



## Governing Body

312th Session, Geneva, November 2011

GB.312/PFA/2

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

### SECOND ITEM ON THE AGENDA

## Use of the Special Programme Account

### Overview

#### Summary

Proposals to the Governing Body to finance high-priority work with the balance of US\$4.2 million under the Special Programme Account resulting from the income surplus for the financial period ended 31 December 2009 in follow-up to decisions taken by the Governing Body in March 2011.

#### Policy implications

To strengthen Office capacity to deliver services to constituents in the following areas: social protection, labour administration and labour inspection, domestic workers, skills for employment, employment and infrastructure investment, productivity, wages and collective bargaining, and decent work for youth.

#### Legal implications

None.

#### Financial implications

Resources from the Special Programme Account require Governing Body approval for high-priority activities of limited duration not otherwise provided for under the regular budget of the Organization.

#### Decision required

Paragraph 32.

#### Follow-up action required

Implementation of the proposals by the Office by the end of 2013.

#### Author unit

Bureau of Programming and Management (PROGRAM).

#### References to other Governing Body documents and ILO instruments

GB.312/POL/2, GB.310/PFA/3, GB.310/PV.

ILO Financial Regulations.



## Introduction

1. In March 2011, at its 310th Session, the Governing Body decided on proposals to use US\$14.4 million of the resources available in the Special Programme Account resulting from an income surplus of US\$18,570,117 for the financial period ended 31 December 2009.<sup>1</sup> A balance of US\$4.2 million was set aside for future decisions of the Governing Body.<sup>2</sup>
2. Use of resources transferred to the Special Programme Account are subject to the prior authorization of the Governing Body, and are to be used to finance high-priority activities of limited duration that were not otherwise provided for under the budget adopted by the Conference and that do not create any expectation of additional funding.<sup>3</sup>
3. The ensuing proposals have been drawn up in the light of the views expressed by the Programme, Financial and Administrative Committee in March 2011, decisions taken by the International Labour Conference in June 2011, and by the 12th African Regional Meeting in October 2011, as well as in response to urgent requests for technical support. In addition, they are aimed at satisfying the recent urgent demands placed by the G20 on the ILO, and at ensuring the timely delivery of the expected results.

### Summary table of proposed expenditure

Proposals for financing from the Special Programme Account	US\$
(a) Follow-up to 2011 Conference resolutions on social protection; labour administration and labour inspection; and domestic workers	1 800 000
(b) Response to requests for technical support on Skills for Employment Knowledge Sharing Platform; employment and infrastructure investment; and productivity growth, wages and collective bargaining	1 600 000
(c) Decent work for youth	800 000
<b>Total</b>	<b>4 200 000</b>

4. Proposals (a) and (b) are planned so as to be completed by end 2013. The proposals complement and do not overlap with actions planned in the Programme and Budget for 2012–13.

### Follow up to the Conference resolution concerning the recurrent discussion on social protection (social security) (US\$650,000)

5. The resolution adopted at the 100th Session of the International Labour Conference (2011) calls on the ILO to "... assist member States ... to support the design and implementation of national two-dimensional strategies to extend social security coverage, including

<sup>1</sup> GB.310/PFA/3.

<sup>2</sup> GB.310/PV, para. 131.

<sup>3</sup> ILO Financial Regulations, article 11(9).

national Social Protection Floors, in the wider context of comprehensive national social and economic policy frameworks”.<sup>4</sup>

6. The resolution further calls on the ILO to “... strengthen the ILO’s leading role in promoting the Social Protection Floor at both the international and national level with the participation of constituents and in partnership with other international organizations”.<sup>5</sup>
7. The G20 Ministers of Labour and Employment, in their conclusions of September 2011, “... recommend that all international and regional organisations concerned strengthen their international policy coherence and coordination on social protection floors and mobilize their know-how and resources to support national actions in a coordinated fashion”.<sup>6</sup>
8. In the UN system, in collaboration with WHO, the ILO coordinates the United Nations System Chief Executives Board for Coordination (CEB) Initiative on the Social Protection Floor comprising a coalition of international organizations, national donor agencies and international non-governmental organizations in support of the social protection floor approach.
9. This proposal will enable the ILO to quickstart its support to inter-agency coordination and policy coherence at global and regional levels, and to concerted action in at least five countries wanting to establish social protection floors. Evidence from these experiences will contribute to demonstrate the feasibility and effectiveness of diverse models of national social protection floors. This proposal complements component V of the action plan contained in GB.312/POL/2.

### **Follow-up to the Conference resolution concerning labour administration and labour inspection (US\$550,000)**

10. The Conference discussion highlighted the paucity of national and international data on labour administration and labour inspection, also hampered by a large disparity of concepts, definitions and indicators. It underscored the crucial importance of better data, including comparative data across countries, in the pursuit of labour administration and labour inspection policy objectives.
11. Paragraph 22(6) of the conclusions calls on the Office to: “Design a methodology for the collection and analysis of basic national statistical data, including gender-disaggregated data, to allow for international comparisons and benchmarking on inspection services and activities, available to ILO constituents”.
12. It is proposed to develop a methodology, based on an analysis of best practices, for the collection of basic statistical data on key aspects of labour inspection services and activities. The Labour Administration and Inspection Programme will work together with the Department of Statistics, and with national statistical offices and labour administration and labour inspection experts, to develop a proposal including a first collection and

<sup>4</sup> Conclusions concerning the recurrent discussion on social protection (social security), International Labour Conference, 100th Session, Geneva, 2011, para. 35(a).

<sup>5</sup> *ibid.*, para. 35(e).

<sup>6</sup> G20 Labour and Employment Ministers’ Conclusions, Paris, 26–27 September 2011, para. (16). Available at: [http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/multilateral-system/g20/WCMS\\_164260/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/multilateral-system/g20/WCMS_164260/lang--en/index.htm).

analysis of available data, a testing of the proposed indicators and wide consultation with national experts, including experts of employers' and workers' organizations.

### **Follow-up to the Conference resolution concerning efforts to make decent work a reality for domestic workers worldwide (US\$600,000)**

13. Two areas of action proposed in the resolution are critical for effective national action in support of the Domestic Workers Convention, 2011 (No. 189), namely: (i) the sharing of knowledge, information and good practices on domestic work among the tripartite partners; and (ii) the promotion of capacity building of social partners.
14. Members of the Committee on Domestic Workers and constituents from several countries have underscored the importance of reliable, broad-based information on domestic work and on approaches to regulation, and of cross-fertilization of knowledge and experience among countries.
15. To gain momentum on this unprecedented area of work for the ILO, and demonstrate the feasibility of action related to Convention No. 189 in diverse contexts, this proposal will promote national capacity building of tripartite partners through six regional policy knowledge-sharing forums and compile a package of information, analytical and how-to tools for the design and application of national measures promoting decent work for domestic workers. The knowledge-sharing forums will bring together selected countries that have implemented legal and policy measures that extend labour and social protection to domestic workers and countries that have committed to adopt measures on decent work for domestic workers. The package of tools will be developed from the knowledge generated through these forums and other studies, and will focus on five key themes: remuneration including minimum wage-setting, working time, social protection, occupational safety and health, and enforcement and labour inspection.

### **Skills for Employment Knowledge Sharing Platform (US\$600,000)**

16. In the conclusions concerning the recurrent discussion on employment adopted by the International Labour Conference at its 99th Session in 2010, the Office was asked to consider establishing and maintaining a global “knowledge bank” on education, skills and lifelong learning, as a means of “expanding its leadership role in skills development, building on the G20 training strategy prepared by the ILO, by documenting what works under what circumstances and with what resources, and by improving dissemination of this information ...”.<sup>7</sup>
17. At the Seoul Summit, G20 Leaders adopted a Multi-Year Action Plan on Development (November 2010). The pillar on Human Resources Development of the Action Plan called on the World Bank, the ILO, the Organisation for Economic Co-operation and Development (OECD) and the UN Educational, Scientific and Cultural Organization (UNESCO) to form a “unified and coordinated team” to support low-income developing countries to enhance skills for employment strategies. The road map to implement this mandate included establishing a global public-private knowledge sharing platform and network to promote skills development.

<sup>7</sup> Conclusions concerning the recurrent discussion on employment, International Labour Conference, 99th Session, Geneva, 2010, para. 33(i).

18. The proposed Skills for Employment Knowledge Sharing Platform would provide an online resource for policy-makers, private-sector businesses, worker representatives, vocational educational and training institutions, representatives of civil society, academic institutions and multilateral and bilateral agencies. The platform would connect international institutions, national training educational and vocational centres, training institutions, social partners and the private sector and promote exchange of knowledge, strategies and training materials.
19. This proposal will boost the work of the ILO, including the skills development network of its Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR), as well as similar networks in other regions, in cooperation with relevant partner organizations and institutions, to develop the contents of the knowledge platform, prepare the supportive web designs, and build a network of users around a global platform.

### **Employment and infrastructure investment: An assessment methodology (US\$550,000)**

20. The 12th African Regional Meeting (October 2011) recalled the importance of infrastructure investment for developing regions. The Istanbul Programme of Action of the LDC IV Conference (May 2011), the G20 Seoul Development Consensus for Shared Growth, the High-level Panel on Infrastructure Investment launched by the G20 Presidency of France, as well as regional development banks and NEPAD, have all highlighted the need to step up investment in infrastructure in developing regions.
21. A ministerial round table during the 14th Regional Seminar for Labour-based Practitioners (Accra, Ghana, 5–7 September 2011) called on the ILO to: “... continue its engagement with other international development partners ... for increased knowledge and coherence on the role of employment-intensive investments in infrastructure and other sectors, and to strengthen its provision of technical advisory support on best practices, capacity building, and knowledge sharing with an emphasis on advocacy and employment impact assessment”.<sup>8</sup>
22. Infrastructure investment generates jobs. Yet the real and potential employment-generation capacity of such investments is subject to a wide array of estimates which vary by country, type of infrastructure and range of equipment used. This proposal will compile existing knowledge and data into one reference tool. It further seeks, in collaboration with regional development banks and the World Bank, to provide a set of criteria to assess ex ante the expected employment impact of different categories of infrastructure investment. This would facilitate the use of employment assessment criteria in the appraisal of infrastructure investment projects. The proposal will combine technical, economic and statistical expertise in countries and at the ILO. Results will be validated at a technical workshop including experts from employers’ and workers’ organizations.

<sup>8</sup> Statement by Ministers of Local Government, Rural Development and Environment, Roads and Transport, Public Works and Labour, para. (a).

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**Productivity growth, wages and collective bargaining:  
Lessons of good practice (US\$450,000)**

23. The promotion of sound collective bargaining is a fundamental objective of the ILO recalled in the ILO Declaration on Social Justice for a Fair Globalization. It is a key outcome of the ILO's strategic programming framework, with significant achievements in 2010–11 and more planned in 2012–13. The High-level Tripartite Meeting on Collective Bargaining held in 2009 pointed to a number of areas for further attention.
24. As a result of ILO promotional activities, the interest of ILO member States in collective bargaining is on the rise. The ILO is increasingly called upon to provide advice to countries and social partners on specific matters in relation to collective bargaining, wage policy and wage agreements.
25. A broad rule of thumb upheld by the ILO and in economics is that wages follow productivity improvements. When wages rise faster than productivity growth, enterprises lose in competitiveness. When wages lag behind a rise in productivity, this dampens consumer demand. Key questions include: how productivity and wages are measured; based on what indicators and data; in reference to what time frame; and whether national, sectoral or regional averages are the relevant benchmarks.
26. In complement to work planned in 2012–13 on the strengthening of institutions of social dialogue and of the capacity of social partners, this work will compile lessons of good practice on the details of wage bargaining in relation to productivity. Detailed analysis of 10 to 12 bargaining experiences will be carried out, followed by a validation exercise with experts from government, employers' and workers' organizations.

**Decent work for youth (US\$800,000)**

27. The 12th African Regional Meeting (October 2011) underscored the plight of youth in securing decent jobs and their role in societal decision-making, and called on proactive social partners to promote decent work for young women and men. The Meeting of G20 Ministers of Labour and Employment (September 2011) underscored the role of education and training in preparing youth for employment and established a task force on employment to that effect.
28. In March 2011, the Governing Body decided to place on the agenda of the 101st Session of the International Labour Conference (June 2012) an item on youth employment.
29. This proposal seeks to complement actions under way to prepare for the Conference discussion on youth employment in 2012 as well as to better prepare for possible future follow-up actions to be decided by the Conference. It also complements work planned under indicator 2.5 on youth employment in the Programme and Budget for 2012–13.
30. A range of practices will be documented and a network of practitioners will be built on youth employment. Specifically, the following will be examined: programmes and instruments for youth employment in large cities; the role of vocational training institutions and in universities in prospecting demand for skills and in facilitating skills matching and job placement; the role of youth associations, social networks, job fairs and the Internet in enabling direct contact between young jobseekers and potential employers in job search; and the recruitment practices of enterprises relative to young people. A mapping of good practices and of established networks with a track record in promoting sustainable youth employment will be carried out. Several technical consultations on measures to enhance quality training and skills upgrading for youth, competency matching,

job search, youth entrepreneurship and job access among youth will be held with the participation of employers' and workers' organizations.

31. The proposal will complement other ILO actions examining the performance of national employment policies.
32. *The Governing Body may wish to authorize the Director-General to use US\$4.2 million from the Special Programme Account as detailed above and summarized in paragraph 4.*

Geneva, 27 October 2011

*Point for decision:* Paragraph 32