred to in the paper referred to situations where the ILO had a country office and a DWT in the same location. There was only one director in charge of both the country office and the DWT.

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

## **Evaluation**

(Fifth item on the agenda)

### **(a) Annual evaluation report 2009–10**

**104.** The Committee had before it a paper entitled "Annual evaluation report 2009-10".<sup>5</sup>

<sup>5</sup> GB.309/PFA/5/1.

- 105.** Sir Roy, speaking on behalf of the Workers' group, thanked the Office for the paper laying out the impressive progress made and work done in 2009–10. He expressed concern over some of the language used, however, such as references to stakeholders instead of social partners and “major” decision-makers, as if there were more and less important ones. Drawing attention to the report's call for involvement of constituents in evaluations and the need for the Office to improve capacities, he cautioned that the Office not view this as a dichotomy between staff and constituents. He called on the Office to collaborate with ACTRAV on this area.
- 106.** Referring to lessons learned, he drew attention to the low number linked to the social dialogue component and urged the Office not to allow that area to become marginalized. He noted with concern that EVAL did not receive replies on follow-up to recommendations in about 46 per cent of cases. He agreed that the strategy areas of HIV/AIDS, discrimination in employment and occupation and institutional capacity building for constituents should be among priority options, and requested in addition that precarious work and green jobs be considered as possible topics for future evaluation work. The Workers' group supported the point for decision.
- 107.** Mr Julien, speaking on behalf of the Employers' group, acknowledged the work done on evaluation but noted the weak follow-up rate by the Office. He indicated that training was needed to allow managers to make better use of such evaluations. For instance, he asked why there had been no follow-up on three recommendations in the 2009 evaluation of the Indonesian DWCP. He stressed the importance of involving constituents in evaluations and requested that ACT/EMP be more regularly consulted.
- 108.** Regarding the proposed work programme for 2011, he was disappointed at the decision to discontinue evaluations of DWCPs, a move he considered unacceptable given the valuable feedback generated on the ILO's work at the country level. He noted that terms of reference should be defined with ACT/EMP and ACTRAV. He considered the proposed evaluation of capacity building among constituents premature, as it had been discussed by the technical cooperation committee in 2010, and he asked that it be postponed for one year and that the Office use the time to consult the Officers of the Governing Body and the regional groups. He also said that the evaluation should cover all departments and not only ACT/EMP and ACTRAV, as it was a global objective for the ILO. The evaluation should cover the work of the International Training Centre in Turin. He observed that the evaluation could contribute to the proposed Conference recurrent discussion in 2013 on social dialogue.
- 109.** The representative of the Government of South Africa, speaking on behalf of the Africa group, noted the progress made and called on the Office to engage constituents in evaluation processes to enable them to make a more effective contribution, and to address the other challenges highlighted in the paper. That included giving adequate attention to social dialogue. The group supported plans to evaluate HIV/AIDS and the world of work, and discrimination in employment and occupation.
- 110.** The representative of the Government of the United States asked for further details on the nine independent project evaluations that had been replaced by internal versions. She welcomed the expanded use of the i-Track database and its compilation of lessons learned, urging the Office to follow the recommendation of the Independent External Evaluation (IEE) of the evaluation function by strengthening further the evaluation information system. She also asked the Office to clarify how the IPEC evaluation unit contributed to the evaluation information base. The topic on discrimination in employment and occupation was particularly timely given the ILC's recurrent discussion scheduled for 2011. She concluded by endorsing the plans to introduce a multi-year evaluation workplan.

- 111.** The representative of the Government of Australia acknowledged the positive survey results regarding follow-up to independent project evaluation and information systems. He called on the Office to consider the IEE's findings when deciding on the next steps. The Office needed to improve the use of evaluations by the ILO's management and constituents, which called for structural and attitudinal changes and for those responsible for a strategy or programme being evaluated to indicate clearly their intended response to each recommendation and the associated time frames for follow-up. With regard to the recent discussion on the implementation of the revised field structure, he urged EVAL to support the development of performance indicators to monitor progress.
- 112.** The representative of the Government of India considered that the improvements helped the ILO with its oversight role. Referring to the core component of the ILO Declaration on Social Justice for a Fair Globalization for developing the capacity of constituents to monitor and assess decent work policy and programmes, he called on the Office to strike a satisfactory balance between building the evaluation capacity of constituents and that of its own field staff. Regarding the priorities for 2011, India supported the evaluation of the ILO's strategy vis-à-vis HIV/AIDS and the world of work and emphasized the importance of paying due attention to workers in the informal sector. The evaluation of work in the area of discrimination in employment and occupation needed to take into account the shortage of data and statistics capturing the incidence of discrimination. Referring to the evaluation of capacity building among constituents, he supported the inclusion of the training and learning services provided by the Turin Centre in its scope.
- 113.** The representative of the Government of Japan noted the critical role of evaluation in improving the work of the Organization. He welcomed the fact that a large share of project evaluations was carried out in Asia. Finally, he called on the Office to continue to strengthen its follow-up activities, institutional learning and knowledge sharing so as to utilize the results of the evaluation.
- 114.** The representative of the Government of Mexico noted that improvements had been made over the past five years but that the constraints on the evaluation process still needed to be addressed. He asked for further information on the matter.
- 115.** The representative of the Government of China emphasized the valuable contribution of evaluation to the monitoring of the ILO's performance. However, it was not being adequately analysed and the issues regarding its transparency were not being adequately addressed, a shortcoming which she called on the Office to rectify.
- 116.** The representative of the Government of Belgium, responding to a comment made by the Employers' group regarding donor participation in evaluation, explained that Belgium and other countries contributing to the ILO through the RBSA took a strong interest in supporting evaluation but asked for clarification on how that could be done, given that the RBSA was being programmed in the same way as core regular budget funding.
- 117.** Responding to the discussion, the representative of the Director-General (Ms Logan) thanked the Committee members for the interest they had shown in the ILO's evaluation work. Regarding the issue of weak follow-up, she noted that systematic monitoring of the follow-up to project evaluations, which had been introduced only recently, had not initially been popular, but the new round of evaluations had already registered better results. The low response rate shown in the paper (table 2) was due in part to the fact that some recommendations were aimed at parties outside the ILO, and also to the incompatibility of the IPEC system of evaluation which accounted for 492 of the 538 non responses recorded. With regard to the social partners' interest in an improved consultation process, she said that the multi-year planning process would be a valuable tool. The Office would also

improve consultation internally and with its senior management, so that all the key players would be involved.

118. The speaker indicated that the Office could postpone plans to evaluate the ILO's capacity building among constituents until late 2011, but it was important that the topic be addressed as it had not yet been covered by a high-level evaluation. Responding to the Employers' group's interest in continuing the evaluations of DWCPs, she explained that the IEE had recommended their decentralization but that EVAL could reconsider the issue in 2011. With regard to the project evaluations conducted as internal instead of independent, She explained the flexibility in the policy for mid-term evaluations, and added that the Evaluation Unit drew actively on best practices both within and outside the ILO, particularly from within the UN system.
119. The Employer Vice-Chairperson stated that, with the Office's agreement to postpone the evaluation of capacity building among constituents until 2011, he supported the point for decision.
120. The Committee took note of the present report and expressed its views on the priorities for 2011.

**(b) *Independent evaluation of the ILO country programme for the United Republic of Tanzania: 2004–10***

121. The Committee had before it a paper summarizing the findings of an independent evaluation of the ILO country programme for the United Republic of Tanzania: 2004–10.<sup>6</sup>
122. The Worker Vice-Chairperson commended the ILO member States in Africa for the significant effort they had made to comply with the values and standards promulgated by the ILO. The Office's comprehensive paper on the United Republic of Tanzania could very well reflect the position of several comparable States, particularly in Africa.
123. One example would be the challenge of the informal economy. The report provided information that could thus be shared with other countries so as to determine the effectiveness of management efforts in the field of job creation and HIV/AIDS. The Workers' group also commented on the usefulness of the assessment of the adequacy and achievement of targets. At the same time, the speaker expressed concern about the lack of complementarity of country programme activities and the lack of links between technical cooperation projects and DWCP outcomes. He pointed to the need for more measurable indicators for better attainment of tangible results, namely through efficient participation of the social partners in joint steering committees of the "Delivering as One" process.
124. The Employer Vice-Chairperson stressed the group's interest in DWCP evaluations, which could provide useful indicators with regard to the implementation of the ILO's mandate. The conclusions and recommendations contained in the evaluation of one of the first such programmes should, along with the Governing Body's comments, be widely disseminated among those responsible for designing and implanting DWCPs.
125. The Employers' group supported almost all the recommendations in the document, although there was a problem with regard to the text of the second recommendation and with paragraph 15, which could give the impression that it was up to the Office and not to

<sup>6</sup> GB.309/PFA/5/2.

the constituents to set priorities for approval. It ought to be made clear that the constituents defined their positions with the assistance of the Office.

- 126.** There was also a problem of translation in paragraph 34, which referred to CABINET approval of DWCPs rather than approval by the Government's cabinet.
- 127.** Finally, the Employers' group supported the point for decision with the clarification in the text of the second recommendation.
- 128.** The representative of the Government of the United Republic of Tanzania (Deputy Permanent Secretary of the Ministry of Labour, Employment and Youth Development) said that her country was fully committed to implementing the Decent Work Agenda and to promoting employment for the country's social and economic development. The Second National Plan for Growth and the Reduction of Poverty (MKUKUTA II) and the Zanzibar Economic Growth Strategy (MKUZA) embraced employment as an important link to poverty reduction. She expressed her Government's sincere appreciation to the International Labour Organization for the financial and technical support it had mobilized over the years to ensure the efficient and effective implementation of the DWCPs.
- 129.** The Government agreed with the findings of the independent evaluation, which described well how the DWCP was being implemented on the ground and took account of the progress and achievements that had been made and the challenges that had been encountered. Her Government was aware of the DWCP's role in improving the social and economic context of decent work, by creating formal employment opportunities and increasing earnings for non-agricultural self-employment. The ILO's assistance had contributed to the formulation of employment policies and to the introduction of labour law reforms such as the Employment and Labour Relations Act No. 6 of 2004, the Labour Institutions Act No. 7 of 2004, the Workmen's Compensation Act of 2008 and the Social Security (Regulatory Authority) Act of 2008.
- 130.** The representative of the Government of South Africa, speaking on behalf of the Africa group, found the evaluation report very comprehensive and noted the conclusions and recommendations it contained. The group sought clarification of the reference in paragraph 24 to difficulties in obtaining financial and programme information, which the paper described as scattered and incomplete and asked what might be the implications in terms of costs. The Africa group believed that the findings regarding the lack of measurable or time-bound indicators could be due to hasty programme design that sought to achieve results without proper and sufficient support from the Office. The group called for proper consultations with the tripartite constituents and a careful analysis of the needs on the ground. The Africa group supported the point for decision in paragraph 40.
- 131.** The representative of the Government of Mexico supported the point for decision. Although the DWCP established a niche for various projects and activities that would otherwise be limited to isolated actions, the mixing of existing projects with new projects could complicate the formulation and evaluation of the programme. Moreover, the implementation of the recommendations could have financial implications which the document did not consider. Given the urgency and importance of the recommended actions, the Mexican Government would have preferred that the Office include in its response an estimate of the cost of implementing the recommendations. The speaker supported the point for decision.
- 132.** The representative of the Government of the United States noted that the evaluation had been conducted during a significant shift in the design, planning and delivery of the ILO's programme in the United Republic of Tanzania. It seemed that the ILO had nevertheless made an important contribution, as had been noted by the country's representative. At the



same time, the evaluation showed clearly that there had been major problems, not least of which had been a lack of coherence and of measurable or verifiable indicators, as well as an absence of systematic and consultative monitoring and evaluation practices.

133. A consensus was emerging from the evaluation discussions that follow-up was essential for improving performance and for facilitating the taking of governance decisions. The speaker requested that the Office report back to the Governing Body on the follow-up to the recommendations, and on that understanding she would support the point for decision.
134. The representative of the Director-General (Mr Dan) stressed that the Office had learned a lot during the implementation of the DWCP, and he agreed fully with the Worker Vice-Chairperson that the Office should draw on the lessons learnt from the evaluation and apply them to other countries. He would be bringing the report's findings and recommendations to the attention of all the directors of the Africa region at their meeting in Addis Ababa in January 2011. It would be the first time that an evaluation report had been discussed by all the directors concerned in liaison with the Evaluation Unit.
135. The Regional Office for Africa fully endorsed the recommendations contained in the report and the points raised regarding the role of the Office in helping constituents to identify their decent work priorities, as had been decided by the tripartite constituents at the First African Decent Work Symposium in Ouagadougou in December 2009, which encouraged workers, employers and Governments to interact to ensure Africa's effective recovery in Africa from the global financial and economic crisis. It was at that Symposium that a *Roadmap for the implementation of the Global Jobs Pact in Africa* had been adopted for the 14 DWCPs in the region, as exemplified by the signing of the DWCP for Togo with the Prime Minister and the social partners.
136. The Africa group wished to stress the importance of active tripartite engagement in the design and implementation of DWCPs, which was why the region was making an effort to have them not only validated by the tripartite constituents but also approved by the national Cabinet. That was fundamental to ensure ownership and accountability, but also to mobilize resources at the country level. The DWCPs for Benin, Comoros and Swaziland had been approved by their respective Cabinet of Ministers, and in December 2010 the Regional Director for Africa would sign DWCPs for Burkina Faso, Cape Verde, Mauritius and Namibia with the tripartite constituents concerned. Preparatory work was already under way for the development of the second generation DWCPs for the United Republic of Tanzania, and the country office had started discussions with the tripartite constituents on 18–24 October in order to take into account their concerns and priorities. The consultations were partly in response to the concern presented in paragraph 34 of the evaluation.
137. The representative of the Director-General also assured the Committee that the Africa region would take the necessary steps to ensure better tracking of financial and programme records and monitoring of programme implementation.
138. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings and recommendations, together with the deliberations of the Committee, for continuing support to the United Republic of Tanzania through the ILO's DWCP.***

**(c) *Independent evaluation of the ILO's DWCP for Kyrgyzstan: 2006–09***

- 139.** The Committee had before it a paper summarizing the independent evaluation of the ILO's DWCP for Kyrgyzstan: 2006–09.<sup>7</sup>
- 140.** Mr Julien, speaking on behalf of the Employers' group, noted the absence of an employers' organization in Kyrgyzstan and the fact that nothing had been done to enhance its structure because of the lack of sufficient resources in ACT/EMP. The exact amount of technical cooperation funding was not verifiable. In the past, the Employers' group had questioned the relevance of the "decent work deficit", as there was no model. He recalled that the debate on DWI had led to the non-use of that concept. That was confirmed in the evaluation in paragraphs 24 and 28. The Employers' group felt that the report should have taken into account the effect on the work of the ILO of the political crises of recent years and that the report had missed the opportunity to assess how ILO adapted its operations in a country in crisis.
- 141.** The Employers' group supported the point for decision, as well as the recommendations. That said, and contrary to what was indicated in the overview, a number of recommendations had financial implications, of which the Governing Body should be made aware.
- 142.** Sir Roy, speaking on behalf of the Workers' group, stated that the evaluation provided an excellent opportunity for learning how to improve DWCPs in the region in the future. The programmes' success depended on identifying the needs and commitment of national constituents. Though the commitment was present, limitations on freedom of association and government interference in union matters had hindered implementation. In retrospect, he felt that there should have been more focus on freedom of association.
- 143.** The report rightly drew attention to the few measurable indicators (paragraph 28), but the design of the DWCP predated ILO guidance on results-based management. With regard to the resource gaps identified in the paper, two dimensions should be considered: the relevance of available funds to the needs identified, and the actual availability of the funds. Despite 16 projects in the country, it was not clear whether or not they directly supported DWCP priorities, while a third of the priority areas identified had had no funding until the final months. The report also pointed to the lack of systematic programming with multiple sources of funds, which contributed to fragmentation.
- 144.** Noting the different views of the evaluation team and the DWT in Moscow regarding the role of the national coordinator, the speaker stated that, while it was for the latter to facilitate the DWCP, its supervision and the building of synergies across technical cooperation was ultimately the responsibility of the Moscow team.
- 145.** Finally, given that Kyrgyzstan was a UN pilot country and the beneficiary of a great deal of UN assistance, there was reason to question the country's absorption capacity, which he considered quite stretched. The situation should be examined and the lessons learnt applied in other countries.
- 146.** The representative of the Government of Kyrgyzstan described the many economic and social challenges facing Kyrgyzstan and observed that the decision of some of its neighbours to close their borders had exacerbated unemployment and inflation. The labour

<sup>7</sup> GB.309/PFA/5/3.

market in Kyrgyzstan comprised a large informal employment sector that relied on services and agriculture.

147. Turning to more encouraging events such as the first meeting of the newly elected Parliament the day before, he stressed that decent work and improving the quality of employment were high on the new Government's agenda. He praised the ILO on its work in Kyrgyzstan through its country programme, which had been of strategic importance. Some 40 per cent of the country's young people were unemployed, and the ILO's projects had helped build their skills and make them more marketable. Improvements in occupational safety and health and decent work had helped to strengthen the social sector. The speaker concluded by confirming his country's commitment to the principles and goals of the United Nations and to a close association with the ILO.
148. The representative of the Government of Canada noted the evaluation's finding that few of the DWCP indicators were SMART and that no monitoring or evaluation plan had been prepared, which had hindered the work of the evaluators. In addition, the exact amount of technical assistance funding could not be established. She requested that the Office report to the Governing Body on progress in implementing the recommendations.
149. The representative of the Government of Mexico emphasized the importance of strategic harmonization of national and international development efforts.
150. The representative of the Director-General (Ms Hoffman) stated in response to a point raised by the Employer Vice-Chairperson that UNDAF programming was beginning to focus on production, export diversification, and enterprise development, which would provide a means for strengthening employers' organizations. Regarding the impact of the crisis on the DWCP, she drew attention to the results achieved in national policies as reported by the evaluators. There had been strong progress in occupational safety and health and in the development of social dialogue in agriculture and the textile industries and there had been some success in eliminating child labour and addressing gender issues.
151. She acknowledged that indicators or targets were absent from the report, in part because of weak technical support from ILO headquarters. The importance of a results-based framework was now well recognized and the second generation DWCPs in the region would take this into account. She also recognized the fragmentation of resources but noted that financial reconciliation would not be easy for the amounts of funding going to each country under subregional projects.
152. She considered that the role of the National Coordinator should be that of assisting and coordinating with the DWT in Moscow, liaising with technical cooperation staff and offering support to the UN Resident Coordinator in developing the UNDAF. The speaker agreed to Canada's request for a progress report.
153. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the above findings, recommendations and lessons learned, together with the deliberations of the Committee, for continuing support to Kyrgyzstan through the ILO's DWCP.***

**(d) *Independent evaluation of the ILO's strategy to extend the coverage of social security***

- 154.** The Committee had before it a paper summarizing the independent evaluation of the ILO's strategy to extend the coverage of social security.<sup>8</sup>
- 155.** Mr Julien, speaking on behalf of the Employers' group, stated that the evaluation was useful and welcomed the work of the evaluators, finding the paper more interesting than the one discussed in March. He looked forward to the recurrent discussion at the Conference in June, which would be the best way to involve the social partners in the debate. Referring to recommendation 6 and paragraph 17, he asked the ILO to involve the Employers' group more actively in the field of social security, indicating that as a key point for discussion in June, and asked the Office to prepare for it. He referred to the discussion in the ESP Committee at the current session.
- 156.** The Employers' group supported the other recommendations. Mr Julien stated that the Employers' group fully agreed with paragraph 7, which encouraged a more pragmatic approach, and thanked the Office for taking their position into account. Regarding recommendation 2, he requested further cooperation and collaboration between the ILO and other international organizations, and a clear definition of the roles to be taken by the social partners. Although recommendation 5 would be discussed in June, he expressed the group's concerns and underscored the importance of the issue. He welcomed the conclusion of the evaluation report, and requested that the 2012–13 budget should reflect the financial implications of the recommendations with respect to efficiency.
- 157.** The Employers' group supported the point for decision in paragraph 20 and asked the Office to retain the main point for discussion next June.
- 158.** Sir Roy, speaking on behalf of the Workers' group, welcomed the constructive nature of the evaluation report, highlighting the lessons learned. He appreciated the ILO's clear and consistent message for extending social security through a vertical and horizontal approach based on the concept of a social protection floor. He also believed that the Office had achieved a good balance between the two without pursuing a one-size-fits-all approach. He found it unsatisfactory that less than 50 per cent of the country programmes made the extension of social security a priority, especially in view of the goal of achieving universal coverage and the central importance of social protection. In that regard, he noted the need for a reallocation of resources and redefinition of priorities at country level. He also drew attention to the unusually high number of country programmes shown in figure 2, which exceeded the ILO's overall membership.
- 159.** He supported the recommendations and called on the Office to implement them. Emphasizing the importance of recommendation 3, he confirmed the Workers' group support for the two-pronged vertical/horizontal approach, but stressed that achieving a basic survival minimum was insufficient, as social security was an important mechanism for social inclusion and for lifting workers and their families out of poverty. Referring to the recent meeting of the African States in Cameroon, he highlighted the importance of the strong support expressed for establishing a starting point for developing social security extension strategies on the basis of the Social Security (Minimum Standards) Convention, 1952 (No. 102). The Workers' group strongly deplored the dismantling of social security systems that was taking place in a number of countries, either through steps to privatize the system, cut national social security budgets or curtail coverage.

<sup>8</sup> GB.309/PFA/5/4.

160. Regarding recommendation 4, he thought that the suggested next steps lacked innovation. He welcomed the ideas regarding the follow-up but called on the Office to build stronger networks with organizations at country level, such as workers' organizations, which were already campaigning for the extension of social security coverage. The ILO should provide advisory services in order to raise the ILO's visibility with regard to social security policies. The Workers' group also believed that the ILO should convey to the constituents the message that any improvements of the social security system benefited not only the workers but also the employers and the governments.
161. Finally, Sir Roy drew attention to the critical role of social dialogue in the management of social security schemes. He requested that the ILO invest more in strengthening the capacity of workers' organizations, noting that the greatest social security programmes had been developed in countries with strong social movements and strong workers' organizations. He called on the Office to invest more time and resources in strengthening the capacity of workers' organizations in the area of social security.
162. The Workers' group supported the point for decision in paragraph 20.
163. The representative of South Africa, speaking on behalf of the Africa group, emphasized that the findings and conclusions were crucial to them, in terms of making progress on extending social security. The Africa group welcomed the support that the ILO Regional Office had provided to the Second African Decent Work Symposium on Building a Social Protection Floor with the Global Jobs Pact. The group welcomed the call for ILO responses to country-level needs with tools and evidence-based policy formulas, which should align well with the knowledge-based approach being proposed for the next biennium. The speaker closed by re-emphasizing the importance of coherence with regard to approaches, tripartite discussion and the constituents' active engagement in extending social security coverage.
164. The representative of the Director-General (Mr Diop) emphasized that the conclusions in the evaluation were positive, constructive and objective, and confirmed that the Office would take action on all the recommendations and the concerns expressed. He drew attention to the Office's plans for a follow-up and indicated his intention to strengthen the activities within existing budgetary limits. The evaluation would contribute to the recurrent discussion on social security at the Conference in June 2011.
165. *The Committee recommends to the Governing Body that it request the Director-General to take into account the above findings and recommendations, together with the deliberations of the Committee, to reinforce integrated approaches to extend social security.*

**(e) Independent external evaluation of the ILO's evaluation function**

166. The Committee had before it a paper summarizing the independent evaluation of the ILO's evaluation function.<sup>9</sup>
167. Mr Julien, speaking on behalf of the Employers' group, thanked the Associates for International Management Services (AIMS) team for a remarkable job in preparing its report which was summarized in the document under consideration and urged all members to read the full report. The Employers' group requested more detailed information from the

<sup>9</sup> GB.309/PFA/5/5.

Office on the Evaluation Advisory Committee (EAC), its role and scope of operation and the involvement of the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV). Since the IEE recommended a more prominent role for the EAC, the Employers wished to obtain answers to several questions before commenting on the recommendation.

- 168.** The Employers' group supported most of the recommendations, but had concerns regarding two of them. In relation to the second recommendation, the group found both the recommendation and the Office's response to be incomplete. It was important to identify strategic evaluation topics, but that step needed to be taken after comprehensive consultations with the constituents.
- 169.** Regarding recommendation 3, he stressed that the ILO should follow United Nations rules and regulations. The question of independence was at the heart of the discussion of the 2005 Evaluation Strategy, which stated that reports should be submitted directly to the Director-General. The document also indicated that the ILO must ensure that evaluation was independent from other functions with respect to policies, programmes and projects.
- 170.** The Employers' group felt that the question of independence should be considered together with the choice of evaluations and the role of the Governing Body in the assessment of evaluation reports. That issue was also important in the context of the reform of the Governing Body. The Employers felt that the Programme, Financial and Administrative Committee (PFAC) should reflect on the issue as a whole, something that could be done by a tripartite working group composed of representatives of groups and regional coordinators to make recommendations to the PFAC on the audit and evaluation function, as well as the function of the Treasurer.
- 171.** On the question of the appointment of the head of the ILO Evaluation Unit (EVAL), the Employers' group felt that it was linked to the question of independence. The speaker noted that the EVAL report stated: "over the longer term and for the next Director, independence can be improved if the selection process is more consistent with the practice increasingly adopted by other organizations of the United Nations system". Such efforts would involve a competitive call for applications which would be reviewed by an independent panel that would recommend a candidate to the Director-General and then the Governing Body would approve the selection.
- 172.** Mr Julien pointed out that EVAL resources were distorted because of the funding for the International Programme on the Elimination of Child Labour (IPEC) and stated that the question of additional resources would depend on a zero budget and EVAL's role and budget would depend on financial issues and constraints. He found the other recommendations entirely satisfactory.
- 173.** Sir Roy, speaking on behalf of the Workers' group, emphasized the IEE conclusion that the ILO constituents' participation in the evaluation process had not always been satisfactory. The group insisted on the need to overcome the major shortcomings reported in the IEE. That should be done by providing adequate training at all levels, including workers' organizations. The potential of the ILO's International Training Centre in Turin should be fully harnessed to achieve that aim.
- 174.** The Workers' group stated that a multi-year evaluation planning cycle should form part of the paper outlining a new evaluation strategy to be submitted to the Governing Body in March 2011. That process should allow for more comprehensive consultation within the Office, including with ACTRAV and ACT/EMP. The group suggested that a revised paper should be submitted to the Governing Body in March 2011, which reflected the results of the consultation process. In that regard, the Workers' group stated that their comments

should be discussed in greater depth, which would require more time than was available during that session.

- 175.** The Workers' group cautioned against rushed decisions, and stated that they wished to have ample and adequate time to ensure that the interests of all the constituents were taken into account in the process, including those of the Staff Union and the bipartite partners within the Office (ACTRAV and ACT/EMP).
- 176.** The representative of the Government of Australia, speaking on behalf of the IMEC group, indicated the group's appreciation of the manner in which different constituents had been consulted by the AIMS team and felt that all stakeholders had been able to give clear and constructive input to the evaluation process. He highlighted the positive findings of the IEE, such as the harmonization of practices, improved quality control and an increased number of evaluation staff, the decentralization of evaluations and the central collection of evaluations by the i-Track system. He noted that the IEE had found ILO evaluations to be generally of a high quality.
- 177.** The IMEC representative expressed the concern that evaluations were not being used as they should. Of particular concern to the group was the finding that evaluations did not play a significant role in shaping policies and strategies. He strongly supported the recommendation that evaluations presented to the Governing Body should focus on high-level strategic and policy evaluation as part of the policy-making process and the implementation of results-based management, and called on the Office to make that central to the upcoming evaluation strategy.
- 178.** The speaker attached particular importance to the recommendation for the routine use of independent, ex-post impact assessments, with pilots conducted in priority areas during the 2010–15 period as a means of assessing the real impact of the ILO's work. He stated that the improved information management and dissemination systems called for in recommendation 9 should include efforts to make evaluation results public.
- 179.** The IMEC representative highlighted the importance of an independent evaluation unit reporting directly to the Director-General of the ILO, and by that means to the Governing Body, with sufficient resources to perform its task and with a director appointed in line with best practice in the UN system. The fact that the IEE stated that independence had not been compromised so far did not remove the need for that kind of reorganization of the evaluation function, in order to ensure its independence.
- 180.** The speaker asked the Office to implement all ten recommendations made by the AIMS team. It was understood that such actions could have an impact on the programme and budget, as well as the Staff Regulations, and the speaker requested that the Office provide the Governing Body with detailed information on the financial implications of implementing the recommendations in March.
- 181.** The IMEC representative felt that evaluations were indispensable in order for the Governing Body to perform its governance tasks adequately. Evaluation was vital for organizational learning and should have been given a central place in the preview of the Programme and Budget proposals for 2012–13. He proposed to amend the point for decision in paragraph 30 to read:

The Committee may wish to recommend to the Governing Body that it request the Director-General to:

- (i) implement the abovementioned ten recommendations for the continued strengthening of the ILO's evaluation function;

- (ii) incorporate the necessary resources in the Programme and Budget proposals for 2012–13 for discussion during the 310th Session of the Governing Body;
- (iii) arrange for any necessary changes to the Staff Regulations required to ensure the independence of the evaluation function to be submitted to the Governing Body for adoption;
- (iv) report back to the 312th Session of the Governing Body on the implementation status of these recommendations.

**182.** The representative of the Government of Sweden, speaking on behalf of the Governments of Belgium, Denmark, Netherlands, Norway, Sweden and United Kingdom, requested adequate evaluation information that would enable them to be accountable to their taxpayers. There was a need for results-based management, accompanied by independent evaluations, which was required in order to ensure the continued provision of unearmarked funds to the ILO.

**183.** The representative of the Government of Australia, speaking on behalf of ASPAG, appreciated the comprehensive and constructive nature of the ten recommendations in the evaluation report. However, recommendation 3 was not fully supported by the Office and that reporting to the Director-General would be important in order to ensure independence. He suggested a change in the internal structure to permit such a reporting relationship.

**184.** The representative of the Government of China suggested that evaluation practice needed to better incorporate the principles of results-based management.

**185.** The representative of the Director-General (Ms Logan) noted that, under the current reporting structure, EVAL had worked closely with the Bureau of Programming and Management (PROGRAM) and the Partnerships and Development Cooperation Department (PARDEV) in reporting to the Director-General, and there had been strong synergy in that collaboration. She assured the Committee that the financial implications of the recommendations would be presented in the March 2011 report, as requested. She also stated that all evaluation reports and summaries were available on the EVAL dashboard as well as its public site.

**186.** The representatives of the Workers' and Employers' groups indicated their reservations concerning the changes proposed by the IMEC group to the point for decision.

**187.** The Committee deferred its decision on paragraph 30 to March 2011.

## **Report of the Building Subcommittee**

(Sixth item on the agenda)

**188.** The Committee had before it a paper <sup>10</sup> containing the report of the Building Subcommittee.

**189.** The representative of the Government of Brazil, Mr Paixão Pardo, speaking as Chairperson of the Building Subcommittee, stated that the document was self-explanatory.

**190.** Mr Ahmed (Worker member and Vice-Chairperson of the Building Subcommittee) welcomed the urgent repairs carried out by the Office. He hoped that the first phase of the renovation project could be carried out as planned and encouraged the Governments to support it. He also called on the Office to pursue the negotiations with the Swiss

<sup>10</sup> GB.309/PFA/6.



authorities. It was important to ensure that the contractors who would undertake the renovation respected fundamental principles and rights at work and health and safety standards, especially in relation to asbestos. The Office should keep the members of the Building Subcommittee informed of progress between sessions of the Governing Body. His group supported the point for decision.

- 191.** Mr Julien, speaking on behalf of the Employers' group, indicated that the Office was now on the right track and supported the point for decision.
- 192.** The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, thanked the Office for the comprehensive plan for the renovation of the headquarters building and supported its immediate commencement. It was understood that completion of the plan was subject to additional funding becoming available through rental income and the sale of land. Use of the Working Capital Fund or a loan should be a last resort only. The Governing Body would, in any case, need to approve the second phase of the plan.
- 193.** The IMEC group welcomed the clarification in the point for decision that the release of one half of the 2008–09 net premium was subject to endorsement by the Governing Body of a long-term strategy for the financing of future maintenance and renovation of ILO buildings. In view of the fact that many countries were facing pressure to reduce national budgets, the IMEC group was opposed to a one-off increase in the regular budget or a new baseline and considered that, in order to provide a secure provision to the Building and Accommodation Fund (BAF), resources should be transferred from other regular budget programmes, in addition to rental income and interest earned. Automatic transfers of eventual net premiums and income or budget surpluses should not be part of the long-term strategy.
- 194.** The representative of the Government of France supported the comprehensive plan, which provided an excellent basis for the renovation project. Endorsing the IMEC group's statement, he noted that the first phase of the project could now start thanks to the generosity of the major contributors in the form of transfers of net premiums and budget surpluses to the BAF. He emphasized that those transfers could not be considered precedents. He looked forward to discussing the long-term strategy for the financing of future maintenance and renovation of ILO buildings in March 2011. Considering the cost of the project it was important to keep tight control over the timeline and implementation.
- 195.** The representative of the Government of Japan supported the statement made on behalf of the IMEC group. He welcomed the approval of the comprehensive plan by the Building Subcommittee. Regarding the long-term strategy for the financing of future maintenance and renovation of ILO buildings, he supported the statements by the previous two speakers and indicated that it was important to receive the Office proposals well before the discussion in March 2011. He submitted a proposal for an amendment to the report of the Building Subcommittee.
- 196. *The Committee recommends to the Governing Body that it:***
- (a) approve the comprehensive plan for the renovation of the headquarters building as set down in this paper, subject to the financing being available;*
  - (b) authorize the Director-General to commence the first phase of the renovation project immediately at an estimated cost of CHF89.1 million;*
  - (c) authorize the use of the Working Capital Fund and/or a loan should this be necessary to complete the first phase of the renovation project; and*

- (d) *note that the decision to transfer one half of the 2008–09 net premium, amounting to CHF14,869,967, to the Building and Accommodation Fund for the headquarters renovation project is subject to development by the Office, and endorsement by the Governing Body at its March 2011 session, of a long-term strategy for the financing of future maintenance and renovation of ILO buildings.*

197. The Committee adopted the report, as amended.

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

198. The Committee had before it a paper<sup>11</sup> containing the report of the Information and Communications Technology Subcommittee (ICTS).

199. The representative of the Government of Bangladesh, Mr F. Kazi, Chairperson of the Subcommittee, presented the report. The ICTS had reviewed two papers,<sup>12</sup> both of which had been submitted for information.

200. With regard to the information technology (IT) investment study which was undertaken by an independent firm, the Subcommittee had expressed concerns over the key findings of the study, which documented a relatively low IT maturity level in the Office. Those findings included: poor connectivity in the regions, problems associated with decentralized IT expenditure, alignment of staff skills and governance issues. Due to substantial resource implications, the Subcommittee believed that a more detailed analysis of costing of different options was required before any recommendations could be made. He informed the Committee that an informal briefing by the independent firm which had prepared the study had been scheduled to take place the following Tuesday (16 November) in the course of which the study would be presented to the members of the Subcommittee.

201. With regard to the progress report on the implementation of the Integrated Resource Information System (IRIS) in the regions, he welcomed the successful roll-outs of phase 2 to Budapest and phase 1 to Beirut. An independent evaluation of the roll-out of IRIS to the Budapest Office had been completed and some of the preliminary findings had been presented to the Subcommittee. He noted the ongoing challenges due to poor connectivity in the field offices.

202. Mr Julien, speaking on behalf of the Employers' group, stressed that the report presented was critical of the Office's management of information technology, whether in terms of governance, staff skills or equipment. Management did not seem to have taken the problem sufficiently seriously, and the Employers urged the Office to implement the recommendations contained in the study. The IT infrastructure should be improved in order to allow the Office and the regions to carry out their work effectively with the appropriate tools. The speaker remarked that the Subcommittee had not been in a position to adopt a formal stance with regard to the various options put forward, owing to the lack of information. The Employers took note of the report.

<sup>11</sup> GB.309/PFA/7.

<sup>12</sup> GB.309/PFA/ICTS/1, GB.309/PFA/ICTS/2.

203. Mr Nakajima (Worker member and Vice-Chairperson of the Subcommittee) said that his group endorsed the report. Concerning the information technology investment study, based on the informal briefings mentioned by the Chairperson of the Subcommittee, the Workers would provide advice to the Committee in March 2011. He expected that the question of funding would be included in the programme and budget proposals to be presented at the March 2011 session.

204. The Committee adopted the report.

### **Financial questions relating to the International Institute for Labour Studies: Authorization to accept contributions and gifts**

(Eighth item on the agenda)

205. The Committee had before it a paper<sup>13</sup> concerning the International Institute for Labour Studies.

206. Ms Horvatic, speaking on behalf of the Employers' group, took note of the paper.

207. Mr Ahmed, speaking on behalf of the Workers' group, expressed support for the research work of the Institute and stressed that when resource allocations for the Institute were being decided upon, adequate consideration should be given to the importance of the Institute's work.

208. The Committee took note of the paper.

### **International Training Centre of the ILO, Turin**

(Ninth item on the agenda)

209. The Committee had before it two papers<sup>14</sup> on the International Training Centre, Turin.

(a) ***Documents submitted to the 72nd Session of the Board of the Centre (Turin, 4–5 November 2010)***

(b) ***Report of the 72nd Session of the Board of the Centre***

210. Mr Renique, speaking on behalf of the Employers' group, recalled that in November 2009 the Board of the Centre and the Committee had requested the ILO to increase cooperation and integration with the Turin Centre and to take actions to contribute to long-term predictable and adequate funding of the Centre. The Centre was asked to review expenditure and income items and to develop a concrete plan for its sustainable funding and development. He expressed disappointment that the medium-term strategy for 2012–15 presented at the 72nd Session of the Board only touched upon those issues and did not provide an analysis of expenditures and income, proposals for further savings and new sources of income, and operational agreements on cooperation with the ILO. He requested the Committee to take note of and endorse the tripartite closing statement of the

<sup>13</sup> GB.309/PFA/8.

<sup>14</sup> GB.309/PFA/9/1, GB.309/PFA/9/2.

Board meeting asking management for a new medium-term strategy 2012–15 that met the expectations of the Board and that would provide a constructive input to the programme and budget discussion at the next session of the Governing Body. The draft document should be discussed with the Officers of the Board. The ILO should be involved in the drafting of the strategy on cooperation and integration with the ILO.

- 211.** He was concerned about the lack of consultation with the Board regarding the Director-General's decision to recall the Director of the Centre to ILO headquarters, the timing of that measure and the profile of a new Director. He requested that the Board should be consulted with regard to the appointment of the new Director in accordance with the statutes of the Centre. He reiterated that the tripartite closing statement asked that the present Director should be fully involved in the drafting of the new development plan for the Centre.
- 212.** He concluded that a well-functioning and sustainable Centre provided essential support to the ILO in realizing the strategic objectives and capacity building of constituents, as laid down in the 2008 ILO Declaration on Social Justice for a Fair Globalization.
- 213.** Sir Roy, speaking on behalf of the Workers' group, commended the Centre for overcoming the expected budgetary deficit in 2010 through resources made available by the ILO and earmarked resources from donors. He noted that reducing the deficit had come at a price in terms of working conditions and continued precarious positions, and expressed concern about how it had affected the number of Worker participants. There had been an increase in activities that were of less interest to workers and less relevant in terms of capacity building of ILO constituents. He recalled that the main mission of the Turin Centre was to act as the training arm of the ILO, implementing the Decent Work Agenda and primarily responding to the needs of its tripartite constituents.
- 214.** The continued lack of a strategy to ensure the long-term financial sustainability of the Turin Centre remained a concern. So far, no detailed overview had been provided of funding sources, indications of possible levels and sustainability of funding, the predictability of those resources, modalities linked to funding resources, and how such resources would contribute to the core mandate of the Centre aligned with the ILO Decent Work Agenda and outcome-based workplans. Neither had there been a serious presentation of suggestions for the integration of the Centre into the ILO, in particular in the areas of administration, human resources and information technology. Referring to the tripartite closing statement of the 72nd Board meeting, he expected that a medium-term strategy for 2012–15 would be presented to the following session of the Governing Body. He thanked the Director of the Centre for his commitment and achievements and wished him success in his new post.
- 215.** The representative of the Government of Germany, speaking on behalf of the IMEC group, noted that the increased integration of and enhanced cooperation between the Centre and headquarters was encouraging. There was greater alignment of the Centre's activities with the ILO strategic framework. The Centre, however, did not yet fully participate in the outcome-based workplans involving IRIS. The speaker stated that steps still needed to be taken to ensure more predictable and sustainable resources without high transaction costs.
- 216.** The speaker expressed the IMEC group's support for the Centre to continue its approach involving the development of new learning methods in order to attract more constituents. She stressed the importance of systematic risk management. The speaker encouraged the Centre to continue efforts to attract more training institutions and international organizations as partners in work to enhance policy coherence and disseminate the principles of the Decent Work Agenda. She thanked the Director of the Centre for his commitment and dedication and noted that his departure would be a loss for the Centre.

- 217.** The representative of the Government of Italy supported the IMEC group's statement. The speaker reiterated his Government's commitment to the Centre and announced that, despite the financial difficulties facing the Government of Italy in the financial crisis, the country's mandatory contribution to the Centre had recently been confirmed.
- 218.** The speaker noted with satisfaction the Centre's current situation and efforts to achieve better integration of activities which were now bearing fruit. The speaker praised the Centre for its success in obtaining new contributions from other member States.
- 219.** The representative of the Government of France fully supported the statement made by the representative of the Government of Italy. The Centre had a very good reputation worldwide and he commended the present Director for his excellent work. He hoped that in future the Board would be consulted and respected when there were similar staff movements.
- 220.** The representative of the Government of India encouraged collaboration between the Centre and institutions at the regional and national level which could, to some extent, address the emerging budgetary challenges of the Centre. He supported the strategy of cost containment and diversification of funding sources but it should not affect the main activities of the Centre nor its visibility and credibility. Consolidation of the Centre's funding was needed to make resources more predictable. An innovative and efficient allocation of resources could enhance the Centre's cost-effectiveness.
- 221.** He agreed that the Turin Centre should diversify and improve its training further and underlined the need for standard curricula and innovations. Further integration of the Centre with the ILO should be explored while greater emphasis should be given to gender, tripartism and the participation of developing countries in the Centre's activities. He fully supported the Turin School of Development which helped prepare future leaders for global challenges. That model should be replicated at national and regional levels.
- 222.** He emphasized that the long-term objective of the Centre was not just to ensure its own financial sustainability but also to enhance the relevance of its programmes to the Decent Work Agenda and to the broader international development agenda.
- 223.** The representative of the Government of China spoke of the need to strengthen the Centre's interaction with relevant institutions in order better to serve the constituents.
- 224.** Mr Eyraud (Director, International Training Centre of the ILO), stressed that the Centre had been able to achieve the positive result of financial balance thanks to the concerted efforts of many. There had been support from Geneva which had resulted in increased working relationships with ACTRAV, ACT/EMP and other technical departments, as well as the regions, particularly Africa.
- 225.** Additional resources had been provided to the Centre by other countries, including France, Brazil (which had recently signed an agreement with the Director-General of the ILO) and Spain. Portugal had also undertaken to make regular contributions to the Centre's regular budget.
- 226.** He noted that with the commitment and skills of the Centre's staff, in addition to the help and support of the Governing Body, the Centre had been able to provide important political and technical support for the constituents. In conclusion, he said that the Centre was a great tool for the ILO, of which further use should be made.
- 227.** The Committee took note of the two Office papers.

## **Matters relating to the Joint Inspection**

### **Unit (JIU): Reports of the JIU**

(Tenth item on the agenda)

228. The Committee had before it a paper<sup>15</sup> on matters relating to the Joint Inspection Unit (JIU).
229. Mr Julien, speaking on behalf of the Employers' group, indicated that he had no comment to make, as did Sir Roy, speaking on behalf of the Workers' group.
230. The Committee took note of the Office paper.

## **Other financial questions**

(Eleventh item on the agenda)

231. The Committee had before it two papers<sup>16</sup> on other financial questions.

### **(a) Replacement of elevators**

232. The Committee had before it a paper<sup>17</sup> concerning the replacement of the 16 main elevators in the ILO headquarters building.
233. Sir Roy, speaking on behalf of the Workers' group, supported the point for decision.
234. Mr Julien, speaking on behalf of the Employers' group, stated that he supported the point for decision.
235. *The Committee recommends to the Governing Body that it agree that the cost of replacing the 16 main elevators in the headquarters building, estimated at CHF4.3 million, be charged to the Building and Accommodation Fund.*

### **(b) Financial arrangements relating to appointments to be made with respect to the Seafarers' Identity Documents Convention (Revised), 2003 (No. 185)**

236. Mr Julien, speaking on behalf of the Employers' group, said that he would support the point for decision provided that an agreement was reached in that regard in the Governing Body.
237. Sir Roy, speaking on behalf of the Workers' group, supported the point for decision.
238. *The Committee recommends to the Governing Body that, should it decide to make appointments to the Review Group and Special Review Board for Convention No. 185:*

<sup>15</sup> GB.309/PFA/10.

<sup>16</sup> GB.309/PFA/11/1, GB.309/PFA/11/2.

<sup>17</sup> GB.309/PFA/11/1.

- (a) *an honorarium at the rate of US\$310 per day be paid to each member of the Review Group and Special Review Board;*
- (b) *the total cost in 2010–11, estimated at US\$52,000, be financed in the first instance from savings in Part I of the budget or, failing that, through Part II, on the understanding that, should this subsequently prove impossible, the Director-General would propose alternative methods of financing at a later stage in the biennium.*

## Personnel questions

### Statement by the Staff Union representative

(Twelfth item on the agenda)

- 239.** The statement by the Staff Union representative is reproduced in Appendix II to the present report.
- 240.** Further to the intervention of the spokesperson of the Workers' group at the opening of the Committee's meeting, the Chairperson invited the Director of the Human Resources Development Department (HRD) to address the concerns raised.
- 241.** The Director of HRD conveyed to the Committee the Office's regret for the inconvenience caused to its members by the previous day's action. It was a matter of regret – and indeed serious concern – that the internal mechanisms and procedures in place to manage staff management relations had failed in certain areas. She wished to take the opportunity to update the Committee on what had been happening and to try to respond to the concerns, particularly those raised by the spokesperson of the Workers' group. She reiterated the administration's commitment to good-faith dialogue, and assured the Committee that serious efforts had been made, and would continue to be made, to resolve differences. However, she stressed that there were fundamental differences between the positions of the Staff Union and the administration, which had so far not proved amenable to resolution through the normal channels of dialogue. The administration found itself with the dual responsibility of, on the one hand, implementing effectively the Human Resources Strategy (HR Strategy), which had been adopted by the Governing Body in the context of the follow-up to the ILO Declaration on Social Justice for a Fair Globalization while, on the other hand, operating through the established processes of dialogue with the Staff Union and, in particular, with a ten-year old collective agreement. Despite the efforts deployed on both sides, it had not so far been possible to meet or to reconcile those responsibilities.
- 242.** The Director of HRD indicated that this was an explanation, not an excuse. And with it went a firm and clear commitment to renew and redouble those efforts. But success also depended on those efforts being matched by our partners in dialogue. The content and objectives of the HR Strategy adopted by the Governing Body required change and improvement if the ILO were to attain the goals of excellence set for it.
- 243.** The Director of HRD explained that one of the goals of the HR Strategy was to closely align staff capabilities with the strategic objectives of the ILO, as specified in the ILO Declaration on Social Justice for a Fair Globalization. In particular, the HR Strategy called for establishing, or modifying, fundamental HR systems which were essential to the delivery of ILO programmes. Strengthening staff talent and leadership was key for the ILO to respond to increasing demands from its constituents. To ensure that staff met the new challenges, the recruitment and selection system had to be strengthened. The Governing

Body had been constantly asking for more efficiency in recruitment timelines, rigour in the procedures to ensure objective standards of competence and adherence to the policies endorsed by it with respect to equality of opportunity, gender balance, diversity and geographical representation. The Recruitment, Assignment and Placement System (RAPS) had improved the timelines of the recruitment process and helped fill positions that had remained vacant for long periods. Since the introduction of RAPS in 2008, the Office had consistently delivered on recruitment within a four-month period. More visibility was given to ILO vacancies in the press and the new process had facilitated staff planning. Progress in terms of gender, regional diversity and mobility were also tangible and closely monitored.

**244.** Since 2008, eight rounds of RAPS had been organized for a total of 211 competitions. The number of applications had totalled more than 25,000; more candidates had applied from non- and under-represented countries and regional diversity had been increased; and gender parity had been almost reached. At the same time, internal talent had been promoted and there had been greater diversification of professional backgrounds. Detailed information in this regard was available and regularly updated on the public website of HRD.

**245.** Concerning the process for the evaluation of candidates, the Director of HRD explained that it was rigorous and included screening, followed by an assessment centre, a technical panel interview and, increasingly, a technical written test. The technical panels were responsible for making the best evidence-based evaluations concerning the appointability of candidates. All appointable candidates were listed in their reports, together with their strengths and weaknesses, ability to fit into the team and learning curves. Assessment centres constituted an essential tool of the evaluation process and were conducted by internal assessors and/or experienced external assessors.

**246.** The Director of HRD then addressed the following questions:

- Had management breached collective agreements? The suggestions of “breaching collective agreements” related to operational adjustments introduced with RAPS in 2008 and were intended to increase cost effectiveness and to raise competitiveness, such as: (i) the use of three external consultants in the assessment centres, whenever the jointly appointed internal assessors were not available; (ii) technical advisory panels that were requested to clearly stress relative strengths and weaknesses of the top two or three appointable candidates; and (iii) a Technical Advisory Committee that was piloted to upgrade the job content of vacancies. There had been other adjustments, but these were considered acceptable as they had been introduced at the request of the Staff Union, such as the waiver of the requirement for internal candidates to undergo assessment centres to move from a grade range to the next.
- Had management stopped social dialogue? The management had never left the negotiating table. In fact, there were many areas where management and the Staff Union continued to work well together; for example, item 14 on the Committee’s agenda, or the joint communication strategies and information sessions organized throughout the month of October on an ICSC cost-of-living survey. Several joint-bodies continued to hold regular and constructive meetings, such as the work–life balance working group, the group for personal promotions, for granting permanent contracts, etc.
- Had management followed the Committee’s request to seek a solution to improve the negotiation climate? After the Governing Body’s request in November 2009, the Office and the Staff Union had attempted to conclude a road map for negotiations with the assistance of an external third party. However, no agreement could be reached on the identification of such a third party. The Director-General had then proposed, in March 2010, a mediation process with the assistance of a member of



senior management agreeable to the Staff Union. As a result of that process, dialogue had been resumed on the issue of recruitment and selection. Five meetings had been held in the course of this summer, until the Staff Union had decided to withdraw again from the negotiations in late October 2010.

247. In conclusion, the Director of HRD expressed the hope and belief that, whatever differences might exist between the parties, there was a common commitment from all to resolve them expeditiously with a view to implementing effectively the HR Strategy needed by the Organization, while respecting fully the principles and values of the ILO and – no less – the authority of this Governing Body Committee.
248. Sir Roy, speaking on behalf of the Workers' group, stated that he did not wish to comment on the details of the statements made by the Staff Union or the Director of HRD. He recalled that the Governing Body had given specific instructions to the ILO management in November 2009, and again in March 2010, to improve its relations with the Staff Union and continue social dialogue. Despite these instructions, management and the Staff Union were in a worse situation than the year before and further away from reaching a mutually satisfactory resolution. Under the circumstances, it should have been obvious to the parties that the assistance of a third party was required. He indicated that such a situation could not be allowed to continue or to escalate. He concluded his remarks by urging the ILO management and the Staff Union to step up their efforts to work together to overcome the obstacles and reach a resolution, and expressed his wish to know what the parties intended to do specifically to resolve the issues before the end of the Governing Body. He called upon the Chairperson, in the absence of the Director-General, to speak to management and report back to the PFAC on what would be done to resolve the situation before the following week.
249. Mr Julien said that there was something noble in Sir Roy Trotman's statement.

### **Report of the International Civil Service Commission** (Thirteenth item on the agenda)

250. Sir Roy, speaking on behalf of the Workers' group, supported the point for decision.
251. Mr Julien, speaking on behalf of the Employers' group, supported the point for decision.
252. *Having considered the Office's document <sup>18</sup> on the 2010 report of the International Civil Service Commission (ICSC), the Committee recommends to the Governing Body that it:*
- (a) *accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:*
    - (i) *an increase of 1.37 per cent in the base/floor salary and consequent increases in separation payments, for staff in the Professional and higher categories;*
    - (ii) *revised levels of children's (US\$2,929), disabled children's (US\$5,858) and secondary dependants' (US\$1,025) allowances, as described in paragraph 5 of the document;*
  - (b) *authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations, to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.*

<sup>18</sup> GB.309/PFA/13.

## **Amendments to the Staff Regulations**

(Fourteenth item on the agenda)

- 253.** The Committee had before it a paper<sup>19</sup> containing the Office's proposals in response to a request for harmonization, made by the United Nations General Assembly to the organizations applying the common system, in respect of the conditions of eligibility of the repatriation grant and the beneficiaries of the grant on death, including a proposed amendment to article 11.15 of the Staff Regulations.
- 254.** Sir Roy, speaking on behalf of the Workers' group, supported the point for decision.
- 255.** Mr Julien, speaking on behalf of the Employers' group, supported the point for decision.
- 256.** The representatives of the Governments of Canada and of the United States attached great importance to the harmonization of conditions of employment across the United Nations common system as a vehicle for accountability and transparency, as well as for the mobility of the United Nations workforce. The proposals contained in the document were inconsistent with the purpose of such harmonization endeavours. Other organizations headquartered in Geneva had been successful in applying harmonized conditions governing the repatriation grant and the grant on death. Accordingly, both representatives urged the Office to find ways to implement the same conditions of employment as those decided for the organizations applying the United Nations common system of salaries, allowances and other conditions of service.
- 257.** *The Committee recommends that the Governing Body approve the amendment to article 11.15 (repatriation grant) of the Staff Regulations contained in paragraph 8 of the document and that it confirm the provision in article 11.14 of the Staff Regulations concerning eligible beneficiaries of the grant on death.*

## **Matters relating to the Administrative Tribunal of the ILO**

(Fifteenth item on the agenda)

- 258.** The Committee had before it a paper<sup>20</sup> with a set of proposals to modify the system of financing the overhead costs of the ILO Administrative Tribunal.
- 259.** As it had been the Employers' group that had called for an overhaul of the system of financing the overhead costs of the Administrative Tribunal, Mr Julien, speaking on behalf of that group, supported the point for decision.
- 260.** Sir Roy, speaking on behalf of the Workers' group, also supported the point for decision.
- 261.** *The Committee recommends 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*

<sup>19</sup> GB.309/PFA/14.

<sup>20</sup> GB.309/PFA/15.

- (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, 15 November 2010

(Signed) E. Julien  
(Reporter)

*Points for decision:* Paragraph 138  
Paragraph 153  
Paragraph 165  
Paragraph 196  
Paragraph 235  
Paragraph 238  
Paragraph 252  
Paragraph 257  
Paragraph 261



## Appendix I

### Address by the Director-General to the Programme, Financial and Administrative Committee

Mr Chairperson, dear friends,

I have asked Patricia O'Donovan to read this statement on my behalf.

As she does so, I will, as you know, be in Seoul, upon the invitation of President Lee Myung-bak to attend the G20 Leaders Summit. I wanted to share with you my thoughts on the preparations of the Programme and Budget, as I have always done in the past with the Programme, Financial and Administrative Committee. Your deliberations provide us with a unique opportunity to engage with you on the good functioning and management of the Office. I look forward to your guidance.

The ILO's presence at the G20 Leaders table, or the systematic support we receive from the UN, is a reflection of our unique tripartite identity. We have policy experience relevant to the crisis based on the knowledge of the real economy by our constituents and the ILO's values captured in our Decent Work Agenda. This is an acknowledgement of the contribution of the ILO, before the crisis and during the crisis through our rapid response capacity as well as now in the fragile recovery we all wish to consolidate.

You have asked the Office, and me personally, to bring the ILO's agenda to the fore of the international debate. We have done so, at the United Nations; with the G20; in partnership with the IMF, the WTO, UNDP and many others. Last September, the United Nations General Assembly, reviewing the challenges ahead to achieve the Millennium Development Goals, has also given a tremendous boost to ILO approaches and policies. All this has been so guided by the Declaration on Social Justice for a Fair Globalization. We will go into details of this process during our discussions in the Governing Body.

This is where we are today.

If there is one lesson that I can draw, it is that we have been able to achieve so much because from the onset since November 2008, we have acted in concert. Pulling together the experience of governments, employers' and workers' organizations in all countries, we have identified the priorities, the needs and the means of action that the Organization should pursue to deliver on your demands.

And this has brought with it more responsibilities. Too many countries – particularly high income countries – still face a period of jobless recovery which is unlikely to be transformed overnight. The imbalances in labour markets that existed before this crisis have not yet been solved. The crisis before the crisis had already shown that the rules of globalization had become unfair, unbalanced and ultimately, unsustainable.

The crisis has vividly recalled to all the importance of sound and balanced policies for productive employment, investment and enterprises development, skills, social protection and not least social dialogue. We have seen this in the initial responses to the crisis. We observe it in the recovery policies.

There is a thirst for achieving a new balance between well functioning markets and social progress; between the financial system and the real economy; between deficit and surplus countries – and so many other imbalances that underlie the global decent work deficit.

Demands on us continue to grow. There is a sense of confidence that our method of dialogue and our tripartite identity bring balance to our policy proposals, which have been backed from the United Nations to the G20, as is the case for the Global Jobs Pact and the Social Protection Floor. This is why it is so important that we sharpen our contributions and with a limited budget, ensure that we can continue to deliver quality products and services to cover – as much as we can – the expanding demand from our constituents and the multilateral system.

The implications for the programme of work of our Organization are straightforward. We must be ready to respond to a growing demand for our services.

You have before you the Preview of the Programme and Budget proposals for 2012–13.

It is short; strategic, with emphasis on change and innovation. I believe the Preview provides a good basis for your discussion and guidance to the Office as to programme priorities and how we should go about servicing the tripartite constituency.

Our substantive priorities are clear. They are the four pillars of the Decent Work Agenda. I have not heard any suggestions, here, or during the informal consultations held in September, that these should be changed. Quite to the contrary, the Declaration on Social Justice for a Fair Globalization compels us to deepen services for constituents. The crisis has also shown that the Decent Work Agenda was a good compass to address the impact of the recession.

You will find that the initial proposals are formulated around the four pillars of Decent Work, and detailed in 19 outcomes specifying as many key results we wish to achieve. The measurement of the outcomes and the strategies for achieving them have been refined and clarified.

The strategies in the Programme and Budget build systematically on the lessons learned from our experience. They provide a clear description of the changes we are introducing as a result of those lessons, with emphasis on improved services and capacity building for constituents including through greater integration with the Turin Centre. Policy coherence and cross-Office collaboration over the 19 outcomes are built into all strategies as essential elements towards increased effectiveness.

A major lesson, borne by our crisis response work, is our need to strengthen our knowledge of specific country contexts and policies. We see broad approval of the generic fundamentals of decent work policies. Now, constituents consistently ask of us where has this or that policy worked well, in which country context, with what types of results. My proposals introduce significant changes to equip the Office to generate and make available country specific knowledge, including statistical data, policy analysis, and institutional context.

This calls for a change in methods of work which is central to the proposals before you. The Preview elaborates on an improved knowledge management system to respond to this need. The system is intended to make a new product available to our constituents: an integrated view of their country consisting of consolidated information in three areas: statistics, laws and standards, and policies and programmes. This information will be helpful for the formulation of effective DWCPs and in defining priorities for delivery of ILO services. Beyond this, it will be valuable to countries as they address issues of decent work, even without ILO assistance. A central database will provide access to relevant information and experiences from other countries, encouraging the spread of good practice and cooperation across countries, including South–South cooperation.

The information will also be a critical input to the Office's own analytical work. It will improve the timeliness and quality of our reports and policy briefs. It will strengthen the ILO's voice and influence in key areas of international decision-making. And it will be a sure foundation for a new unified Office-wide research agenda in focusing on areas of urgent global significance.

The new system will be implemented as a partnership with our constituents and will make full use of national expertise and information. It will be a new product and will require investments in knowledge gathering systems and analysis, built on adequate IT infrastructure and a strong HR and organizational development strategy. Based on these investments, it will become a more efficient way for the Office to provide better services.

For the first time, the Preview provides information on demand for ILO services at country level, by outcome and by region. Following a thorough target setting exercise, the picture that emerges is that present resources (both regular budget and extra-budgetary) will meet just over half of prioritized demand as found in DWCPs. The methodology certainly can be further refined. As a result of questions raised during the usual pre-Governing Body consultations, we have prepared and distributed an explanatory addendum to the Preview, and we will introduce a number of improvements in the Programme and Budget proposals. Already, however, there is a great deal of interest in the new information, and I am convinced that even this first approximation will provide a valuable opportunity for a discussion of the priorities of constituents.

Through this very concrete presentation of existing demands and targets, the intention is to provide constituents with the best possible basis to guide the Office on the allocation of resources. Our Organization is committed to responding properly and effectively to national constituent demands. Equally, it is driven by values and advocacy inherent to its global mission, and conditioned by the availability of external resources for specific work. Your deliberations will, no doubt, reflect all of these considerations.

What are the implications? Based on current staff and budget levels, we will need to manage our multidisciplinary capacity to address priorities in countries. The new field structure will help us here. The new product approach mentioned earlier, based on the Knowledge Strategy you approved a year ago as well, and our renewed emphasis on integrated approaches will ensure that policy and action across the Office is based on a coherent and consistent approach to the implementation of the Decent Work Agenda, adapted to the contexts of each country.

Let me conclude with a few remarks on the overall budget approach underpinning this Preview and other papers before you.

My record over the years is one of a prudent and conservative approach to budgeting. In good times and in bad times we have stuck to preserving the real value of our programmes.

The Office has deliberately avoided excessive reliance on extra-budgetary resources. We are already seeing a quite dramatic fall in future extra-budgetary income. This means that the total ILO budget is falling. We have been hit hard this year from significantly less extra-budgetary commitments.

That has vividly reflected to us the budgetary constraints many countries are confronting. We have to understand and be sensitive to the realities many of your countries are facing. This compels the Office with an even greater responsibility to make the most of taxpayers' money. This requires that we focus our programme on essential priorities and adapt our methods of work to the imperative of increased efficiency and value for money.

As I have said on the occasion of earlier informal exchanges, my objective is to maintain the real value of ILO programmes.

At the same time – as in past budgets – we are consistently pursuing every avenue in identifying possible areas for savings and efficiency gains. I believe we have a solid track record here too. I intend to continue along this path and make specific proposals next March. Areas that could be considered for savings include reduced travel, better use of secretarial support services, and streamlined documentation on fewer but more significant publications. The efficient functioning of your governing organs would also represent a substantial contribution to value for money.

Our regular budget provides the foundation for stability and delivering the core mandate of our Organization. Preserving this foundation is even more important at a time when voluntary contributions are unpredictable and declining.

We have gone quite far in developing a plan for the renovation of the ILO building that does not strain the regular budget. I look forward to a broad consensus of your Committee and of the Governing Body on the way forward proposed. We are committing the Organization for several years into the future. It comes down to a sound management approach. Let us begin the work with the resources we have and finalize as soon as possible negotiations with the Swiss authorities and the search for other types of sources. But let us start.

I also intend to present detailed proposals for the use of the Special Programme Account in March 2011, consistent with the prudent and conservative financial management of the Office. Your guidance on the preliminary priorities I have identified in the paper submitted to you is essential to ensure that we direct those resources to high priority one-time investments to strengthen services to constituents.

Dear friends,

As we engage the debate on our Programme and Budget for 2012–13, we can take pride in the strong position of our Organization, respected outside, at the highest levels of political authority, for the contribution it has and can make; and strong inside for the rock-solid agreement across the three benches on the path we are following.

We cannot ignore the extraordinarily difficult fiscal position of our major contributors. I am confident that, in the best tradition of this house, we can find a satisfactory path, between good value for money through effective management of resources and high quality services to constituents through our programmes.

I thank you for the thoroughness of your engagement; I wish you a fruitful debate and look forward to seeing you next week during our Governing Body deliberations.



## Appendix II

### **Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Committee of the ILO Governing Body (309th Session – November 2010)**

Mr Chairperson, Representative of the Director-General,

Members of the Governing Body,

Dear colleagues here today, and following via Intranet from our duty stations around the world,

Mr Chairperson,

This evening marks the sixth time that I have had the honour of representing the Staff Union Committee before the PFAC. Six times I have come before the Governing Body, and before the Director-General, to represent the staff which I am immensely proud to serve.

Of course, my statements have provided you with the views of the staff on issues on your agenda, but with increasing frequency we have been compelled to denounce the serious degradation of industrial relations in the house.

We have even come to you to speak about violations of the very principles on which our Organization was founded.

What you saw yesterday in front of the Governing Body, and what you cannot see now but what has been manifested by staff union members across the globe beginning yesterday, and continuing for the coming days and weeks, give a clear indication of the views of the staff in light of this situation.

Under these circumstances, it is unnecessary for me to provide you with their views. You have seen them with your own eyes.

However, allow me to clarify why the staff have taken the decision to stand up, stand together and address themselves to you. It is – plain and simple – because this is about governance.

This is not a simple dispute over our recruitment and selection policy, as some may have you think. This is not a case of us simply not reaching agreement over a policy or terms of a collective agreement. It is much more serious than that.

We took our action yesterday, and we continue our actions, because there is a lack of respect for the rule of law in this house.

When one party believes that it can change the terms of a collective agreement, or even worse to overturn decisions of this Governing Body as reflected in our Staff Regulations, or pretend to have your mandate to outsource certain key services, it becomes a question of governance.

When the Union representatives based in the field see their problems – their legitimate concerns – raised again and again, in relation to discriminatory treatment and the real need to undertake a global review of the grading structure in the field, and the Office refuses to take any action to resolve the situation, it becomes a question of governance.

When a growing number of staff are holding precarious contracts, whether on Technical Cooperation or a long series of short-term or external collaborator contracts, and the Office gives every indication of its intent to increase this tendency – through unilateral action – it becomes a question of governance.

When the Office feels justified in violating the principles of freedom of association through monitoring and censoring the Union’s communications, and through interfering in its ability to hire its own staff, it becomes a question of governance.

And as you have seen, the staff will respond.

When management says that it continues to engage the Union in good faith, while violating the Staff Regulations and the agreements themselves, it takes the process of bargaining down the road to confrontation and provocation. It must be noted that these violations were going on even while the parties were involved in mediation.

As I have mentioned in the past, this is not just the Staff Union raising alarm bells in relation to these unilateral acts. Many independent and objective bodies have raised serious concerns about the unilateral actions by the Office, in modifying or not applying the rules in relation to recruitment and selection, the use of short-term contracts, and so-called “technical cooperation” contracts.

The Office’s response has not been to apply the rules, or to renegotiate the rules in good faith.

They believe they have a mandate from you to deliver results, no matter the consequences. And because of this mandate they have steamrolled ahead with further unilateral changes, ignoring the clear and unambiguous warning signs staring them in the face.

In no system of democratic good governance can one party modify the rules of the game. The Union knows of no mandate which you, the Governing Body have given the Office to ignore, re-interpret or suspend the Staff Regulations – your decisions.

And now the staff has clearly demonstrated how it feels about the Office’s perceived “mandate”.

We understand that in a genuine good faith negotiation, both parties accept that where there is disagreement, neither can get everything it wants. But good faith means that both parties have a true willingness to seek a settlement. Good faith precludes that the employer can impose a settlement that had not been the fruit of negotiation. Both parties need to stay at the table, and to include an arbitrator if needed. And good faith cannot be ensured unless both parties stick to the agreement until that agreement is renegotiated.

Good faith does not exist. And in these conditions, the Union has had no choice but to take stronger, global action. We have had no choice but to turn towards our membership to help us. And we are proud – I am proud – of their response.

Even now, with the Union having shared with the Director-General the decisions of the Annual General Meeting calling for a global action, as well as a Resolution adopted unanimously by our field-based representatives at the recent Global Meeting deploring the lack of respect they faced in interactions with the Administration during the meeting and the demonstrated lack of willingness to find solutions for, or even give credibility to, the issues they raised, there has been complete radio silence from management.

In fact, numerous letters have been sent to the Director-General over the past year, all remain without response. The last communication we received from the Office of the Director-General came from Ms Ducci more than a year ago. We had written to seek a meeting to discuss the censorship of our communications. The response indicated that the Director-General was too busy to receive the Union, but would do so as soon as possible. More than a year later this meeting has not taken place.

Indeed, since the mobilization taken yesterday, there has been complete radio silence from management.

In this situation, where the rule of law does not exist, where good faith dialogue does not exist, where violations of the rules create serious financial liabilities for the Office, where violations of the fundamental principles on which the ILO was founded create serious liabilities for the credibility of the Organization, this becomes a question of governance.

And this is why we are addressing ourselves to you, the shareholders of this enterprise, the stakeholders of this democratic, tripartite organization, to help us to find a solution, and to help restore accountability in the ILO.

This is not the first time that the Union has taken action in the ILO's history. The ILO staff have gone on strike over the years. But it needs to be clear that these actions we are contemplating now have always had as a goal to call on management to come back to the negotiating table, but to come back to the table in good faith, where the rules are respected, where changes to those rules are negotiated, and where disagreements are solved through mutual respect and goodwill.

Thank you.