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Programme, Financial and Administrative Section

PFA

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DRAFT MINUTES

Programme, Financial and Administrative Section

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1. The Programme, Financial and Administrative Section of the Governing Body met on 11–13 and 21 March 2013. It was chaired by the Chairperson of the Governing Body, Mr de Robien. Mr Mdwaba and Ms Sundnes were the Employer and Worker spokespersons.
2. The order of discussion proposed in document GB.317/PFA/TOB was agreed.

Programme, Financial and Administrative Segment

First item on the agenda

Programme and Budget proposals for 2014–15 (GB.317/PFA/1 and GB.317/PFA/1/1)

3. *The Director-General* presented his Programme and Budget proposals for 2014–15 (his statement is reproduced in Appendix I).
4. *The Chairperson*, upon agreement of the order of discussion proposed in document GB.317/PFA/1/D1, opened the debate on the executive overview (paragraphs 1–37).
5. *The Worker spokesperson* commended the Director-General's reform agenda, noting that change was necessary within the Office if the ILO was to have the capacity to play a significant role in rebalancing the global economy and securing global social justice. The Workers' group therefore approved of the expected results of the organizational reform outlined in figure 8. The review of the field structure should include an examination of ways of strengthening technical capacity in the regions with regard to macroeconomic policies, standards, industrial relations, working conditions and wages. She trusted that the staff and the Staff Union would be consulted about the reform process.
6. She was pleased that the ILO Declaration on Social Justice for a Fair Globalization would guide the 2014–15 programme. The Workers' group was in favour of continuing work on the 19 outcomes and hoped that their linkage with areas of critical importance would facilitate teamwork and promote a more focused approach. It was, however, crucial to have labour standards and gender mainstreamed into all eight of those areas. The Bureau for Workers' Activities (ACTRAV) should be fully involved in the design and delivery of those areas and of the 19 outcomes. The role of, and capacity building for, employers' and workers' organizations should be a central feature of the Office's work. New working arrangements were required to successfully deliver on the eight areas, as was the need to ensure that each task team included the highest technical expertise and critical mass. She looked forward to receiving more information on the implementation of each area of critical importance.
7. The Workers' group agreed with the nominal increase in the budget of 0.3 per cent, which took full account of the prevailing conditions in member States. Having taken note of the proposed resources allocated to the various outcomes presented in table 4, it wished to underscore in particular the decrease in estimated resources for outcomes 12 and 18. It believed that the additional resources earmarked for employment promotion should be used to enhance the Office's macroeconomic capacity. It was in favour of allocating funds from the Regular Budget Supplementary Account (RBSA) to the areas of critical

importance. For that reason the speaker called upon other donors to contribute to the account. Her group supported the idea of South–South and Triangular Cooperation featuring prominently in the ILO technical cooperation strategy. It expected, however, that the foreseen technical cooperation review would allow for better targeting of extra-budgetary resources towards the Decent Work Agenda and building the capacity of workers’ organizations. Lastly, the speaker welcomed the intention to improve reporting information on the achievement of the outcomes, as that was deemed necessary, especially in respect of ILO work at country level.

8. *The Employer spokesperson* welcomed the reform spirit reflected in the proposed budget and the clear commitment to focus on Members’ realities and needs, as expressed by the Director-General in his presentation. The global employment crisis made it vital to give priority to job creation by supporting constituents’ efforts to foster an enabling business environment allowing companies to grow and employ people. The Employers’ group was therefore pleased about the introduction of an area of critical importance entitled “Promoting more and better jobs for inclusive growth”. The areas of critical importance should be more sharply defined in order to ensure that they led to real policy changes within the Organization. Greater focus should also be placed on an enabling environment for job creation. As the budget was allocated to outcomes rather than to those areas, and as there were no stand-alone targets set for them, there was a danger that work under the areas of critical importance might lead to a mere relabeling of some existing activities under the 19 outcomes. The workplans for those areas should ensure greater interdepartmental cooperation.
9. Since the new approach to the programme and budget was constrained by the need to implement the existing Strategic Policy Framework (SPF), it was essential to start early the drafting of the new SPF and to ensure that constituents were closely associated with the process. Regional Meetings could also provide an opportunity to offer input to it and for that reason in the future their timing should be aligned with the SPF cycle. The speaker welcomed the announcement that the Office would introduce more detailed reporting on the achievement of the expected results under each outcome, given that the current SPF indicators did not provide the Governing Body with enough data to assess the impact of ILO action on the ground.
10. As building the capacity of social partners was crucial to the proper implementation of the programme and budget and as the Bureau for Employers’ Activities (ACT/EMP) played a key role in that regard, it was disappointing that the funding of ACT/EMP had not improved. The prioritization on key areas and the fact that ACT/EMP was the focal point for private business made a budget readjustment even more pressing. Reform activities in the field of governance and internal management over the previous six months had been impressive. He encouraged the Office’s new leadership to continue at that pace. It was clear that the reform of the Office meant that the budget had to be allocated to the outcomes and not to the sub-items. However, a more detailed breakdown of allocations should be provided as soon as possible. The Employers wished to know whether, when and how the Office would discuss detailed budget allocations with constituents.
11. *Speaking on behalf of the member States of the Group of Latin American and Caribbean Countries (GRULAC) represented on the Governing Body*, a Government representative of Colombia expressed support for the Director-General’s proposals and acknowledged the underpinning effort to rationalize resources and adapt the structures of the ILO to the challenging context. The envisaged reforms should enable the ILO to be positioned as a key actor in rebalancing the global economy; to that end the Organization should be guided by its strategic objectives and its action should be based on strengthened analytical and statistical capacity, as mirrored in the proposals. By the 2014–15 biennium, the share in total output of emerging and developing countries would equal, and in some cases

overtake, that of advanced countries. The new United Nations (UN) scale of assessed contributions for funding international organizations witnessed the beginning of such a shift. If that entailed even greater attention by emerging and developing countries in respect of the use of resources, it would not imply a restrictive position by them on the regular budget. GRULAC expected, however, that emphasis would be placed on the application, rationalization and optimal use of existing measures through better governance and greater efficiency. That included an improved use of internal control mechanisms and of the recommendations of internal and external auditors, as well as the effective application of results-based management (RBM).

12. GRULAC was concerned in respect of five issues. First, the fact that the resources allocated to employment had increased by only US\$2 million seemed not to take account of the impact of the international economic crisis on jobs. Second and related to the previous point, it might be appropriate to align resource distribution in the proposed programme and budget with the prevailing economic context, on the one hand, and the ongoing reform, on the other. Third, it was hard to see how expenditure from the regular budget tied in with extra-budgetary expenditure. Fourth, more information was needed about the connection between ongoing reforms, their implementation and the budget's viability. Fifth, it might be wise to examine each area's relevance to a general strategy to address the effects of the crisis on employment and to make job creation a central goal of economic recovery.
13. *Speaking on behalf of the member States of the Asia and Pacific group (ASPAG) represented on the Governing Body*, a Government representative of the Islamic Republic of Iran commended the Director-General's holistic approach to efforts to reform the ILO. The 2014–15 biennium offered a unique opportunity to make the ILO better attuned to current challenges in the world of work and to their repercussions on workers and enterprises. It was to be hoped that the proposed programme and budget would enable the ILO to play a proactive role in promoting strong economic growth coupled with social justice. It was also to be hoped that a thorough discussion of the proposed programme and budget would result in the Office devising a realistic, time-bound plan of action and that any lessons learnt during the 2014–15 biennium, including in respect of governance arrangements, resource allocations and areas of critical importance, would feed into the programme and budget for the following biennium. A budgetary gap might impact on the ILO's strategic goals and hamper the programme's implementation.
14. Internal audit and oversight and an independent oversight advisory body were indispensable executive tools for ensuring transparency, accountability and efficiency at headquarters and at regional levels. ASPAG fully supported the Human Resources Strategy for 2010–15 and was in favour of a comprehensive review of recruitment and selection procedures with a view to achieving efficiencies, improving career development and securing a more diverse and balanced workforce. The group fully endorsed the programme and budget proposals.
15. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe welcomed the budget proposals and the detailed supporting information provided. A clear understanding of the prevailing context was essential in addressing issues within the world of work. The continued coherence with the Strategic Policy Framework 2010–15 and introduction of eight areas of critical importance were particularly welcome, although social dialogue should have been given more prominence across all areas. He expressed support for the nominal increase in the budget of 0.3 per cent and commended the priority given to the four strategic objectives in allocating resources, but cautioned that reducing management costs should not compromise the Office's ability to fulfil its mandate. He particularly welcomed the increase in proposed expenditure on employment, as well as the proposed estimated extra-

budgetary expenditure of US\$111 million in Africa. Noting the decline in the estimated expenditure for RBSA, he acknowledged the continued support provided by many donors through that funding modality and expressed the wish that more resources would become available to the Organization as the economic situation improved. He called on the Office to consult member States on the reform process, given that, as recipients of the technical assistance the ILO delivered through its field offices, they had a lot of experiences to share. Lastly, he expressed interest in the workplans to be prepared before the start of the biennium, underscoring their importance for accountability purposes.

- 16.** *Speaking on behalf of the member States of the group of industrialized market economy countries (IMEC) represented on the Governing Body*, a Government representative of the United Kingdom welcomed the timely availability of the document and its shorter but comprehensive executive overview. Economic challenges faced by many governments required funding for international organizations to be scrutinized carefully. A number of IMEC members supported the proposed nominal increase of 0.3 per cent in the budget, but others favoured zero nominal growth. The Office should continue to seek further savings through the reform process. IMEC remained concerned about the baselines used to calculate changes in the budget, and requested a report to the Governing Body in March 2014 on potential budget reductions in 2015 and beyond and the implications thereof. Efforts to reflect the focus of the 19 outcomes on eight areas of critical importance were welcome, as was the inclusion of support for a standards review mechanism in the strategy of outcome 18. In terms of reform, robust and fair human resources policies would enhance the Organization's reputation and credibility.
- 17.** *Speaking on behalf of the member States of the Association of Southeast Asian Nations (ASEAN) represented on the Governing Body*, a Government representative of Viet Nam expressed appreciation for the significant increase in proposed expenditure on employment and suggested that more attention should be devoted to work on social protection, given the impact of the economic downturn on both areas. With the proposed nominal increase of only 0.3 per cent, all programmes and projects should be implemented as cost-effectively as possible, focusing on optimal results in areas of critical importance. ASEAN supported the proposal to concentrate funding from the RBSA primarily on those areas, with an emphasis on countries less endowed with extra-budgetary resources. Effective implementation of the programme for 2014–15 would depend on the efficient functioning of the Office, which should thus take all possible steps to achieve the overarching objective of the reform process.
- 18.** *Speaking on behalf of the Nordic countries represented on the Governing Body*, a Government representative of Denmark supported the IMEC statement and made the following additional comments. First, the Organization needed once again to make its activities more effective and relevant in 2014–15. In that respect, the proposed programme and budget was on the right track, but further focus on delivering outcomes and on their impact was needed. Second, the Nordic countries fully supported efforts to implement the reform. More information was needed in respect of how the reorganization of the Bureau for Gender Equality (GENDER) would help promote gender equality at work. Third, further cost savings might be made by reviewing ILO representation in Europe. Fourth, the emphasis in the budget on employment and on jobs and skills for youth and the eight areas of critical importance was welcome. The importance of social dialogue as a cross-cutting component of all areas deserved to be underscored. Fifth, additional information was needed on the background for the 42 per cent estimated share of the strategic budget linked to the areas of critical importance. Sixth, the expected decrease in RBSA resources was disappointing. The Director-General's views on that trend were sought, as well as on plans to reverse it. Seventh, the Nordic countries supported the proposed nominal increase of 0.3 per cent in the budget.

19. *A Government representative of Italy* supported the IMEC statement and expressed appreciation for the proposals and the briefings held with ILO constituents in advance of the Governing Body's discussion. Her Government supported the proposed budget and welcomed plans for structural reform at the headquarters to help the Organization face the challenges of the economic crisis. It particularly appreciated the emphasis placed in the proposals on the integration of the International Training Centre of the ILO in Turin (Turin Centre) within the wider ILO structure. Further involvement of the Centre should be sought, particularly in technical cooperation delivery, training of ILO staff, and research, statistics and publications, so as to maximize its full potential.
20. *A Government representative of Germany* supported the IMEC statement and elaborated on two reasons underpinning his Government's support to the proposed 0.3 per cent growth budget. On the one hand, the proposed budget showed the lowest increase since 2000 and reflected the critical situation of national budgets in many countries. On the other, the new UN scale of assessed contributions for funding international organizations was favouring countries with stagnating economies. While the lack of a recruitment and selection plan associated to the budget was regrettable, it was understood that the Office would present and report on such a plan in due course.
21. *A Government representative of the Netherlands* supported the IMEC statement and that made by the Nordic countries. Welcoming the focus on a limited number of areas of critical importance, he stressed that the ILO should focus on areas where it could have the greatest impact and where it had the greatest expertise. The emphasis on employment promotion, social protection floors and standards in the programme was particularly welcome. With regard to the budget, his Government would have preferred a zero nominal growth budget but was willing to accept the proposed increase of 0.3 per cent so as to give the Organization the flexibility to pursue its reform agenda.
22. *A Government representative of Mexico* aligned himself with the GRULAC statement. He acknowledged the prudent and realistic approach taken in preparing the proposed budget and welcomed efforts to maintain funding levels for the strategic objectives by reductions management costs, including those expected from the reform of the Governing Body and the International Labour Conference (ILC). He highlighted the importance of South-South and Triangular Cooperation and the need for more such projects. His Government was confident that the process of change and reform would lead to enhanced complementarity between headquarters and the regions, increased collaboration across the administrative structure and improvements in the management of human resources, hence increasing the impact of ILO actions. Efforts in that area should be continued and strengthened.
23. *A Government representative of India*, commenting on the areas of critical importance, indicated that more emphasis might be placed on those related to employment generation and rural and informal economies. Social protection floors should be determined by countries themselves, in accordance with national circumstances. The Office should provide technical assistance and capacity building to member States on several issues, including workplace compliance. Expressing concern at high staff costs within total expenditure, he noted that the allocation of resources, including staff, to the Asia and the Pacific region did not reflect its share of the global workforce. ILO work in the region should place greater emphasis on employability and skills, particularly for young people, and on promoting the Decent Work Agenda in the informal economy. Outcome indicators presented in the proposals were welcome; however, they should measure the contribution of the ILO rather than combining it with the initiatives of national governments.
24. *A Government representative of Japan* supported the IMEC and ASPAG statements. Despite the preference for a zero nominal growth budget, his Government could exceptionally support the 0.3 per cent nominal increase in the budget. Such a decision took

account of the role that the ILO was expected to play to address the challenges faced by constituents, as well as the Director-General's efforts to reform the Organization, including by identifying eight areas of critical importance and by reducing costs.

25. *A Government representative of Switzerland* supported the IMEC statement and welcomed the focus of the proposals on reforms and new methods of work around eight areas of critical importance. More than the proposed 42 per cent of the strategic budget, however, should be allocated to those areas if they were to be considered as real priorities. Her Government's top four priorities vis-à-vis the ILO were as follows: decent working conditions and respect for international labour standards; promoting social dialogue; encouraging competition, productivity and good working conditions in small and medium-sized enterprises (SMEs); and responsible management of resources, with due budgetary rigour. In the future, the Office should also provide information on variations in essential financial indicators over a five-year period to enable identification of trends in the evolution of the budget. A nominal increase of 0.3 per cent in the budget was acceptable for her Government. However, the budget should take due account of the reform process.
26. *A Government representative of Australia* supported the ASPAG and IMEC statements. She expressed strong support for the proposed budget, which recognized the need to use available resources to better effect. She welcomed the reform agenda and the progress made in its implementation, along with the selection of eight areas of critical importance, which would provide a good foundation for the development of a more focused and concise SPF beyond 2015.
27. *A Government representative of the United States* supported the IMEC statement, along with the proposed focus on eight areas of critical importance. She noted with appreciation the shift of resources from management services to the strategic objectives. Information on the distribution of estimated RBSA by outcome would have been a useful complement to information already presented in table 4. Further information was needed on the proposed 42 per cent share of the strategic budget allocated to the areas of critical importance. Notwithstanding its strong support for the ILO, her Government would continue to seek a zero nominal growth budget for all international organizations.
28. *A Government representative of China* supported the ASPAG statement and made four observations. First, the clarification provided in the proposals on the relationship between the eight areas of critical importance and 19 outcomes was welcome. His Government applauded efforts to reduce the costs of management services and urged the Office to pursue them. That, combined with the application of strict rules and improved RBM, provided the potential to harness resources to strengthen technical cooperation in developing countries. Second, equally welcome was the focus on employment, even though the increase in proposed expenditure would come mainly from extra-budgetary resources, hence requiring an innovative approach by the Office to mobilize necessary funds. Third, the low number of targets proposed for the Asia and the Pacific region was incommensurate with the needs of the region. Fourth, South-South and Triangular Cooperation was a healthy complement to traditional technical cooperation and should therefore be appropriately resourced. The increase in China's assessed contributions to the ILO was not without difficulties for the country. However, his Government was willing to comply with its obligations and supported the budget proposals.
29. *A Government representative of France* supported the IMEC statement and welcomed the information provided by the Director-General on the reform process. The ILO had a key role to play in promoting social justice and the social dimension of globalization, especially in light of the harsh conditions prevailing in many countries. His Government exceptionally supported the budget proposals at the 0.3 per cent nominal growth level despite existing financial constraints. That was meant to provide enough leeway to the

Director-General to implement the reform agenda and reorient the priorities of the Organization, which would impact positively on the modernization of the ILO. His Government attached immediate importance to results in relation to four specific points, namely: the transformation of the Office into a centre of excellence for knowledge and research; a realistic cost plan for the building renovation project; the modernization of the structure and functioning of the ILO, including a human resources strategy; and adequate resourcing of the ILO programme in respect of youth employment and the social protection floors. Referring to a letter jointly addressed by the Governments of Germany and France to the Director-General, he urged the ILO neither to be inward-looking nor to restructure itself for mere budgetary reasons. What was needed was an ILO playing its rightful role in a world where employment was at the heart of global concerns.

30. *A Government representative of Canada* supported the IMEC statement and welcomed the process leading to the development and presentation of the proposals to the Governing Body. The Office should continue to look for efficiencies and savings, especially during difficult economic circumstances. His Government was satisfied with the approach of the ongoing reform process and had confidence in the Director-General's capacity to address the current challenges facing ILO Members. Issues deserving particular attention included: the transformation into an internationally recognized centre of excellence for research and knowledge; a realistic cost plan for the building renovation project; modernization of the Organization through optimized use of resources, including a human resources strategy; and adequate resources for the functions of audit, evaluation, and standards and supervisory mechanisms.
31. *Speaking on behalf of the member States of the Gulf Cooperation Council represented on the Governing Body*, a Government representative of Qatar welcomed ongoing efforts to pursue reforms that would lead to improved performance and increased resource allocations to the strategic objectives. The proposed increase in allocations for the regions was welcome, as was the support foreseen for the Arab States region in respect of labour law and Decent Work Country Programmes. Further support to the region was needed in the context of prevailing difficult conditions.
32. *A Government representative of Kenya* aligned himself with the Africa group's statement and supported the programme and budget proposals, which reflected ongoing efforts by the Office to achieve higher-value services for constituents through the concentration of resources in eight areas of critical importance and other cost-cutting measures. His Government supported the ongoing reform process as a way to enhance efficiency and effectiveness, but cautioned that cost-saving efforts should not compromise the Organization's ability and delivery standards. The emphasis of the proposals on youth employment, the rural economy and formalization of the informal economy was appreciated, as were efforts towards the realization of South-South and Triangular Cooperation.
33. *A Government representative of Hungary* supported the IMEC statement and welcomed the programme and budget proposals, highlighting in particular the need for the Office to improve its knowledge base and analytical capacity so as to serve as the centre of excellence on all matters in the world of work. She also supported the proposal to focus on the selected areas of critical importance, as that could help achieve more within the available resources and through seeking further efficiency savings. She encouraged the Office to commit to deliver with greater efficiency and quality, and through RBM.
34. *The Chairperson* opened the discussion on the strategic framework (paragraphs 38–228) and on institutional capacities (paragraphs 229–260).

35. *The Employer spokesperson* reiterated his group's support for focusing the Organization's work through the areas of critical importance. Jobs should be a priority across all areas. The dramatic employment situation in many countries around the world did not allow the ILO to continue with business as usual. Decisive steps had to be taken to ensure that the Organization promoted an enabling environment for companies to create new jobs as rapidly as possible. While the introduction of the area entitled "Promoting more and better jobs for inclusive growth" was appreciated, the area lacked focus. The fact that the outcome on sustainable enterprises was not listed among the principal outcomes contributing to that area was an additional concern. The area should therefore be revised with a clearer focus on promoting an enabling environment for companies, which was characterized by employment-friendly labour law which enabled companies to create new jobs as early and as rapidly as possible; by fewer bureaucratic burdens and red tape; by efficient administration which allowed the registration of companies as quickly as possible; by high mobility and secure transition of employees within a company, or between companies; by good education and training systems that matched labour market needs, and by effective and financially sustainable social protection systems with sufficient incentives for rapid inclusion in the world of work. RBSA should be allocated to activities in that area as a priority. The Office should mainstream a job-creation approach through its workplans and should assess the activities of the Organization in light of their impact on employment. In addition, specific targets should be developed for the areas of critical importance, and lessons learnt from their operationalization should inform the drafting of the next SPF. To that end, the Office should conduct an evaluation of the extent to which those areas had resulted in stronger teamwork across the Office.
36. Turning to the outcome strategies, the speaker made the following comments. On outcome 1, the Employers' group was of the view that the strategy focused on macroeconomic frameworks with public programmes as the main tool for job creation, thereby failing to recognize the role of the private sector and of regulatory environments in that respect. Outcomes 1, 2 and 3 should not be seen as separate paths to achieve the objective of getting people back to work; to that end, the three outcomes should work together, through the areas of critical importance, in the pursuit of job creation. On outcome 2, the proposed focus was too narrowly confined to training in rural communities, disability and public employment services. More emphasis should be placed on mobilizing the social partners in respect of anticipating and better matching skills with enterprise needs. Under outcome 3, the focus should not be restricted to SMEs but should address an enabling environment for businesses more broadly. The Employers' group expected an outcome entirely dedicated to the components of the 2007 ILC conclusions concerning the promotion of sustainable enterprises, promoting an enabling environment for enterprises of all sizes as a key driver for job creation. The significant overlap between outcomes 3 and 5 in respect of working conditions in SMEs was noteworthy. The target of one member State only for indicator 3.4 was not serious in light of the Governing Body's decision concerning a promotional campaign on the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). On outcome 5, it was disappointing that neither the social partners nor sustainable enterprises were referred to in the strategy, and it was difficult to see how the Office would contribute to the improvement of working conditions by ignoring the key actors. Improving the quality of the Organization's research work on wages was an issue requiring urgent attention. On outcome 6, the strategy was commendable for its clear connection with sustainable enterprises and productivity, as well as its focus on the development of tools emphasizing social dialogue. The target of ten countries, however, was not sufficiently ambitious. On outcome 12, it was regrettable that the strategy did not refer to the recurrent discussion item on social dialogue due in June 2013, which would lead to important guidance of the Organization in that field. The promotion of social dialogue to keep enterprises competitive should also be reflected in the strategy. On outcome 13, sectoral activities allowed sectoral social partners to address their sector-specific challenges, and should

therefore not be linked to priorities in Decent Work Country Programmes. It was important to ensure that sectoral social partners maintained the flexibility to choose the most urgent issues for their sector, irrespective of Decent Work Country Programme or programme and budget priorities. More information was sought on the impact, in terms of resources available for sectoral activities, of the extension of the Better Work Programme. On outcome 14, the strategy should not portray collective bargaining as the only form of bargaining, as other forms such as individual agreements existed. Neither should work related to export processing zones be limited to freedom of association; rather, it should encompass their role in promoting national development and growth in the wider economy. More information was sought on how information collection under that outcome would fit within the broader knowledge base of the ILO and how ACT/EMP would be involved in that work. On outcome 15, employers' organizations should be associated with work to reduce forced labour; paragraph 185 should be revised accordingly. On outcome 18, the term "unacceptable forms of work" should be replaced by a clearer description of what was meant, meaning forms of work which comprised conditions that denied fundamental principles and rights at work, put at risk the lives, health, freedom, human dignity and security of workers or kept them in extreme poverty. The commitment to implement an effective standards review mechanism was welcome, and was key to having standards in place which were in line with the realities of the world of work. Indicator 18.3 should make it clear that ratification also meant proper implementation of those Conventions and seek to measure that to some extent.

37. The speaker noted with appreciation the next step in the implementation of the knowledge strategy, namely the upgrading of the quality and credibility of ILO analysis. That was a crucial issue for Employers, on which the Organization would be assessed during the biennium. He asked for more information on how that would be achieved, emphasizing that much better fact-based research and knowledge was urgently needed.
38. *The Worker spokesperson* supported the strategic framework as defined in paragraph 39 and the texts on social dialogue and social protection. Concerning employment, the text should also focus on the promotion of employment-centred macroeconomic policies with reference to the Global Employment Agenda, the ratification of the standards listed in the annex to the 2007 ILC conclusions concerning the promotion of sustainable enterprises and the 2012 ILC conclusions on the youth employment crisis: A call to action, as well as the ratification of the Employment Policy Convention, 1964 (No. 122). Concerning standards and fundamental principles and rights at work, the first sentence should refer to the ratification of international labour standards in addition to their application. As to decent work priorities in the regions, the ILO should focus on addressing decent work deficits and the low rate of ratification of fundamental Conventions, notably Conventions Nos 87 and 98, particularly in Asia and the Pacific and in the Arab States.
39. Her group welcomed the changes made to the areas of critical importance since November 2012 and had the following comments: (i) the area on promoting more and better jobs for inclusive growth should help strengthen ILO macroeconomic work and include, in the case of developing countries, a focus on industrial policies and mechanisms for industrial development and structural transformations; (ii) concerning jobs and skills for youth, the ILO should target youth unemployment as part of its general strategy to reduce aggregate unemployment; (iii) collective bargaining was important in SMEs, hence the need to link the related area to outcomes 12 and 14 and to the MNE Declaration; (iv) concerning decent work in the rural economy, emphasis should be placed on promoting the right to organize and collective bargaining, and on improving wages, working conditions, productivity and health and safety in agriculture; (v) the area on formalization of the informal economy should address the extension of social protection, a minimum wage, labour law coverage and labour inspection; (vi) as to strengthening workplace compliance through labour inspection, care should be taken not to undermine the role of public labour administration

and inspection; and (vii) the area on protection of workers from unacceptable forms of work should include freedom of association and collective bargaining among its main outcomes.

40. The Workers' group welcomed the reference to standards in the outcome texts but would have preferred to see them reflected more systematically in the outcome indicators. While some indicators referred to the core and governance standards, other relevant standards should also have been included. She requested clarification on whether the promotion of ratification of up-to-date standards would be an integral part of the ILO's work over the next biennium.
41. Concerning outcome 1, the Workers' group noted with satisfaction that the work on pro-employment macroeconomic policies and industrial and sectoral strategies was in line with the 2010 recurrent discussion on employment. However, additional financial and human resources would be needed for the strategy to be successful. Further information was sought as to where the additional US\$2 million earmarked for that outcome would be allocated. Concerning youth employment, too much emphasis was still being placed on supply-side measures. The ILO should focus on promoting policies aimed at providing young people with decent wages, decent working conditions and stable employment. Moreover, the need for developing countries to promote structural change towards sustainable dynamic economies should be expressed more clearly in the measurements of the indicators. Her group was of the opinion that there were too many indicators under that outcome and that there was insufficient overlap between them and the three priority areas in paragraph 52.
42. Concerning outcome 2, it was regrettable that indicator 2.4 covered only six member States; the target should be increased. Indicator 2.5 seemed to fit better under outcome 1. Outcome 3 appeared to be closely linked to the area of productivity and working conditions in SMEs. Indicator 3.1 should include all the standards contained in the annex to the 2007 ILC conclusions concerning the promotion of sustainable enterprises. The target of one member State in indicator 3.4 was unacceptably low and should be increased. The measurement of indicator 3.2 should include a focus on rights at work, wages, working conditions, and health and safety.
43. Her group supported the strategy outlined in outcomes 4 and 5 and looked forward to the paper on gender-sensitive language in the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the continued publication of the *Global Wage Report*. The speaker also called for ratification of the Domestic Workers Convention, 2011 (No. 189). Concerning outcome 6, it was regrettable that no reference was made to the promotion of ratification of occupational safety and health standards. The area on protection of workers from unacceptable forms of work should also cover hazardous sectors. The role played by trade unions in prevention and the promotion of safe working conditions should have been acknowledged in the strategy. As to outcome 7, her group would have liked to see higher targets under the two indicators. In indicator 7.2, reference should also be made to the Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). Her group also supported outcomes 8 and 10 and called upon the Office to involve ACTRAV in the implementation of the areas of critical importance and the delivery of the 19 outcomes. With regard to outcome 11, the Office should increase the number of staff working on labour inspection and intensify its efforts to promote the ratification of the Employment Relationship Recommendation, 2006 (No. 198), as well as the Labour Inspection Convention, 1947 (No. 81), the Labour Inspection (Agriculture) Convention, 1969 (No. 129), and the Labour Administration Convention, 1978 (No. 150). More resources should be allocated to outcome 12 to enhance the impact of the work already carried out in that area. The target for indicator 13.1 should be increased, as should

the target for the Arab States in indicator 14.1 and the overall target in indicator 14.2. Referring to the earlier comment from the Employers on collective bargaining, she recalled that individual agreements should not be used to undermine collective bargaining. She referred to the jurisprudence of the ILO supervisory mechanism.

44. The Workers' group supported outcomes 15, 16 and 17. Referring to paragraph 213 under outcome 18, she noted that there was mention of the promotion of "voluntary mechanisms at country level" and warned that such a mechanism could be beneficial, but that care should be taken when agreeing on its modalities, bearing in mind the relationships with national courts and the ILO supervisory bodies. It was regrettable that only the ratification of core and governance standards was mentioned in indicator 18.3. Clarifications were sought on whether the restructuring within the ILO would free up resources that could be allocated to the promotion of standards. Concerning outcome 19, the ILO should ensure that partnerships were based on the promotion of pro-employment macroeconomic policies and respect for ILO values.
45. Turning to institutional capacities, the Workers' group was concerned about the sustainability of the Turin Centre as the training arm of the ILO focused on the Decent Work Agenda, given the significant drop in the number of workers, employers and governments participating in its activities. Over the next biennium the social partners should adequately benefit from the Centre. Given the importance of independent and evidence-based research, the work of the International Institute for Labour Studies was welcome. Further information was sought on the links between the work of the Institute and that carried out elsewhere in the ILO.
46. *Speaking on behalf of the member States of GRULAC represented on the Governing Body*, a Government representative of Colombia said that GRULAC wished to see additional resources allocated to the regional offices, including in Latin America, given that the teams in the field were instrumental in achieving national priorities. Her group welcomed the fact that promoting more and better jobs for inclusive growth appeared among the areas of critical importance and that the informal sector, SMEs and the rural economy had also been established as priorities. Clarifications were sought on the methodology and criteria used to determine outcomes, indicators and targets, as well as on the relationship between regional targets and national programmes. Concerning outcome 14, GRULAC wished to underscore once again the need for the ILO supervisory bodies to afford equal treatment to all situations in which freedom of association was not respected. With regard to outcome 19, GRULAC maintained its position that the design and implementation of decent work indicators should be fully agreed upon with constituents. As to targets in general, further information was sought on how resources were allocated to each of the targets, as well as on the perceived lack of harmonization between the regular budget and extra-budgetary resources.
47. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe said that the decent work priorities highlighted in table 5 mirrored the needs of the region, as reflected in the resolutions of the 12th African Regional Meeting in 2011. His group would have liked social dialogue to be considered as a cross-cutting component of the 19 outcome strategies along with gender equality and non-discrimination. The areas of critical importance, and particularly the area on promoting more and better jobs for inclusive growth, addressed the needs of African economies. However, some of the outcomes covered similar issues and could have been merged to allow more focused interventions to take place. His group welcomed the priority given to promoting employment in the rural and informal economies, and underscored the need for action to tackle youth unemployment.

48. The Africa group supported outcome 1 and noted that its strategic budget allocations reflected the importance the ILO attached to it. Concerning outcome 2, greater focus was needed on providing skills in the rural sector, since many African people lived in rural areas and worked in the informal sector or in SMEs. Accordingly, a fair number of African countries should be included in the targets for indicator 2.4. Concerning outcome 4, his group welcomed the initiative to translate into action the 2012 ILC resolution concerning efforts to make social protection floors a reality worldwide, and called on the ILO to assist African countries in setting up social protection systems. The ILO should also make use of best practices available within regions, particularly with regard to the systems envisaged in indicator 4.3. His group supported the proposed means of action under outcome 7 and emphasized that support should be provided in the form of developing labour migration policies and institutional frameworks in regions where intraregional migration existed. The increase in the regular budget allocations by US\$1 million to outcome 8 was noted with satisfaction, even though the reduction of the extra-budgetary allocation by US\$3.5 million was a concern. The Office should strengthen partnerships with organizations working in that area with the aim of leveraging more resources for that outcome. While the initiatives under outcomes 8, 9, 10 and 11 were welcome, the budget for outcome 11 appeared to be insufficient. The focus on supporting regional initiatives in setting up and strengthening social dialogue frameworks was equally welcome. The Africa group was of the view that the sectors prioritized in Decent Work Country Programmes should be the focus of outcome 13. He called for clear operational modalities for that outcome in order to avoid duplication of effort and for synergies to be developed between outcomes 7 and 15, since migrant workers were most at risk of subjection to forced labour. Concerning targets, his group appreciated the significant number of African countries targeted, especially in indicators 1.1, 3.1, 3.2, 14.1, 16.1 and 16.2. Lastly, more technical cooperation was needed in all areas of labour administration. The Africa group expected that, as a result of the reform, the Organization would be better placed to assist its constituents.
49. *Speaking on behalf of the member States of ASPAG represented on the Governing Body*, a Government representative of the Islamic Republic of Iran called for consideration over the biennium of how the areas of critical importance and the 19 outcomes could be further refined and prioritized. He urged the Governing Body to adopt the incorporation of the standards review mechanism mentioned in outcome 18. The Office should indicate which means of action were funded under extra-budgetary resources in order to identify those that might depend on additional donor support. The Office should allocate regular budget resources to areas of greater importance, such as employment, and extend its reach by strengthening its capacity to disseminate products such as toolkits and databases. With regard to Asia and the Pacific, it was particularly important that the Office allocate appropriate levels of funding to address youth unemployment, and the Director-General should monitor any future recruitment of retired staff members on short-term contracts. Regarding outcomes 2, 3 and 5, he called for the revitalization of the Palestinian Fund for Employment and Social Protection. In the context of the field structure review, the Office should address in particular the disconnect between headquarters and the regions and rebalance the ratio of technical to administrative staff. In particular, it should consider allocating more financial resources and deploying more technical experts and senior staff to the Asia and the Pacific region.
50. *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of the United Kingdom said that in the next strategic framework, the ILO should focus on fewer critical areas where it could make a difference. Given that both youth unemployment and work on social protection floors were addressed under several outcomes, she called on the Director-General to ensure that those important issues received sufficient resources overall. The programme and budget document should include specific reference to the ILO supervisory system and the International Labour Standards Department (NORMES), with an indicator and targets for those functions. She

urged the Office to ensure that its publications review was comprehensive and resulted in the wise use of all publications resources. IMEC would welcome further information on the plans to expand the Better Work Programme and the large technical cooperation programmes by the end of 2015. Some indicators, for example indicators 3.3 and 3.4, should include measurements that more clearly reflected the quality or appropriateness of ILO action. Additional information was also sought on how the US\$1.3 million allocated to continue work on the ILO history project would be spent and when the project would be completed. A progress report in that regard should be submitted to the Governing Body.

51. *Speaking on behalf of the Nordic countries represented on the Governing Body*, a Government representative of Denmark said that the indicators for the 19 outcomes under the strategic framework were useful to document how the work of the ILO was integrated into national strategies and policies and how the ILO assisted with capacity building, increased information and improved the knowledge base. However, the indicators did not measure changes in the overall outcomes. Such information would facilitate an assessment of the real impact of the work of the Office and its constituents, which would in turn enable the ILO to develop better responses and assistance in the areas of critical importance. She asked for further information on what baselines would be used and how progress would be reported in those areas.
52. *Speaking on behalf of the member States of the Gulf Cooperation Council represented on the Governing Body*, a Government representative of Qatar supported the focus on the eight areas of critical importance for priority action in 2014–15, together with the continuation of work on the Strategic Policy Framework 2010–15. In order to avoid any duplication of effort, the Office should develop a detailed plan of action. It would be useful to have a simplified periodic report on progress made on the SPF by the end of 2014 or the beginning of 2015.
53. *A Government representative of the Bolivarian Republic of Venezuela* supported the GRULAC statement and welcomed the inclusion of all four ILO strategic objectives in the proposed programme and budget. The Office should provide a more complete table 5 on selected decent work challenges that included data on all the regions. He commended the focus on the areas of critical importance, but observed that the text referred to “informal businesses”, which in practice did not exist, while the aim was to promote transition to formality. Regarding institutional capacities, he called on the ILO to take an inclusive and representative approach encompassing different global and regional forums. The Office should not encourage comparison between States based on decent work statistics that were not standardized or objective.
54. *A Government representative of the Republic of Korea* aligned herself with the IMEC and ASPAG statements and commended the Office for its focus on promoting more and better jobs for inclusive growth. Given the prevailing economic climate, those efforts should focus on improving income distribution and increasing workers’ incomes. The ILO should continue to support vulnerable groups such as young people, those working in SMEs and in the informal economy, as well as promoting employment for women. The term “unacceptable forms of work” should be more clearly defined. She stressed the need for effective coherence between the areas of critical importance and the principal outcomes.
55. *A Government representative of Japan* supported the IMEC and ASPAG statements and welcomed the areas of critical importance, which were expected to increase coordination between sectors and result in more efficient delivery. The selection of those eight areas was appropriate and timely given the global economic situation. He expressed appreciation for the balance in the budget between headquarters and the regions; the Asia and the Pacific region expected that the reform of field activities would result in a substantial increase in its resources. His Government would welcome further information on why the

proposed budget for outcome 6 was so low, particularly since occupational safety and health encompassed issues such as the prevention of occupational diseases and psychosocial disorders.

- 56.** *A Government representative of the United States* supported the IMEC statement and welcomed the focus on eight areas of critical importance. The work of ILO supervisory bodies was key to protecting workers against unacceptable forms of work, rather than complementary to it. The Office should ensure that, within the overall budget, sufficient resources were allocated to the work of the ILO supervisory system and NORMES. Concerning trafficking-related work under outcome 15, the ILO should focus its efforts on trafficking for the purpose of forced labour. On outcome 11, clarification was sought on the disconnect between the targets set out in the strategy text and those in the indicator table. As similar discrepancies existed under other outcomes, such as outcome 4, further information would be welcome on the methodology used to develop targets. Some measures of progress should be refined to reflect quality and value, in keeping with efforts to strengthen RBM. Efforts to upgrade ILO statistical and analytical capacity were appreciated, as was ILO engagement with partners inside and outside the UN system. The Office should focus on a smaller number of regular, high-quality, timely and relevant publications and conduct an online user survey of the NORMLEX database to inform future decisions on its structure and content.
- 57.** *A Government representative of India* drew attention to the focus in outcome 13 on extending the experience of the Better Work Programme. The programme contained an element of purchase preference based on labour standard compliance, which constituted a direct linkage between trade and labour standards. As such, it contradicted the provisions of the ILO Declaration on Social Justice for a Fair Globalization.
- 58.** *A Government representative of Canada* supported the IMEC statement and welcomed the commitment to prepare workplans for the biennium establishing clear accountabilities and time frames and the intention to introduce more detailed reporting on the achievement of results, which should facilitate the development of more meaningful indicators and targets. The commitment to reach out and work with the multilateral system and other partners was also appreciated, in part because it would help avoid duplication of efforts. The proposed programme and budget should include specific reference to and provide resources for the Office's key role in supporting international labour standards, including through its supervisory system. Within the reform agenda, savings could be made by ensuring: the optimal assignment of technical expertise in the field, including by reviewing the offices located in developed countries; reviewing the distribution of hard copies of documents; assessing the cost and value added of regional conferences; further reducing travel expenses; and ensuring that services such as staff health services were delivered through cost-effective means.
- 59.** *A Government representative of China* aligned himself with the ASPAG statement and supported the focus on the proposed areas of critical importance, indicating that resources should be devoted to key areas such as employment and social protection. He welcomed ILO work with international organizations to promote fundamental principles and rights at work, but cautioned that they should not be used as conditions for aid. Other areas for action should include: youth employment, especially in developing countries; strengthening the protection of migrant workers, including by developing an international skills certification framework for migrant workers; and capacity building on collective bargaining. The Office should pursue the effective implementation of the human resources strategy, expand the influence of the ILO website by making it available in more languages and explore new ways of cooperation and research, also drawing on the experience of constituents.

60. *The Chairperson* opened the discussion on governance, support and management (paragraphs 261–281).
61. *The Worker spokesperson* supported the effective and efficient use of ILO resources in line with the ILO's values and mandate. She called upon the administration to engage with the Staff Union on the new elements of the human resources strategy. While noting a substantial increase in the budget for information technology, her group was concerned that some functions, such as the Integrated Resource Information System (IRIS) roll-out to the regions, were behind schedule, with potential implications in terms of service delivery to constituents. On technical cooperation, the Workers' group supported multi-year framework agreements and funding through the RBSA, but cautioned that support should be ensured for all elements of the Decent Work Agenda, including capacity building for the social partners. Public–private partnerships should be consistent with the principles of the MNE Declaration and collaboration within the UN system should be grounded in the ILO's unique tripartite structure and rights-based approach. She drew attention to: the need to guarantee good health and safety standards and working conditions during the building renovation work; the continued use of RBM; the role played by the Expenditure Review Committee, while stressing the need to enhance the use of resources and not simply to cut them; and the importance of the internal and external audits and independent evaluations as means to enhance performance and accountability.
62. *The Employer spokesperson* supported the Office's efforts to increase effectiveness and efficiency and drew attention to four areas of particular concern. First, further details were sought on the human resources strategy and on the Office's timeline for that, stressing that the strategy should enable the Office to recruit and retain staff with the appropriate skills to help constituents respond to the realities of the world of work. The discussion on the continuation of the interim agreement concerning the selection panels to take place later in the Programme, Financial and Administrative Section clearly showed that efforts had to be speeded up. Second, the Employers' group appreciated recent changes to the management of the building renovation project and would welcome an update on progress at each session of the Governing Body. Third, the Employers' group shared the view of the Independent Oversight Advisory Committee (IOAC) that risk management should be given the highest visibility and encouraged the Office to strengthen its work in that area and to report regularly to the Governing Body on that matter. Fourth, with regard to the field structure review it was essential to establish clear governance structures and responsibilities that increased the responsibility, transparency and accountability of the field offices. The recent decision to anchor responsibility for the field at the highest level in the Office was appreciated. Efforts in that area should lead to more coherence in the work of the Organization.
63. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe supported the initiatives undertaken to enhance the efficiency and effectiveness of the Organization. He highlighted four points of particular importance for his group: first, in implementing the human resources strategy, the Office should be guided by the Organization's principles and values and therefore act as an exemplary employer; second, ILO offices in Africa should not be the last in the IRIS roll-out to the field given the imperative to deliver effective and timely operations; third, he welcomed the linking of technical cooperation work with decent work outcomes, and the introduction of a risk register for 2014–15, which should be regularly revised; fourth, the Africa group supported further work with other development partners to enhance the predictability of voluntary funding.
64. *Speaking on behalf of the member States of GRULAC represented on the Governing Body*, a Government representative of Colombia welcomed the increased level of resources allocated to South–South and Triangular Cooperation and called for improved

harmonization between RBSA and extra-budgetary resources. More resources should be allocated to the regions, in particular to strengthen the capacity of the regional offices and to promote regional meetings. She cautioned that savings in staff costs should be pursued in line with the Organization's values and principles. GRULAC was in favour of a reform process also covering the supervisory bodies. The programme and budget proposals maintained the Conference and Governing Body budgets at the 2012–13 level, with the former almost three times higher than the latter. In turn, the proposed Governing Body budget was five times higher than resources allocated to Regional Meetings, which seemed to indicate a centralization of activities in Geneva. The Office expected that further savings would result from the reform of the Conference. That meant that further improvements in the use of resources were dependent on the reform.

65. *Speaking on behalf of the member States of ASPAG represented on the Governing Body*, a Government representative of the Islamic Republic of Iran fully endorsed the proposal for more collaborative working methods, streamlining of structures, and greater visibility and accountability of senior managers. The Office should continue to seek further savings, and reflect those resulting from the ongoing reform in the 2016–17 budget. ASPAG endorsed the proposed organizational reform, underscoring its support for: upgrading statistical, research and analytical capacities; a better link between technical cooperation and capacity building of constituents; and solid integration of the Turin Centre into the work of the Organization. It appreciated the intention to strengthen management and administrative performance, develop the human resources policy and improve the measurement of results. It was equally important, however, to devise concrete deliverables for the Organization in a limited number of key areas such as employment. ASPAG also welcomed the proposed increase in budget allocations to employment, South–South and Triangular Cooperation as well as information technology and communications. Further information was sought on the provision of US\$1.3 million for the ILO history project and on the reasons and justifications behind the reduction in the budget for outcome 6. It was regrettable that ASPAG continued to be underrepresented among ILO staff and that the language requirements for new recruitment worked to the disadvantage of many candidates. The speaker called upon the Office to arrive at a more equitable geographical distribution of staff and to ease language requirements in recruiting new staff.
66. *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of the United Kingdom supported the Office's work to explore opportunities to harmonize policies and practices across the UN system. The Expenditure Review Committee had an important role to play in driving improvement and should draw on the experience of other international organizations and member States. Measures to enhance efficiency and effectiveness, in paragraph 264, should cover both headquarters and field operations and address expected cost reduction as well as risk management imperatives. IMEC would welcome a commitment in the programme and budget proposals in respect of a full and transparent field review to identify opportunities for efficiencies and savings. Referring to savings in travel expenditure, she highlighted three points: first, all travel paid for by the Office, including that of Employer and Worker representatives, should be in economy class; second, under indicator 1.5, the target for reducing travel expenditure should be quantified and a baseline for electricity consumption should be added; and third, under indicator 1.4, the target for the renovation project should be "timely implementation of the headquarters renovation project within budget". In respect of the Office's commitment to increase recycling, IMEC was in favour of a review of all ILO publications with a view to significantly reducing printed materials, as well as their distribution. The importance of the IOAC should be recognized through the establishment of an additional governance indicator aimed, for example, at measuring the time taken to respond to its advice. Likewise, all ILO programmes and work units should be subject to regular evaluations and a governance indicator should be added to that effect.

67. A *Government representative of Switzerland* endorsed the IMEC statement and drew particular attention to three points. First, it was important to develop a new human resources strategy covering staff both at headquarters and in the regions. Second, the Office should continue to cover the costs of maintaining ILO buildings. Third, sufficient resources should be allocated to the audit and evaluation functions, while ensuring coherence and complementarity among them. The Office should provide further information on how those functions could be rationalized, including related cost efficiencies, in a future Governing Body document. She underscored that the high-level risks 1–3 in the risk register deserved the full attention of constituents.
68. A *Government representative of the United States* supported the IMEC statement. She commended the Office's commitment to increasing effectiveness, efficiency and good governance, and in particular the plans to increase staff effectiveness, efficiency, satisfaction and accountability. She also appreciated the greater attention given to risk management but noted that further discussion on that issue was needed. While also welcoming the continued emphasis on enhancing the ILO's evaluation and oversight capability, she requested further information on how the Office intended to maintain those functions given the proposed reduction in resources allocated to them.
69. A *Government representative of Mexico* endorsed the GRULAC statement and welcomed ongoing reform efforts in respect of governance and management. Among other things, that required the ILO to equip itself with a comprehensive strategy on workforce and succession planning, as recommended by the External Auditor. It was equally important to expand funding sources for technical cooperation; to that end his Government welcomed the Office's plans to engage with new donors, including through public–private partnerships. At the same time, the Office should report regularly to the Governing Body on the implications for the Office of the UN quadrennial comprehensive policy reviews and associated costs and savings. The Office's efforts towards the implementation of International Public Sector Accounting Standards (IPSAS) were noteworthy as a key means to improve harmonization within UN system organizations.
70. A *Government representative of Japan* supported the IMEC and ASPAG statements and added his Government's appreciation for the emphasis placed by the Office on good governance and the effective and efficient use of its resources. He called for more efforts to improve cost management, including through the reform of the Conference and the Governing Body, and through the work carried out by the Expenditure Review Committee.
71. A *Government representative of China* supported the ASPAG statement and commended the reform work led by the Director-General since his election. His Government supported the proposed measures to reduce costs, including through videoconferences. It was also in favour of the implementation of the human resources strategy, especially to increase staff mobility and to ensure diversity and balance among staff by enhancing representation from underrepresented countries.
72. *The Chairperson* proposed deferring the discussion of the draft resolution (paragraphs 282–288) to Thursday, 21 March, when the Director-General would provide his detailed response to the issues raised during the current debate.
73. The Governing Body reconvened on 21 March. The Director-General introduced his proposals for adjustments to the Programme and Budget proposals for 2014–15.¹ The Director-General's statement is reproduced in Appendix II.

¹ GB.317/PFA/1/1.

74. *The Employer spokesperson* expressed appreciation for the favourable adjustment made to the budget of ACT/EMP. That was an important sign that tripartism would be better served, even though it should be seen only as one step in the right direction. Enabling ACT/EMP to fulfil its role, including in respect of the areas of critical importance and as the focal point for private businesses, would remain one core priority of the Employers' group in the future. The intended shortening of Governing Body meetings was welcome; the shortening of the ILC was equally expected. His group was pleased with the redeployment of additional resources to regional activities on social dialogue and occupational safety and health (OSH), as well as to the strengthening of research capacity. It was regrettable, however, that the Office had not revised outcome 1 as suggested by the Employers' group in their previous interventions. Sustainable jobs were created sustainably by enterprises, hence the need to refocus the first area of critical importance and outcomes 1, 2 and 3 accordingly. That issue should be revisited in two years' time in the context of the debates on the programme implementation. The speaker noted with appreciation the Office's intention to start work on the next SPF at the October session of the Governing Body. The Director-General's participation in the ILO–International Organisation of Employers (IOE)–Business Africa Roundtable on Sustaining Growth and Job Creation in Africa during the previous week was appreciated as a clear signal to put into practice an ILO working not only for, but also with the constituents.
75. *The Worker spokesperson* welcomed the proposed resource adjustments, particularly to strengthen technical capacities in the fields of statistics, economic analysis, OSH and social dialogue. With regard to OSH, resources should target the promotion and ratification of standards. Emphasis should be placed on hazardous sectors and links should be established with the area of critical importance entitled “protection of workers from unacceptable forms of work”. All work should acknowledge the role played by the trade unions in respect of prevention and in organizing for safe and healthy working conditions at all levels. With regard to social dialogue, resources should be used to strengthen the capacity of social partners to engage in collective bargaining. It was equally important to enhance the ILO's knowledge base on industrial relations and collective bargaining, as well as the ILO's capacity to provide policy advice on pro-employment macroeconomic and industrial policies, especially as part of ILO advice on crisis recovery. In engaging with private enterprises, the Office should establish a clear link with ACTRAV. The management of public–private partnerships should also be discussed at the October session of the Governing Body. The proposed savings from shortening the duration of the Governing Body were noted, although it was important to ensure that sufficient time was allocated to reach agreement on the programme and budget. The Workers' group was pleased with the Director-General's statement on the standards-related work and emphasized that consensus was required on the necessary conditions to engage in the process of the standards review mechanism. The fact that international labour standards would be an essential element of all the areas of critical importance and all objectives was welcome; it was the group's expectation that in the next biennium progress would be made in the ratification and application of up-to-date standards. At the same time, the adoption of standards should continue. With reference to the proposal concerning fewer but higher-profile publications, the Workers' group underscored the importance of maintaining important publications such as the *Global Wage Report* and the *World of Work Report*.
76. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe welcomed the document on the adjustments to the Programme and Budget proposals for 2014–15 and the clarifications provided by the Director-General. He expressed appreciation for the Office's effort to respond to the issues raised during the discussion of the proposals, while managing reductions in cost increases, along with increases in the allocations to the regions. The Africa group would welcome a disaggregated tabulation of the proposed increases in line with the 19 outcomes to ascertain whether the redeployment of resources met the priorities

and needs of the region. The proposed adjustments to strengthen the employers' activities were equally appreciated.

77. *Speaking on behalf of the member States of GRULAC represented on the Governing Body*, a Government representative of Colombia welcomed the Director-General's statement and reiterated her group's interest in balancing resource distribution among regions within a zero nominal growth scenario, as well as in the areas of critical importance. GRULAC was committed to working closely with the Director-General to pursue the goals of the Organization. It appreciated the fact that the proposed resource adjustments took into account issues raised during the debate, as well as the increase in resources for the regions stemming from a reduction in management costs and savings from the reform of the headquarters structure. The group noted with appreciation the commitment to redeploy between US\$15 and US\$20 million to meet technical needs of the regions and headquarters by the end of next biennium. GRULAC supported the proposed adjustments to the Programme and Budget proposals for 2014–15.
78. *Speaking on behalf of the member States of ASPAG represented on the Governing Body*, a Government representative of the Islamic Republic of Iran underscored the constructive approach pursued in the proposed resource adjustments. ASPAG welcomed the improved geographic balance in the allocation of resources, along with the proposal for equitable regional representation in human resources, and endorsed the focus on strengthening technical capacities, particularly in the field of statistics and of economic analysis.
79. *Speaking on behalf of the member States of the Gulf Cooperation Council represented on the Governing Body and of Jordan*, a Government representative of the United Arab Emirates welcomed the fact that the comments made during the debate had been taken into account, as well as the clarifications provided by the Director-General. Resources for the Arab States region should be increased. He supported the Programme and Budget proposals for 2014–15 and the draft decision point.
80. *A Government representative of Japan* expressed appreciation for the Director-General's efforts to further reduce the total budget level. He commended the emphasis of the proposed resource adjustments on regions, including Asia and the Pacific, and took note of the increase in resources for occupational safety and health.
81. *A Government representative of the United States* noted with appreciation the Director-General's proposed resource adjustments, which reflected concerns expressed in the course of the debate. The proposed additional professional positions addressed the need to strengthen ILO research and statistical capacity and its ability to deliver in the areas of OSH and social dialogue. Her Government welcomed the shift of resources from publications and the Century Project, the redeployment of resources resulting from the shortening of the March session of the Governing Body in odd years, and the Director-General's commitment to further savings. It strongly supported the harmonization of travel arrangements for Employers' and Workers' delegates of the Governing Body with those applied by the United Nations. While noting with appreciation the slight decrease in the budget compared to the original proposal, her Government, however, had to abide by a zero nominal growth policy for all international organizations. Such a position was due to domestic fiscal constraints and should in no way be seen as a lack of support for the ILO. Her Government commended the Director-General's leadership and his vision for the ILO and looked forward to working with him and the Office.
82. *A Government representative of the United Kingdom* noted with appreciation the proposed resource adjustments and supported the draft decision point. Her Government's priority was the implementation of the reform programme. It was confident that further efficiencies

would be realized, including by introducing changes in travel arrangements for the Employers' and Workers' delegates of the Governing Body.

- 83.** *A Government representative of Colombia* aligned herself with the GRULAC statement, noting with appreciation the Director-General's effort to take account of the views expressed in the course of the debate. Her Government supported the Programme and Budget for 2014–15 with its proposed resource adjustments, as well as the draft decision point.
- 84.** *A Government representative of Canada* welcomed the Director-General's proposed resource adjustments to the programme and budget proposals, in particular the redeployment of resources through savings identified internally. With regard to the budget level, efforts under way to increase the relevance and impact of ILO work were appreciated, as was the Director-General's recognition of the impact of the financial crisis on member States. His Government, however, was of the view that the Office should seize the opportunity to return to a zero nominal growth budget, especially considering the relatively small difference it would make with respect to the proposed zero real growth budget. It was confident that the Director-General and the Office would be able to realize further savings and efficiency gains, and supported earlier calls for harmonizing travel arrangements for Employers' and Workers' delegates in the Governing Body with those for staff. His Government was also greatly satisfied with the progress on the reform and encouraged the Director-General to pursue its implementation.
- 85.** *A Government representative of Trinidad and Tobago* aligned himself with the GRULAC statement. Commending the Director-General's effort to approximate a zero nominal growth budget, he supported the proposed resource adjustments and the reform process. His Government also supported the draft decision point.
- 86.** *A Government representative of India* commended the Director-General for his focused adjustments to the programme and budget proposals. His Government welcomed the emphasis placed on research and statistical capacities and on OSH, the proposal for a more equitable geographical representation in the human resource policy of the ILO and the improved geographical balance of resources in the regions.
- 87.** *A Government representative of the Bolivarian Republic of Venezuela* aligned himself with the GRULAC statement. His Government was pleased with the Director-General's resource adjustments to his programme and budget proposals and supported the draft decision point.
- 88.** *A Government representative of Brazil* supported the GRULAC statement and welcomed efforts to allocate more resources to work in the regions. She underscored that, as a result of the amendment made to article 18 of the Standing Orders of the Governing Body, the Officers of the Governing Body would hold consultations with the Government group in respect of exercising the authority delegated to them. Her Government was confident that the Director-General would advance the strategic objectives and the areas of critical importance in a transparent, coherent and inclusive way, while ensuring that the voices of the tripartite constituents were duly and equally heard.
- 89.** *A Government representative of Egypt* supported the Africa group's statement and thanked the Director-General for his explanations. His clear leadership would improve the performance of the Organization in the future. ILO technical assistance was essential for member States and should be based on constant dialogue to achieve the objectives of the Organization. His Government supported the draft decision point.

90. *A Government representative of Mexico* supported the GRULAC statement and thanked the Director-General for his attention to the concerns expressed in the course of the discussions. The Governing Body's support to the programme and budget was an implicit contract to endow the Organization with the necessary means to fulfil its mandate and complete the ongoing reform. The challenge was to turn that commitment into reality. Her Government supported the proposed resource adjustments and the draft decision point.
91. *A Government representative of Germany* expressed appreciation for the proposed resource adjustments and supported the programme and budget proposals as revised. He called on the Office to apply the travel arrangements of the United Nations to all members of the Governing Body in order to generate considerable savings, which could be redeployed to technical work. His Government's position on that matter had been coordinated with the Governments of France, Hungary, Italy, the Nordic countries and the United Kingdom.
92. *A Government representative of Italy* supported the budget and related adjustments as presented by the Director-General. The expectations of her Government in respect of ILO delivery had been voiced in the course of the debate during the previous week. Her Government supported earlier statements concerning the harmonization of travel arrangements for all Governing Body members.
93. *A Government representative of Hungary* expressed appreciation for the proposed resource adjustments, which reflected the comments made during the discussions, and welcomed in particular the proposed increases to reinforce statistical, research and knowledge capacities in the areas of critical importance. Her Government supported earlier statements concerning the harmonization of travel arrangements for Governing Body members and was looking forward to further improvements resulting from the reform.
94. *A Government representative of China* supported the ASPAG statement and expressed appreciation for the resource adjustments proposed by the Director-General, especially in respect of efforts to strengthen technical areas of work, including OSH.
95. *A Government representative of France* supported the proposed revised budget and expressed his Government's satisfaction with the increased level of resources allocated to strengthen the areas of statistics, economic analysis and occupational safety and health. His Government supported earlier statements regarding changes to travel arrangements applied to Governing Body members.

Decision

96. *Subject to the positions taken during the course of the discussion, as noted in the minutes of its 317th Session (March 2013), the Governing Body:*
- (a) *recommended to the International Labour Conference at its 102nd Session (2013) a provisional programme level of \$864,006,872 estimated at the 2012–13 budget exchange rate of 0.84 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference; and*
- (b) *proposed to the Conference at its 102nd Session (2013) a resolution for the adoption of the programme and budget for the 74th financial period (2014–15) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 74th financial period, ending 31 December 2015, the budget of expenditure for the International Labour Organization amounting to \$..... and the budget of income amounting to \$....., which, at the budget rate of exchange of Swiss francs to the US dollar amounts to Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

(GB.317/PFA/1/1, paragraph 9, as amended by the Governing Body.)

Second item on the agenda

Building questions: Headquarters building renovation project (GB.317/PFA/2)

97. *The Employer spokesperson* welcomed the new Project Manager and noted with satisfaction that he reported directly to the Deputy Director-General for Management and Reform. He said that it was important for the Project Manager to receive the support of the leadership of the Office and that the work of the Project Manager was not constrained by overly bureaucratic procedures. With regard to procurement and contracts, the project team should be sufficiently staffed and procedures streamlined in order to ensure smooth management of the renovation project.
98. The speaker recalled the previous lack of cooperation between the Office and the Swiss authorities. He requested clarification with respect to the composition of the working group established with the Swiss authorities, and also regarding the frequency and outputs of their meetings. He asked for an update on the land issue and the status of consultations between the Office and the Swiss authorities. The Employers' group wished to know whether relocation arrangements had been agreed with the International Social Security Association (ISSA) and if there were other units or departments affected by the move. He requested more information and clarification on where the Office stood with regard to the appointment of a general contractor.
99. *The Worker spokesperson* requested a full update from the Office on the building renovation project, similar to the comprehensive plan for the renovation that was approved by the Governing Body in November 2010.
100. She asked for clarification regarding the composition of the project team and the involvement of the Staff Union. She drew attention to the importance of a communications strategy that would include appropriate staff participation. With regard to the risk register, the classifications of close, medium and far proximity should be better explained. She observed that safety evacuation measures fell short of local safety standards and requirements for a building of that size. Concerning the financial report, clarification was also requested with respect to the cost of temporary offices and moving costs, considering that those costs would only apply to a small number of staff.
101. She considered that the process of consultation with staff and negotiation with the Staff Union were important elements for success and welcomed the inclusion of the Staff Union in the Steering Committee.
102. *Speaking on behalf of the member States of GRULAC represented on the Governing Body*, a Government representative of Colombia noted with satisfaction the progress made on the

replacement of the elevators. Her group welcomed the fact that the work would be completed before the initial deadline but more information was needed on the terms of the guarantee offered by the supplier.

- 103.** Concerning governance, she emphasized that it was important for the Office to have clearly defined terms of reference for the governance of the project and harmonization with existing rules and procedures. The group welcomed the establishment of a communication strategy, the appointment of a Project Manager and the participation of the staff throughout the project. She asked for a more detailed budget and sought clarification regarding the maintenance costs in the field offices. The decision not to build a temporary building should be reflected in the savings. The Office should report to the next session of the Governing Body in June on all progress made since the beginning of the year.
- 104.** The group recommended taking all necessary measures to avoid delays that could result in an increase in the approved budget for the renovation of the headquarters building.
- 105.** *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe noted with satisfaction the progress made on the replacement of the elevators and the renovation of the kitchens. He hoped that the work would continue at the same pace, in view of what still needed to be done.
- 106.** Although the group appreciated the assurances that steps were being taken to ensure clarity of the roles and responsibilities of the various Office units, he requested more information on those measures. Noting the role of the newly appointed Project Manager, he asked for more details of the reporting structure and recommendations to the Director-General, so as to avoid discord in the reporting system.
- 107.** The group noted with satisfaction that the first phase of the project remained within the approved budget level of 89.1 million Swiss francs (CHF) and that the Governing Body would be kept informed with a more detailed budget in the next report and also a full detailed analysis, taking into account all constraints linked to having the building “in full working order” while the works were in progress.
- 108.** *Speaking on behalf of the member States of ASPAG represented on the Governing Body*, a Government representative of Japan thanked the Office for the progress report, which included an updated risk register with lower overall risks. The group noted with appreciation that the works were progressing according to schedule, that a reporting strategy had been established and that the project still remained within the approved budget level. He requested information on the schedule of works and reiterated his interest in seeing progress in the negotiations with the host country concerning the rezoning of plots which the ILO was considering selling in order to help finance the completion phase.
- 109.** *A Government representative of Mexico* emphasized the importance of the risk register and reiterated his confidence that the Office would ensure that the project remained within the approved budget of CHF89.1 million.
- 110.** He emphasized the importance of the Project Manager taking all necessary measures to ensure that the building complied with the relevant health and safety regulations and security standards and that it would be accessible by people with disabilities.
- 111.** *A Government representative of Switzerland* expressed her satisfaction with the development of the contacts concerning the rezoning of the plots of land and the establishment of a coordinating committee.

112. Regarding the risk of an unexpected delay in implementing procedures in consultation with the host country and the difficulties of bringing the building into line with local fire safety and accident standards, her delegation considered that the establishment of a coordination committee would minimize those risks.
113. The ILO should request the necessary authorizations to ensure that the renovation of the building would conform with the legislation and safety regulations in force. Her delegation reiterated its full support for the advancement of the project.
114. In his reply, *a representative of the Director-General* (Deputy Director-General, Management and Reform) introduced the new Project Manager and commented on his positive impact on the project.
115. The speaker explained that the new governance arrangements included a governance committee chaired by himself and comprising a small group of senior officials. It maintained a steering committee including Staff Union representation and other officials in a consultative role. It was his responsibility as chair of the Governance Committee to refer issues to the Director-General, as needed. The new governance structure also included a project team, headed by the Project Manager. That team would deal with the technical aspects of the day-to-day management of the project. A user representatives committee had also been established, with a representative from each of the departments, to provide a conduit for information to and from each department. The Staff Union would also have a representative on the committee.
116. The proposed governance structure sought to provide mechanisms for effective governance, management, communication and consultation for the project.
117. With regard to relations with the Swiss authorities, he stated that there had been positive discussions with the Swiss Government, with respect to both the land and building issues. The Office had an agreement with the Swiss authorities which would allow the lifting of opposition to rezoning of the land and it was now awaiting the implementation of the required measures. He confirmed the benefits of a coordinating committee referred to by the Swiss delegate and said that he would act on that as quickly as possible. There had been regular contact with the authorities, including from the Director-General.
118. With regard to some of the safety issues raised, the Office had made it clear that both during and after the construction phase the building had to meet all relevant safety standards. He confirmed that safety was of paramount importance and that the ILO had to be seen to be providing an appropriate and safe workplace both for staff and for other users of the building.
119. He said that since the Project Manager's appointment, monthly progress and expenditure reports, including forecasts, were being prepared. With an early warning system of that sort there would be plenty of notice in the event of any budgetary issues.
120. Concerning the need to create space for the renovation work, he stated that the Office would require external accommodation for approximately 100 staff during the renovation period in order to relocate other staff within a reduced space. He confirmed that staff belonging to ISSA would move out during the works. Another unit, still to be decided upon, would also have to relocate. The intention was to find temporary accommodation in close proximity in order to minimize any disruption to the work of the Office.
121. *Another representative of the Director-General* (Project Manager, Building Renovation Project) stated that the issue of the appointment of a general contractor was still being analysed. He expressed concern at the use of a general contractor on the project, in view of

the nature of the works and the fact that ILO staff would remain in the building as the work was carried out. Renovation works often gave rise to unforeseen elements, which usually ended up generating extra costs and, in the event of working with a general contractor, such costs would be difficult to manage. Having to shuffle staff around during the works could lead to conflicts with the work schedule and could also generate additional costs or claims from a general contractor. Those issues could be mitigated or absorbed using a construction management approach.

122. With regard to the communications strategy, information sessions had taken place during the previous week in order to inform staff of the vision and scope of the project, its mission statement and progress to date. He assured the Governing Body that information sessions would continue and that two-way communication with the staff was planned for the duration of the project, including with the help of the departmental user representatives.
123. While acknowledging the potential confusion arising from the wording in the risk register regarding the proximity of risks, he pointed out that the terms were the same as those used in all previous risk register reports. He would review the format of the register prior to the next report. The contents of the risk register were the same as those presented in November, although some probabilities had been lowered, in line with the project's progress.
124. With regard to the concerns over safety standards, he said that the headquarters building did not comply with current legislation for new construction. New safety measures were being worked on as part of the project. There was no change in the approach to staff safety, which was of paramount importance and would be greatly improved once the project had been completed. He looked forward to finalizing those matters with the Swiss authorities.
125. The project team was still working on project design and a more detailed budget would be available by mid-September, at the end of the detailed design phase. The detailed budget would be reported to the Governing Body at its October session.
126. He stated that the teething problems in the replacement of the elevators had had no impact on the cost of the works, as all issues were covered by the contractor.

Outcome

127. *The Governing Body took note of the report.*

Third item on the agenda

Delegation of authority under article 18 of the Standing Orders of the International Labour Conference (GB.317/PFA/3)

128. *The Employer spokesperson supported the draft decision.*
129. *The Worker spokesperson supported the draft decision.*

Decision

- 130.** *The Governing Body delegated to its Officers, for the period of the 102nd Session (2013) of the International Labour Conference, the authority to carry out its responsibilities under article 18 of the Conference Standing Orders in relation to proposals involving expenditure in the 73rd financial period ending 31 December 2013.*

(GB.317/PFA/3, paragraph 3.)

Fourth item on the agenda

UN system coordination and common services: Financial implications for the ILO

(GB.317/PFA/4)

- 131.** *The Worker spokesperson* recalled the group's past reservations regarding the benefits to ILO constituents, and especially trade unions, from ILO participation in United Nations (UN) system operational activities. Trade unions faced difficulties at country level in obtaining recognition by Resident Coordinators. Other UN agencies and Resident Coordinators tended to treat issues of freedom of association as internal matters for the country and not as their concern, and refused to intervene or speak on them. Many Resident Coordinators showed a complete lack of understanding of the ILO's tripartite structure or standard-setting mandate.
- 132.** ILO involvement in United Nations Development Assistance Frameworks (UNDAFs) had mostly been in connection with poverty reduction initiatives, and only rarely touched on international labour standards or fundamental principles and rights at work. While the ILO received some US\$36 million a year in monetary benefits from participation in UNDAFs, it also paid US\$11 million to support work through UN Country Teams (UNCTs). Any further cost for the Resident Coordinator system would be in addition to that amount.
- 133.** The Workers' group therefore supported the statement in paragraph 24 of the Office paper that costs incurred by the ILO through participation in UN development cooperation should remain at reasonable levels. The ILO would be obliged to contribute to the costs, but any decision on such support should be based on the benefits that would derive from it. The Workers accordingly supported the draft decision in paragraph 25.
- 134.** *The Employer spokesperson* stated that the issue was difficult since the Office paper gave no clear guidance on what was expected from the Governing Body. It was logical for the ILO to contribute financially to the Resident Coordinator system, since it mobilized a significant amount of funds each year. It would however be useful, before taking any final decision on such support, to learn what other agencies, programmes and funds received each year and the basis for the calculation of individual agencies' contributions.
- 135.** The benefits of participating in the system had to be offset by the costs incurred, but the latter were not entirely clear from the Office paper. More information on the nature of such costs would therefore be welcome.
- 136.** Full participation by the ILO in the work of UNCTs gave it access to consultations and dialogue on the post-2015 development framework at national level. A higher profile for the ILO in UNCTs would also enhance that of ILO constituents in the preparation of

national development agendas that would follow the post-2015 framework. It was therefore necessary for the ILO to stay within the system, but in negotiations on the terms of such participation the ILO needed to be recognized as a unique UN agency in which social dialogue and the role of employers' and workers' organizations were of key importance.

- 137.** *Speaking on behalf of the member States of GRULAC represented on the Governing Body*, a Government representative of Colombia recognized the work of the UN system in promoting national development priorities. The best possibility for the ILO to promote the Decent Work Agenda in national contexts was through cooperation with other agencies. The Quadrennial Comprehensive Policy Review (QCPR) resolution called for the UN Secretary-General to make proposals for the financing of the Resident Coordinator system, which, however, would have to be negotiated with the programmes, funds and agencies and take account of the recognized objective of ensuring that Resident Coordinators had the necessary resources to perform their role effectively on a stable and predictable basis without using funds intended for programmes. Such proposals must be equitable and involve all agencies concerned on the basis of the services they actually used. The Governing Body's role was therefore to determine whether ILO constituents wished to add criteria to the ILO's involvement in such negotiations. The issue went beyond costs, since it also involved governance. The basic framework for ILO activities remained the ILO Declaration on Social Justice for a Fair Globalization, which proposed that ILO activities to promote Decent Work Country Programmes (DWCPs) should be conducted in the framework of the UN system, and advocated effective partnerships with the multilateral system to strengthen ILO programmes and operational activities. The ILO should support the measures proposed in the QCPR resolution to make the UN Resident Coordinator system more effective and efficient. The ultimate aim was a more open, participatory and cooperative system.
- 138.** *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Zimbabwe recognized the benefits to the ILO of participation in the UN system, particularly in view of the resources mobilized by Multi-Partner Trust Funds, of which Africa had been the largest beneficiary. Such funds represented a significant proportion of extra-budgetary resources. The costs of participating were significantly lower than those benefits and so the ILO should continue to participate in the UN system. Further information would, however, be welcome on how costs were calculated for the participation of individual agencies, funds and programmes in UNCTs. The UN system bodies should establish an agreed modality for such calculations to replace the current ad hoc funding arrangements. In Africa, the ILO offices had been active in many UNDAFs, in most of which the DWCPs had been taken into account. That was an effective way of ensuring that ILO policies and objectives were followed through at national level.
- 139.** *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of Italy reaffirmed her group's commitment to making the UN development system more relevant, coherent, efficient, effective, transparent and accountable to member States. To increase the quantity and quality of funding for UN system operational activities it was necessary to improve results-based management and further harmonize reporting on outcomes. UN agencies should increase their efforts to use development resources more effectively in accordance with the Delivering as One approach.
- 140.** The ILO had received significant benefits from the UN system over the past five years. The added value of UN system coordination went beyond financial benefits: through their involvement in UNCTs, the ILO and other agencies could help move the teams towards a more standard-setting agenda to make the UNDAFs a vehicle for principles and standards.

Such involvement was also essential to ensure that the ILO's concerns were taken fully into account in the post-2015 development framework. There were some concerns, however, about what priority was given to the ILO's agenda, principles, standards and policy orientations by Resident Coordinators, and further information was requested on examples of the ILO's experience in that respect, and on how coordination affected the ILO's ability to conduct its programmes effectively. While the ILO should work with UNCTs, at the same time it needed to seek extra-budgetary funding for its programmes at country level directly. The IMEC governments supported such efforts, provided they were made in a transparent manner as part of a comprehensive and coordinated resource mobilization strategy. The UN Secretary-General would submit his initial proposals on the funding of the Resident Coordinator system in May. The speaker encouraged the ILO to participate actively in negotiations on modalities for funding the Resident Coordinator system in order to arrive at a workable cost-sharing formula. However, the ILO's contribution to the system should not entail any increase in the budget ceilings for 2014–15.

141. A *Government representative of the Bolivarian Republic of Venezuela* supported the statement made by GRULAC. ILO cooperation with the UN system offered several advantages, including access to extra-budgetary funds received through the UN system, but also implied a cost. The QCPR adopted by the UN General Assembly in December 2012 requested the Secretary-General to present concrete proposals for Resident Coordinator system funding modalities. The current programme and budget proposals included no provision for such funding. Specific proposals would be necessary to ensure stable and predictable funding in a context where the Resident Coordinator system was facing cuts. The costs incurred must be maintained at a reasonable and proportional level, and should be defined in the programme and budget in a transparent manner.
142. A *Government representative of Japan* stressed that cooperation with the United Nations and the Resident Coordinator system at the country level was essential for the ILO, which was expected to play a more significant role in UN system operational activities, particularly in relation to the post-2015 development agenda, where it was essential to emphasize the key importance of employment. Effective cooperation between the ILO and the UN system was therefore needed. Specific examples of good coordination with other UN agencies would be welcome, as would greater clarity on the benefits and costs of ILO participation.
143. A *Government representative of Switzerland* reaffirmed that the strengthening of the Resident Coordinator system was one of the core elements of the QCPR resolution. At the same time, the ILO, like other specialized agencies, must retain its operational autonomy. The ILO participated in many joint programmes in the pursuit of its strategic objectives, including through UNCTs, and it should therefore support the Resident Coordinator system, as should all the specialized agencies. The ILO's full participation in coming discussions on the subject at the UN level was encouraged. Solutions to incorporate additional costs had to be found without increasing the overall budget presented in the programme and budget proposals, and in that regard she supported the statement by the IMEC group. Savings generated by the ILO reform could serve to fund the Resident Coordinator system. A separate budget heading for UN coordination should be created in the programme and budget.
144. A *Government representative of India* noted that the recent QCPR resolution was not legally binding on specialized agencies like the ILO. The Office paper was consistent with the UN system-wide coherence objective. Any single source of funding at the UN level could be a source of procedural concerns, since funds could be approved with restrictions imposed on their use by the ILO at country level; some programmes could be rejected by the Resident Coordinator system owing to a shortage of funds or simply because of

perceived lower priority. Centralized funding could create delays in the implementation of programme activities, and would create difficulties for the internal auditing system of the ILO, as the latter could become redundant if the principle of a single auditing agency was adopted. Changes in the current funding system were a source of concern because of possible legal complications and participating countries' reluctance to change.

- 145.** In the light of the ILO's limited resources, he asked what mechanisms the UN secretariat would suggest as a basis for calculations, what the total amount of such funding would be and what conditions would apply to its distribution. He also inquired about the position of other UN organizations regarding the ILO's contribution and the annual cost to the ILO, and whether that would depend on contributions to the UNDAFs. However, the issue was not exclusively financial, since it also touched on aspects of governance.
- 146.** *A representative of the Director-General* (Director, Bureau of Programming and Management), replying to the discussion, thanked the Governing Body for its clear contributions. Since the ILO was a member of the UN, the issue was how to maximize the benefits for the ILO while keeping the costs at a reasonable level. In reply to the Employers, he stated that the fees that could be charged to each UN agency for participation in the Resident Coordinator system were the subject of discussions in the United Nations Development Group (UNDG), and also in the Finance and Budget Network of the High-Level Committee on Management. The Secretary-General was requested in the QCPR to make proposals to the UN Economic and Social Council and the General Assembly in July and September 2013, respectively. The modalities of funding the coordination costs of the UN system were still being discussed in different interagency forums and estimates still varied, including in relation to the figure given in the Office paper. He acknowledged that it raised a number of governance issues. The ILO benefited as a member of the UN system from UNDAFs and joint programmes, and from the funds raised by UNCTs. That opened opportunities for the ILO to promote its agenda, and to increase understanding among Resident Coordinators and UNCTs of ILO values, tripartism, the role of employers and workers, and the Decent Work Agenda. It was important to retain the autonomy of the DWCPs, and the ILO's participation in UNDAF and joint programming processes should go hand in hand with activities to promote social dialogue. Once the modalities for joint funding of the Resident Coordinator system were clear, the Office would communicate them to the Governing Body for decision.
- 147.** *Another representative of the Director-General* (Director, Financial Services Department and Treasurer and Financial Comptroller) stated that the ILO's annual share of the costs of supporting the Resident Coordinator system, estimated at US\$2.5 million, was based on a comparative analysis of expenditure and headcount across UN organizations.

Decision

- 148.** *The Governing Body provided its guidance to the ILO on the cooperation with the United Nations Organization in operational development activities as summarized in paragraph 24 of document GB.317/PFA/4, particularly as regards the financial implications of coordination, and confirmed that future arrangements for the financing of UN Resident Coordinators and UNCTs, relative to their possible implications for the ILO, should be referred to the Governing Body for decision.*

(GB.317/PFA/4, paragraph 25.)

Fifth item on the agenda

Other financial questions

Report of the Government members of the Governing Body for allocation of expenses (GB.317/PFA/5)

149. *The Employer spokesperson supported the points for decision.*
150. *The Worker spokesperson supported the points for decision.*
151. *Speaking on behalf of the member States of the Africa group represented on the Governing Body, a Government representative of Zimbabwe supported the points for decision.*

Decisions

152. *The Governing Body decided, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to propose to the International Labour Conference that the contribution of the Republic of South Sudan to the ILO budget for the period of its membership in the Organization during 2012 and 2013 be based on an annual assessment rate of 0.003 per cent.*

(GB.317/PFA/5, paragraph 7.)

153. *The Governing Body decided, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to propose to the International Labour Conference that the contribution of the Republic of Palau to the ILO budget for the period of its membership in the Organization during 2012 be based on an annual assessment rate of 0.001 per cent.*

(GB.317/PFA/5, paragraph 10.)

154. *The Governing Body decided, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to propose to the International Labour Conference the adoption of the draft scale of assessments for the years 2014 and 2015 as set out in column 3 of the appendix to GB.317/PFA/5, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.*

(GB.317/PFA/5, paragraph 13.)

Audit and Oversight Segment

Sixth item on the agenda

Follow-up to the report of the Chief Internal Auditor for the year ended 31 December 2011 (GB.317/PFA/6)

155. *The Worker spokesperson* said that the revised Director-General announcement on the roles and responsibilities of ILO senior managers should ensure that all relevant staff were made aware that only serving ILO officials could serve as officers-in-charge during the absence of an office director. The group wished to be informed of measures being taken to ensure that goods and services provided by suppliers complied with ILO standards. She noted that the Director-General had requested that executive and regional directors took more responsibility for the timely implementation of internal audit recommendations and she looked forward to swifter follow-up on recommendations, particularly in the field.
156. *The Employer spokesperson* welcomed the move to review risk management practices but was unclear on where the responsibility for risk management would be assigned. He looked forward to information on the cost-benefit analysis for possible risk management resources as proposed by the Chief Internal Auditor. He supported the move to establish a formal process for business continuity planning and wished to know who would have overall responsibility. Regarding the cost-sharing initiative with the UN, the Office should indicate the cost to the ILO. Lastly, he stressed that it was essential that internal audit recommendations were implemented in a proper and timely manner.
157. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Egypt said that business continuity planning was increasingly important in securing effectiveness and sustainability, and stressed the importance of harmonization with UN agencies and cost effectiveness. In line with the Director-General's vision for the next biennium, adequate attention and resources should be given to staff development. Training should take account of staff needs, responsibilities and locations. He expected that completion of the implementation of the recommendation on performance management would resolve compliance issues. The updated procedure on follow-up to the Chief Internal Auditor's recommendations reflected the Office's commitment, but the group wished to know why the recommendation on the appointment of a focal point had not been accepted.
158. *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of the Netherlands requested further information on the status of the risk management framework and the role of the risk management committee, as well as clarification regarding the connection with the recommendation for the appointment of a risk management officer. She also welcomed cooperation with the UN Office in Geneva. The group attached great importance to adequate personnel management and staff development and wished to know whether Office-wide training on governance and accountability would be obligatory and, if so, for whom; when it would be operational; and how its impact would be measured. The Office should monitor staff compliance with duties at each stage in the performance management cycle, taking disciplinary action for persistent non-compliance. Moreover, performance cycle requirements should be met in 2013 in anticipation of the electronic system that should be available for all staff for the 2014–15 performance cycle. She asked that a progress report on the electronic system be presented in October 2013 and urged the Office to ensure proper and timely follow-up on recommendations.

159. A *Government representative of India* observed that, in view of the ongoing implementation of recommendations on risk management, business continuity planning, staff development and performance management, a common training programme could be developed to include all those components. He hoped that the implementation of the recommendations would strengthen control and procedural functioning.
160. A *Government representative of China* noted, that under the reform plan, a direct reporting line between the Office of Internal Audit and Oversight (IAO) and the Director-General had been established. Internal performance assessment enabled management to understand staff work, identify problems and make improvements.
161. A *representative of the Director-General* (Director, Financial Services Department and Treasurer and Financial Comptroller) explained that the ILO general terms and conditions for contracts required contractors, subcontractors or personnel to respect international labour standards. No formal compliance evaluation procedure existed within the procurement function, and any non-compliance could be grounds for contract cancellation.
162. He clarified that the Office paper had been written prior to the Director-General's announcement that the Treasurer would assume overall responsibility for enterprise risk management. The risk management framework and governance documents had been amended following the Director-General's reform announcements in February 2013, and would soon be finalized. Responsibility for business continuity management had also been transferred to the Treasurer. Under the business continuity management cost-sharing initiative, the ILO was receiving the equivalent of two work-months per year of the services of the expert from the UN Office in Geneva, amounting to some US\$40,000 per year.
163. The recommendation to formally identify focal points in each office had been rejected because the Director-General's instructions clearly placed responsibility for implementation of recommendations on the executive or regional directors. The Office considered that responsibility had to remain at a senior level. There had, nonetheless, been a lack of adequate follow-up and that would continue to be monitored closely.

Outcome

164. *The Governing Body took note of the report.*

Seventh item on the agenda

Report of the Chief Internal Auditor for the year ended 31 December 2012 (GB.317/PFA/7)

165. *The Employer spokesperson* said that proper risk management was a high priority and the establishment of a new position of risk officer should ensure Office-wide implementation of risk management policies within the ILO management system, while avoiding becoming a "silo". The Office should ensure better and more timely implementation of recommendations. The 50 per cent implementation rate in New Delhi was totally unacceptable. He wished to be informed of the reasons for such a poor performance, the consequences of the findings and how the Office would address the issue of implementation of recommendations.

- 166.** *The Worker spokesperson* said that the ILO should provide training on reporting requirements for implementing partners, and in particular for trade unions. Given the seriousness of possible external attacks on the ILO's information technology (IT) environment, proper measures should be implemented to avoid such risks. The report's identification of the danger of financial mismanagement as a result of using obsolete accounting systems reflected the urgency of IRIS roll-out to all offices. The inconsistent follow-up on internal audit recommendations was of great concern and she looked forward to seeing regional directors taking more responsibility for swift follow-up to recommendations.
- 167.** *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Egypt said that the independent investigative function of the Office of Internal Audit and Oversight (IAO) was crucial to ensuring accountability and compliance. The Office should inform the Governing Body of the measures taken to address the two areas identified by the IAO regarding project execution. The speaker called for a special focus within staff development on operations training in regional and country offices, and on the different needs of staff members based on responsibilities and location.
- 168.** *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of the Netherlands requested further information on mitigating controls in those cases where access to the ILO's external office financial management system (FISEXT) was not given in anticipation of IRIS roll-out. He asked how many offices had no access to either FISEXT or IRIS. He encouraged the Office to follow up on the recommendation to appoint a risk officer and welcomed any other innovative ideas to strengthen risk control. The focus on staff development echoed a stance long held by IMEC, which looked forward to receiving more information on a revised human resources strategy. Identifying, addressing and remedying perceived abuses was central to the ILO's reputation and, to that end, the IAO's investigative work was to be encouraged. He supported the recommendations for better technical guidance for monitoring of implementing agents. Concerned at the low implementation level of audit recommendations in field offices, he called for measures to ensure follow-up, such as taking disciplinary action in cases of persistent failure to implement recommendations. He reiterated a previous suggestion that the annex containing the main recommendations should be formatted in such a way as to distinguish between those of critical priority and those requiring longer-term actions. The annex should be written so that it did not require recourse to the main text.
- 169.** *A Government representative of India* indicated that cybersecurity concerns at headquarters required prompt attention. Risk management policies would be instrumental in decisions to allocate resources to ILO projects. Proper attention should be given to improving activity planning, monitoring implementing partners, and compliance with ILO financial rules and procedures.
- 170.** *A Government representative of China* said that auditing work should focus on the authenticity, legality and effectiveness of expenditure. The Director-General should urge the offices being audited to duly implement recommendations.
- 171.** *The Chief Internal Auditor* took note of the formatting suggestion made by IMEC. Regarding the appointment of a risk officer, the role would involve coordinating risk management across the Office. The recommendation of a focal point had been reiterated because the Office had made it clear who was responsible for following up internal audit recommendations, but the recommendation was intended to address the means of achieving that goal. A formal delegation would assign responsibility and accountability for ensuring proper coordination in the region or in departments at headquarters.

172. *A representative of the Director-General* (Director, Financial Services Department and Treasurer and Financial Comptroller) said that the Office would provide the Governing Body with a comprehensive reply to the Chief Internal Auditor's recommendations at a future session. He explained that FISEXT was the accounting system which had been used in the field offices for the past 18 years and was being progressively replaced by IRIS functionality. All ILO offices, but not all projects, were already using FISEXT or IRIS. It was expected that all ILO offices and projects would eventually use IRIS or an IRIS-like application and it was therefore considered an inefficient use of resources to implement FISEXT for only a limited period of time.

Outcome

173. *The Governing Body took note of the report.*

Eighth item on the agenda

Report of the Independent Oversight Advisory Committee (IOAC) (GB.317/PFA/8)

174. *The Chairperson of the Independent Oversight Advisory Committee (IOAC)* noted that the report of the IOAC was a transitional report, in the sense that it contained the work and recommendations of both the former and new members of the Committee.
175. She affirmed that the Committee's role was: to provide the Governing Body and the Director-General with a high-level, independent view on matters within the Committee's mandate; to question, validate or disagree with actions taken; and to report whether policies and procedures were working well.
176. Of particular interest to the Committee was the Director-General's reform programme, the Programme and Budget proposals for 2014–15 and the risk management processes of the Office. At its May meeting, the Committee would focus on the financial statements and the report of the External Auditor. The speaker solicited input from the Governing Body on where the Committee should focus its attention.
177. *The Employer spokesperson* congratulated the members of the new IOAC on their assignment and wished the new IOAC and its new chairperson Hilary Wild success. The group always appreciated the very clear and sharp recommendations of the IOAC. However, it felt that the current report was more vague than the reports in the past. The group acknowledged that it was only the first report of the new IOAC. However, the Employers would welcome a sharper report once again in the future. The speaker supported the IOAC's request for clear objectives for skills mapping data collection and its usage, as well as a better definition of what data was to be collected and by when. If the skills mapping was to be successful, the Office had to be very clear on the use of the data. He shared the IOAC's concern with regard to the number of recommendations of the Chief Internal Auditor that had not been fully implemented, and requested that the Director-General take urgent follow-up action.
178. He supported the recommendation to have a business champion for IRIS, and requested clarification as to whether the Deputy Director-General for Management and Reform had that role.

179. The speaker requested the IOAC to elaborate on its recommendation 2 (2013), concerning the implementation of an internal management process. He supported the recommendation to give risk management the highest visibility, and requested that the IOAC provide more information about its recommendation to establish the position of a risk management officer. The risk officer should have a support function with the objective of ensuring implementation of risk policies within ILO management and should avoid a role which became a silo within the ILO.
180. *The Worker spokesperson* was pleased that the IOAC was satisfied with the work of the External Auditor, the Internal Auditor, the use of RBM, and the implementation of IPSAS. She looked forward to receiving additional information on the roll-out of IRIS and its cost estimates, and particularly more details on the “total cost of ownership” approach.
181. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Egypt encouraged the Office to maintain its active follow-up on the recommendations related to integrated IT solutions for skills mapping.
182. The speaker supported the recommendations on leadership training and measures to enhance the quality and timeliness of implementation of internal and external audit recommendations. As to recruitment, he sought the Committee’s views on measures to enhance the representation of non-represented or underrepresented States in the structure of the Office.
183. He noted the IOAC’s satisfaction with the risk-based internal audit workplan for 2012–13, and progress made in the implementation of IPSAS. The positive views of the IOAC on the changes made to the structure of Office management were also noted.
184. *Speaking on behalf of the member States of IMEC represented on the Governing Body*, a Government representative of the United Kingdom expressed support for all the recommendations made in the report. He noted that while the IOAC was generally satisfied with the follow-up to the March 2012 recommendations, the Office should implement in full recommendations 2 and 3 on skills mapping and an integrated IT solution.
185. With respect to recommendation 5, the speaker shared the IOAC’s concern about the quality and timeliness of responses. The Committee’s recommendation should be implemented if improvements were not quickly realized. It was noted that the Committee was satisfied with the methodology used for the risk-based internal audit workplan for 2012–13, and with the coverage of the external audit plan for 2012.
186. He noted the IOAC’s encouragement that the Office and the External Auditor review and improve the understandability of the financial statements, including by considering the inclusion of a comparison of key financial indicators over a five-year period to enable readers to see important trends.
187. He expressed concern with the lack of specifics on the total cost of ownership estimates and cost–benefit analysis for the field roll-out of IRIS provided to the Committee, and requested the Office’s response to that and its comments on the recommendation calling for a business owner to oversee IRIS.
188. He endorsed the ongoing project to develop new administrative procedure manuals, but noted the Committee’s view that there was still a need to establish clear ownership of the project. The Office was urged to implement an internal management process in line with the Committee’s recommendation.

- 189.** The progress made by the Office to implement effective risk management and to establish standard operating procedures for business continuity management was appreciated. The Office was encouraged to develop an effective performance management system.
- 190.** *Speaking also on behalf of the Government of France*, a Government representative of Germany stated that the IOAC's report should have been focused more directly on its main missions, as stated in the terms of reference, and offer qualitative assessment and advice to the Governing Body. What was expected was a critical yet constructive assessment of the performance of the Office in key areas, suggestions on improvements to be made, analysis of lessons learned, and observations on key aspects of the ongoing reforms.
- 191.** Given the recent appointment of four of the five members of the IOAC, he was surprised that the Committee felt it was already in a position to express satisfaction with respect to the information provided by the Office in many areas, and with the remedial or other actions undertaken by the Office. Also, given the complexity of many Office operations, it had been expected that the IOAC would have indicated issues needing confirmation and follow-up in the coming months, and areas where more scrutiny was necessary. He requested that future briefings and reports link recommendations with possible budget implications.
- 192.** *A Government representative of India* recalled the selection process for members of the IOAC, and commended the tripartite selection committee for observing the criteria of equitable geographical distribution in the selection process.
- 193.** He noted that the recommendations made by the IOAC touched upon core functional issues involving financial and administrative systems, RBM, IPSAS, risk management and human resources, as well as internal and external audit. The speaker cautioned that the work of collecting skills mapping data and the implementation of an integrated IT solution required particular attention.
- 194.** *A Government representative of the Republic of Korea* shared the IOAC's concerns about the implementation rate of audit recommendations in the regional offices. She expressed doubts about the effectiveness of Office measures to date to improve the implementation of recommendations. The Office was asked to consider whether it would be appropriate to include the implementation rate of recommendations in performance indicators.
- 195.** *A Government representative of France* described the role of the IOAC as one of helping the Governing Body to make sense of key issues and to establish reform priorities. He noted that the IOAC had to depend on the work of internal and external auditors, who had the resources to go into the details.
- 196.** *The Chairperson of the IOAC* responded that future reports would have a sharper focus, and the inputs received from the Governing Body would guide the Committee's priorities, as well as the format and presentation of its reports. The issue of implementation of audit recommendations was very high on the IOAC's agenda. The Committee was not convinced that sign-off by the regional directors was the solution, and felt that the focus should be placed on ways to determine whether recommendations had been implemented. The Committee's role would not be confined to indicating whether progress was good or not good, but would include advising on mechanisms to improve the level of implementation.
- 197.** With respect to recommendation 2 (2013), the Committee was looking for a means by which to ensure that operations manuals, which included elements that were the responsibility of different functions within the ILO, were completed on time by having someone with overall ownership and responsibility for their completion.

198. She explained that the Committee's recommendation for a risk management officer was precisely to help ensure effective coordination of Office-wide risk management activities in order to avoid having that becoming an island or "silo".
199. The IOAC would follow up on the question of the field roll-out of IRIS, including the details of the total cost of ownership. She confirmed that the role of the IOAC was to put the pieces together in order to make it clear to the Governing Body how the various elements fitted together and what was at stake.
200. *A representative of the Director-General* (Deputy Director-General for Management and Reform) confirmed that he was the business owner for IRIS, and that actions were being taken with respect to the delays in follow-up to audit recommendations. The reform programme related to recommendation 2 (2013) was also part of his area of responsibility. More details on the process and mechanism of reform, including those related to human resources and performance management, would be provided at the following Governing Body session.
201. With respect to recommendation 3 (2013), the Director-General had put the responsibility for managing enterprise risks and business continuity management under the Treasurer and Financial Comptroller.
202. *Another representative of the Director-General* (Director, Financial Services Department and Treasurer and Financial Comptroller) noted that reminders had been sent regarding the follow-up to audit recommendations, and that the topic would be further addressed at the Global Management Team meeting later that week. He expected that by the September meeting of the IOAC improved compliance statistics could be delivered.

Outcome

203. *The Governing Body took note of the report.*

Personnel Segment

Ninth item on the agenda

Statement by the staff representative

204. The statement by the Staff Union representative is reproduced in Appendix III.

Tenth item on the agenda

Amendments to the Staff Regulations: Review of recruitment and selection procedures (GB.317/PFA/10)

205. *The Employer spokesperson* noted that the Office paper contained two proposals: firstly, that the Director-General report on the issue again in October 2013; and secondly, that the interim arrangements relating to recruitment and selection procedures should continue to be applied until the full process of human resources reform had been completed and

presented to the Governing Body. That was the third consecutive Governing Body session at which the same message had been presented; such a pattern of repeated promises without accomplishment should stop. While recognizing that the full review and reform of human resources policies was a major undertaking, it should be conducted in a coherent manner and within firm deadlines. To ensure that there were consequences for non-accomplishment, he recommended that in the event of further failure to deliver, the interim arrangements on recruitment and selection should be discontinued.

- 206.** The Employers' group concurred with the need for a recruitment process that was fair, neutral and transparent, and that had the confidence and trust of the employees, their Staff Union and the managers of the ILO. However, the group continued to have a fundamental objection to a Staff Union representative observing the technical assessment of candidates. Several governments had voiced similar concerns during previous Governing Body discussions and alternative suggestions had been made as to other ways in which all parties could be assured a fair selection process. The group did not support that provision in the interim agreement and demanded that the Office submit other proposals to increase transparency in the recruitment and selection procedures. He therefore proposed an amended point for decision requesting a clear and reasonable timeline for the Office to present to the Governing Body revised proposals on recruitment and selection, as well as on other areas of the human resources reform, by March 2014, failing which the interim arrangements would lapse.
- 207.** *The Worker spokesperson* noted that while she considered that the trade union observer role was important in the context of transparency, her group supported the point for decision as amended by the Employers' group. A 12-month period seemed to be a reasonable time within which to reach agreement and she doubted that anyone would wish to return to the previous agreement that had existed prior to the interim arrangements.
- 208.** *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of the United Republic of Tanzania expressed his appreciation of the Director-General's reform agenda, which was geared towards a comprehensive human resources reform. He called upon the Office to continue its discussions with the Staff Union to achieve transparency, accountability and efficiency in recruitment and selection, due consideration being given to the special circumstances concerning Africa, which was underrepresented in the Office. He therefore proposed that that concern be reflected in the point for decision.
- 209.** *A Government representative of Kenya* supported the proposal of the Africa group and requested that additional concerns be taken into consideration in the review of human resources policies and practices: diversity and equitable geographical coverage should apply to regular budget and technical cooperation alike; affirmative action should be considered in respect of candidates from disadvantaged regions or backgrounds; and linguistic requirements should be adjusted for candidates who spoke several languages, but not the three main languages of the Organization.
- 210.** *Speaking on behalf of the member States of ASPAG represented on the Governing Body*, a Government representative of Japan noted that consideration of recruitment and selection had already been deferred twice previously and expressed his disappointment that the issue would now be delayed even further to a future session of the Governing Body. At the same time, he acknowledged that wide-scale human resources policy reforms took time and was hopeful that they would bring the desired results. Referring to the Office paper entitled "Composition and structure of the staff",² he noted that many countries in the Asia and the

² GB.317/PFA/INF/2.

Pacific region continued to be non- or underrepresented within the ILO staff and that special measures needed to be taken to resolve that long-standing problem. He therefore also urged the Office to take into account the aspect of equitable geographic representation in the context of the reform.

- 211.** *Government representatives of China, Islamic Republic of Iran and India* supported the statement made by Japan on behalf of ASPAG. The Government representative of China recalled that priority in the recruitment and selection of Professional staff should be given to the relevant professional and technical expertise, taking also into account the importance of adequate geographical representation. The Government representative of the Islamic Republic of Iran also stressed the importance of recruiting staff of the highest standards of competence, efficiency and integrity, from a wide geographical base, at all levels. Opportunities had to be given to all member States to achieve the geographical, cultural, political and philosophical diversity that was vital to the ILO's success. He encouraged the Director-General to review geographical representation on a regular basis and to reduce underrepresentation.
- 212.** *A Government representative of Switzerland* thanked the Office for having circulated a recent note of the UN Joint Inspection Unit entitled "Staff recruitment in United Nations system organizations: A comparative analysis and benchmarking framework", which contained the information she had requested in November with respect to the practice of other UN organizations concerning participation of staff representatives in recruitment and selection bodies. Switzerland encouraged the Director-General to continue with a coherent and comprehensive review of human resources policies and practices in the spirit of social dialogue, and therefore supported the amended point for decision submitted by the Employers and supported by the Workers.
- 213.** *A representative of the Director-General (Deputy Director-General, Management and Reform)* noted that the human resources reform was an extremely wide and complex issue of which the presence of the Staff Union on recruitment panels was only a detail. Ensuring geographic diversity, a matter to which the Office attached great importance, was a good example of such complexity, as were other elements under review, such as mobility or workforce planning. The comprehensive reform of inextricably linked human resources policies went far beyond the issue of recruitment and selection, and therefore needed to be reviewed holistically, which required time. In order to reflect in the point for decision the concern expressed by several governments with respect to equitable geographical balance between countries and regions, he suggested adding the text proposed by the Africa group to the amended point for decision submitted by the Employers' group.
- 214.** *The Employer spokesperson* suggested that the issue of geographical representation qualify the whole package of human resources reform and not be limited to recruitment and selection.
- 215.** *The Worker spokesperson* wondered whether a reference should also be made to other aspects related to diversity, such as gender, or recruitment of staff with trade union or employer organization experience.

Decision

- 216.** *The Governing Body requested the Director-General to provide its 320th Session (March 2014) with proposals to reform recruitment and selection procedures, taking into account the views already expressed by the Governing Body with respect to transparency in recruitment processes, as well as a complete proposal regarding policies and practices in all areas of the Director-General's human*

resource reform, taking into account the aspirations of under-represented regions so as to reflect an equitable geographical balance. If these proposals were not presented at that time, the interim arrangements would be discontinued and former practices would be reinstated.

(GB.317/PFA/10, paragraph 7, as amended by the Governing Body.)

Eleventh item on the agenda

Pensions questions

Report of the Board of the Special Payments Fund (GB.317/PFA/11)

217. *Speaking on behalf of the member States of the Africa group represented on the Governing Body, a Government representative of the United Republic of Tanzania expressed appreciation to Ms Gabrielle Stoikov for her six years of service as a member of the Board of Trustees of the Special Payments Fund, and welcomed the appointment of Ms Margaret Kearns, in view of her long service for the ILO in the Regional Office for Africa.*

Decision

218. *The Governing Body appointed Ms Margaret Kearns as a member of the Board of Trustees of the Special Payments Fund, effective 1 April 2013.*

(GB.317/PFA/11, paragraph 6.)

Twelfth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal (GB.317/PFA/12)

219. *The Employer and Worker spokespersons supported the point for decision.*
220. *Speaking on behalf of the member States of the Africa group represented on the Governing Body, a Government representative of the United Republic of Tanzania supported the point for decision.*

Decision

221. *The Governing Body:*

(a) proposed to the Conference the renewal of the terms of office of Mr Rouiller (Switzerland) and Mr Frydman (France) for three years each;

- (b) *delegated to its Officers, in the event of a vacancy before the 102nd Session of the International Labour Conference, on a one-off basis, the authority to propose directly to the Conference the appointment of a further candidate, following consultation with the Director-General before June 2013;*
- (c) *thus decided to propose the following draft resolution for possible adoption by the Conference:*

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the appointments of Mr Rouiller (Switzerland) and Mr Frydman (France) for a term of three years.

(GB.317/PFA/12, paragraph 5.)

DRAFT

Appendix I

Statement by the Director-General to the Programme, Financial and Administrative Section of the Governing Body (317th Session – 11 March 2013)

A little less than six months after taking office, it is my task today to present to the Governing Body my Programme and Budget proposals for 2014–15.

The context for the proposals is ongoing change and reform inside our Organization, and continuing crisis in the world of work. It is crucial, therefore, not only that the proposals are coherent with the direction of the reform process but that the two are mutually reinforcing components driving organizational change towards objectives which we all share – those of making the ILO:

- the efficient provider of useful, relevant and high-quality services that you, its constituents, require it to be;
- the credible and influential advocate of decent work on the international stage that our circumstances require;
- the centre of excellence in all matters to do with the world of work upon which all else depends; and
- the faithful instrument of the historic mandate of social justice – needed today as much as ever, if not more than ever, in the world.

It is equally crucial that the substance of the issues that we address as priorities, and on which we concentrate resources and efforts, are truly those that matter. Our impact will suffer (it has suffered) if we fail to prioritize. My proposals do that. But we must choose priorities well. And I believe that last November's discussion of the preview of the proposals now before you enable us to do so. And due democratic process demands too that the proposals before you reflect the positions upon which I campaigned and was elected by you as your Director-General.

It is both cause and consequence of the crisis in the world of work that public finances in many member States are constrained – sometimes severely. I understand that, and so do all of my colleagues. And so, in deciding on the level of the budget proposals before you, I want to acknowledge that it has been a struggle to reconcile that recognition of the efforts that are having to be made in the public administrations of many of your countries with the needs and ambitions which we all have for the ILO.

In this light, and after the many conversations I have held with you, I believe it is right and reasonable to submit to you a zero real growth budget, that is one that contains the same US dollar amount as for 2012–13 plus a provision for forecast cost increases. Applying exactly the same methodology as in the past, and drawing upon the best available forecasting sources, this works out at a cost increase of US\$2.4 million or 0.3 per cent of the previous budget.

Generally low rates of inflation means that the difference between zero real and zero nominal growth (to which I know some Members remain attached) is much less than in most previous biennia. The relatively small scale of the effort that my proposals imply will, I hope, be acceptable to you as an investment in an Organization which is demonstrating concretely its commitment to deliver better value for money in confronting the enormous challenges in the world of work today.

I would see in this situation an implied contract. From the Governing Body, a statement and a vote of confidence and support from constituents in the Organization, its

mandate and its future. And from the Office, the commitment to take on the responsibility for greater efficiency and quality and relevance and to deliver results. I know – we know – that we must work to win your support, and to keep it.

Let me turn to the allocation of resources in my proposals.

These proposals, as is right, have been framed both by the priorities and orientations on which I campaigned and by the guidance the Governing Body provided in our discussion in November. I have listened carefully to you and I have acted on what I have heard.

As a result, you will see that management expenses have been reduced, both at headquarters and in the regions. Overall allocations for the strategic objectives have been correspondingly increased, albeit modestly. Changes between those four strategic objectives mean that additional resources go to employment, with only minor adjustments to the others – social protection, standards and social dialogue.

I want to place on record at this point that I will continue to strive for lower management and administrative expenditures, which I recognize as being a precondition for resourcing of more technical work at headquarters and in the regions. This is and will remain a central driver of the implementation of the reform agenda.

During our discussions last November, the most appropriate balance between change and continuity in the programme proposals emerged as an important and, in some regards, uncomfortable issue.

At the heart of that debate was, and is, the tension, inevitable I think, between on the one hand the obvious imperative to move to rapid and significant change, and on the other the reality of the parameters set by the ongoing Strategic Policy Framework (SPF) up until 2015 – the end of this biennium we are considering.

It was clear in November that – despite the disadvantages identified by some – it was simply not advisable or practical to jettison the Framework in mid-stream. Not only would the construction of an alternative in the time available have been hazardous in the extreme – if not impossible – but it would have entailed too the loss of the basic architecture of our established results-based management system with all of the related consequences that that would have meant for accountability in programme delivery.

This is why the proposals before you retain the 19 strategic outcomes of past biennia which constitute the framework of the SPF. I would recognize that this visible and important element of continuity has an effect of potentially masking the very significant elements of change in the proposals, along with those generated by the reform process. I have described that as an optical illusion – or “disillusion” – precisely because it can obscure the essential and innovative shifts that the proposals contain and which are underpinned by the process of organizational change.

These are to be found, first and foremost, in the proposed areas of critical importance – and these were discussed in significant detail in November, and have been adjusted in the light of that debate. Their importance is in terms of both method and substance.

As regards method, the areas of critical importance respond to the consensus among constituents on the need for prioritization, focus, critical mass and greater impact. Together with changes under way through the reform process, they will allow for greater teamwork across established structures and will promote multidisciplinary inputs on key issues.

It has to be underlined once more that the new eight areas of critical importance do not stand outside or in addition to the 19 strategic outcomes. Rather, each of them actually draws on and integrates several outcomes and interlocks with them. In concrete terms, as you will observe, proposals under each of the strategic outcomes are grouped into two major areas of work, one of which is shared with other strategic outcomes. It is these

transversal shared areas of work which constitute the eight proposed areas of critical importance.

In this way, the areas of critical importance are vehicles to knit together specialist inputs from different disciplines and structures across the Office, both in Geneva and in the field, to address big issues that matter to member States. They will work to a common workplan, with critical mass, and with the perspectives required for quality work and real impact. I think you will find in them a credible response to your demands for relevance, usefulness and quality, and I would intend to start work on them as soon as we have your approval for them.

That brings me to the content of the proposed areas of critical importance – they are now eight, one more than the number originally tabled in November owing to the separation of those addressing the rural economy on the one hand and the informal economy on the other.

It was encouraging that in November there was wide support for the subjects chosen. Nevertheless, necessary adjustments have been made, notably in redesigning the area now entitled “Promoting more and better jobs for inclusive growth”. With these modifications, I believe that we are in a position to channel the necessary effort and resources to addressing these issues – jobs and growth, jobs and skills for youth, social protection floors, small and medium-sized enterprises, the rural economy, the informal economy, labour inspection and unacceptable forms of work – on which the ILO must respond to the needs and demands of its constituents to make a difference. And this we must do – and we can do it – by the complementary processes of:

- compiling data on the nature and scope of the challenges;
- gathering and disseminating good practices in addressing these challenges in their specific country and regional settings;
- promoting social dialogue informed by these elements to shape the best policy responses;
- providing quality technical support to constituents grounded in this needed up-to-date evidence base;
- drawing the lessons from hands-on experience.

Making all of this work will not be easy, and a key precondition will be equipping the Office with the necessary data, research and knowledge management capacities. We are working on this as the imminent next step in the reform process – it is vitally important.

The proposals before you, through the mechanisms I have described, take forward the task of implementing the Decent Work Agenda and properly reflect, I believe, the interconnected and mutually reinforcing nature of its four strategic objectives. This is what the 2008 Declaration on Social Justice for a Fair Globalization mandated us to do.

Getting the world back to work is the overarching goal at a time when some 200 million of our fellow citizens simply have no work to go to and many more are struggling in poverty, underemployment and informality. That is why employment runs through the proposals, but without losing the balances and linkages with the other strategic objectives. Attention to social protection, to standards and fundamental rights and to dialogue stands full square in support of employment creation – it is not a distraction from it.

Let me add here that when I speak of crisis in the world of work I am conscious that circumstances vary very widely across the regions. I am finding in some of the member States that I have visited since taking office unprecedented feelings of optimism and dynamism. Our global economy is changing, rebalancing.

We must address and understand all of this as we move forward. Equally, we must – as we focus on getting the world of work back to work – understand that the challenges that we face are complex. The spectre of unemployed predominates. But so does that of unacceptable and growing inequalities and reduced social mobility. We are not going to get out of this with simplistic approaches. Those based solely and exclusively on more austerity or increased labour deregulation or on more public spending – such simplistic approaches have fallen and will fall short. Something more complex, more challenging is before us, and the ILO has to rise to that challenge. We need to preserve the integrity of the Decent Work Agenda. We need to ensure that an authoritative standards system provides its backbone, and we have urgent work pending in that regard. We cannot – under pressure – step back from a historic mandate, nor can we cut loose from historic values. The simple solutions – attractive though they may appear – are invariably wrong. That too is a message from our history.

You have before you under a separate agenda item a progress report on the reform process in the ILO, so I will not dwell on the details here. But some remarks are necessary because they are pertinent to your discussion of the programme and budget itself.

The fact of the matter is that the programme and budget proposals have necessarily been elaborated at the same time as reform has proceeded, and that inevitable circumstance has not always been easy to manage. It means, for one thing, that you have less detail before you than is customary, and I appreciate your understanding of why that is so.

On 12 February, I announced the restructuring of the Office in Geneva. This restructuring will, I am convinced, complement and facilitate the achievement of the objectives of my proposals. But the reform process is far from complete. Next steps will address field operations, funding partnerships, technical cooperation delivery, the human resource strategy, communications, administrative systems and, as I have mentioned, data and research matters. I can honestly tell you that we are progressing well, but we have a long way to go, and we are determined to get there, so that delivery in 2014–15 will be such that constituents do get more for the resources they put into the ILO.

I ask for your indulgence if I focus briefly on two concrete developments which are emerging from the reform process.

The first is the arrival of Deputy Director-General Gilbert Houngbo, whom I want to greet warmly, as you have done. He brings great talent, experience and commitment to our leadership team, and I am delighted he has decided to join us.

The second concerns the renovation works on our building, which will be a very present feature in our lives in 2014–15 and beyond. I will not hide from you the fact that on arrival I saw a clear need for immediate reformulation of the management procedures and structures of the renovation project. A high-level Project Governance Committee is now in place, chaired by Deputy Director-General Greg Vines. A Project Manager started work in October. We are consulting closely with the Swiss authorities and I have myself met with Minister Schneider-Ammann in Bern last month.

I am determined to bring in the first phase of the project on time and within budget, and you will be regularly and fully informed of progress and issues arising.

Let me conclude this introduction with three quite simple but, in my view, necessary messages.

The first message is that my colleagues and I are acutely aware of the responsibility we have to serve women and men in the world of work, particularly when so many continue to feel the effects of a crisis ignited by failures and excesses in the world of finance. Part of that responsibility is to assume the challenges of change and of improvement. We will do that.

The second is that while the ILO's mandate for social justice places us at the centre of national and international policy debate and issues, mere possession of that mandate is no

sufficient guarantee of the future success and influence of our Organization. Everything depends on us demonstrating the capacity of a nearly 100-year-old tripartite Organization to bring added value to the resolution of today's world of work challenges in all countries. Hence, again, the imperatives of usefulness, relevance and quality and the need to respond to the challenge of change.

Thirdly, self-evidently, the ILO works **for** its constituents. That is axiomatic. But it is no less important that we work **with** you. I have said from the outset that the ILO needs to be firmly rooted in the everyday realities of the world of work, close to its constituents, listening to them, learning from them so that we truly can respond effectively to the rapidly changing needs of governments, employers and workers.

If we succeed in meeting this triple challenge, I believe that the ambition and optimism for the future of the ILO which I expressed when you elected me will not be misplaced. There is no doubt that we have major challenges ahead as we travel towards the ILO's centenary in 2019 via the critical rendezvous of the post-2015 development agenda.

We will need along the way an early occasion to set our course towards the centenary and, as I have indicated in the preface to my proposals, the discussion of my Report to the Conference this June will provide the opportunity for that.

In the meantime, I look forward to your reactions to the proposals before you. In line with what I have said, I and my colleagues will be listening to you very carefully and of course we stand ready to respond and to make whatever adjustments may be needed. We have worked together so far in an excellent spirit of openness and transparency, which I know will continue, and it is in that same spirit that I commend my Programme and Budget proposals for 2014–15 to you for your review, comment and adoption.

* * *

Appendix II

The Director-General's response to the issues raised by Governing Body members during the discussion of the Programme and Budget proposals for 2014–15 (317th Session – 21 March 2013)

I would like to begin my response to last week's discussion of my Programme and Budget proposals for 2014–15 by thanking the Governing Body for the very constructive and encouraging debate that took place.

It is precisely this type of engagement between constituents and the Office that offers us real opportunity to move our Organization forward. And the programme and budget for the next biennium, implemented against a backdrop of change and reform, will be the key drivers of progress. So it is important that we get it right.

I told you at the beginning that all of us on this side of the table would, as always, be listening carefully to what you had to say, and that is what we did. My task now is to react to what we heard with a view to putting the Governing Body in a position to recommend a programme and budget for adoption by the International Labour Conference in June.

A great deal of what we heard was supportive of the proposals before you, and in that regard two fundamentally important messages emerged.

The first – and you will, I hope, understand if I start with it – was that notwithstanding often severely constrained financial circumstances, and notwithstanding the concerns expressed by some Governments, the Governing Body is, I believe, ready to accept a zero real growth budget as proposed. So I will not now be proposing any significant alteration to the level of the budget.

The second and connected message is that this investment of financial and political capital is predicated on the clear expectation of an improved return on that investment. The Governing Body has thus placed the onus of responsibility on the Office, my colleagues and I, to respond in all of the ways that have been made clear during your debate: by increasing the relevance, usefulness and quality of its work; by maximizing impact; by prioritizing and bringing critical mass to bear; and by working on our efficiency, to meet the imperatives of giving the greatest value for money.

This is the “implicit contract” I spoke of when introducing last week's debate. It is a contract that I hope we can now make “explicit” and one which I feel confident we are equipping our Organization to fulfil. I say this because the clear signals from the Governing Body are that the thrust of the reform process meets with your approval and that the thrust of the programme – and particularly the eight areas of critical importance (ACIs) – does capture the substance of your shared priorities.

This, if I am right, is a good platform for progress – a good point of departure, though really it is only that because there is a long road ahead and we do need to move speedily along it.

Moreover, we heard also a number of concerns and questions, which I want to react to now.

A number of these concerns and questions addressed matters of method in the framing of the proposed programme, its targets and its indicators, and the measurement of the results to be obtained.

In this regard, I would recall, we remain within the existing Strategic Policy Framework, with everything that implies. But, as some have suggested, it is not too early

to begin to work on what comes afterwards. The agreed areas of critical importance offer some possible signposts, and I propose that the Governing Body hold a first discussion on how we should approach this ILO post-2015 challenge already in October.

A significant number of members of the Governing Body asked questions or expressed concerns about the way targets have been set for a number of the 19 outcomes, and said that some needed to be adjusted – generally upwards. Other comments addressed the robustness of indicators.

As regards target-setting, it is important to recognize that this is not an arbitrary process, but rather grounded in an objective assessment of the probability of achievements on the basis of past experience and of planned resource inputs. This said, the Office will re-examine all of those that have been the subject of specific comments and we will examine the scope for adjustments that could be included in the documents to be presented to the Conference in June.

To those who have drawn attention to the need for more robust indicators to measure the real quality and the real impact of ILO activities, I would simply recall that this is far from being a new matter but rather one of ongoing work, an integral part of our efforts to strengthen results-based management. We know that we need to persist with this, just as we know that there are no ready-made solutions to be inserted conveniently in the proposals before you. Unfortunately, but realistically, the job is more complicated than that.

Several of you asked also how the Office arrived at the estimate of 42 per cent of the strategic budget dedicated to the areas of critical importance. This is an indicative planning estimate resulting from the sum of all resources across the 19 outcomes contributing directly to the areas of critical importance as recorded in the ILO strategic management module in our IRIS system. It is an aggregate estimate across all areas of critical importance, but not necessarily applicable for each ACI taken separately. In addition, it is a minimum estimate which we hope and think will grow as the new methods of work gain momentum. There is nonetheless important work carried out under each of the 19 outcomes which will not be linked to the areas of critical importance and we are equally committed to delivering on those results as well.

Underlying these specific points is perhaps a further more general question in your minds: does this 42 per cent reflect the appropriate degree of focus and prioritization given the full range of ILO responsibilities? My answer there is that we will find out, we will find out above all through experience, by doing, and we can come back to the issue later, with the benefit of the lessons learned.

It was pointed out also, in respect of the ACIs, that they do not have any stand-alone indicators. I should explain that this is because these areas of critical importance, as I have just indicated, are composites of a number of outcomes which do have indicators and it would not therefore make sense to endow them with their own. But I do welcome the idea of tracking progress made with the areas of critical importance, and subjecting them here to early review.

Mr President, members of the Governing Body,

It is heartening that the idea of focusing around the areas of critical importance has met, I believe, with the consensus approval of the Governing Body. We all see the advantages they can bring if they are made to work as we envisage.

The subjects of these areas of critical importance have also been very widely welcomed, although with some important comments directed to the specific content of some. The Governing Body was united in setting the priority on employment, although contrasting views were expressed on how best to achieve this. There is nothing new in the different emphases placed on the different aspects of the policy issues involved – the enabling environment for sustainable enterprises, on the one hand, and the macroeconomic

and demand factors on the other, with of course a range of policies, programmes and measures in between. The answer cannot be to pursue any one of these to the exclusion of others.

The reality is that these issues raise numerous and complex questions which the ILO has to be able to respond to more effectively. So the ILO needs to rise to its announced ambition of upgrading its analytical capacities to deliver top quality empirical research which helps answer credibly the key question of “what works?” in any given situation. And that is precisely why our statistical, research, and knowledge agenda is so critically important. I have to add that the discussion that took place yesterday in the Board of the Institute was very helpful in fleshing out these ideas further.

There is also an important regional dimension to all of this, and I see the clear need for the ILO to strengthen cooperation with regional institutions in delivering on its substantive agenda.

As in the case of the targets attached to outcomes, my colleagues will look again at those elements of proposed outcome strategies which were commented on specifically and introduce those adjustments which appear appropriate in the documents to be presented to the Conference for June. But there are in addition some cross-cutting considerations which apply to them all and which I should highlight specifically.

Firstly, international labour standards must be an essential point of reference for all areas of critical importance and all objectives, and this need has been recognized and acted upon in the recent process of restructuring here in Geneva.

But we are all aware that we have major issues before us in respect of our standards-related work. We need to resolve the issues which divide opinion in respect of the application of standards and which can only detract from the ILO’s authority, and we must register progress on this without delay. One reason – and only one – for this is that we need to create the conditions within which the standards review mechanism budgeted for the 2014–15 programme proposals can have a real chance of success. Let me be clear: everybody’s efforts are needed because the mechanism needs to be bedded firmly in the conditions of trust that are themselves dependent on consensus on the essentials. Without that we will not progress as we wish.

Secondly, and similarly, social dialogue and the full involvement of each of the ILO’s tripartite constituents is a crucial ingredient in the success of our work; this in all areas. Their input must be concrete and substantive, not just formal, and so capacity building must remain, as many of you said, a major part of our efforts. And we must be particularly vigilant, particularly rigorous in ensuring that these capacity-building efforts really do bring lasting results. This week’s discussion in the Technical Cooperation Segment was instructive in that regard.

And thirdly, the ILO’s good record in addressing the gender dimension in all areas of its activity needs now to be built upon. The structural changes recently introduced in this area give us real opportunity to move forward in this way. From what has been achieved already, the ILO needs to relate its very visible advocacy on gender equality to the perhaps even more demanding task of identifying and promoting those specific labour market policy interventions that really do bring progress. We will give increased emphasis to this in the future. The question, once more, is “what works?” and how to deliver it. Our new structural arrangements place us in a better position to give the answers.

Mr President, members of the Governing Body,

Many of the interventions last week underlined the importance to the implementation of the 2014–15 programme proposals of issues which are under ongoing review in the reform process. Notwithstanding progress in some areas of reform, the calendar of events has not allowed the results of many of these to be incorporated yet in the proposals before you for the simple reason that they are not yet known. But you have quite rightly pointed

to the critical significance of many of them: statistical, research and knowledge capacities; field operations and technical cooperation arrangements; human resources; and reform of the Conference. We are working hard on each and every one of them.

As regards field operations and technical cooperation arrangements, and without prejudging the results of review processes now beginning, let me stress that the overall intent is to strengthen services to constituents in their countries and in their regions. In my first visit to your regions I have seen first-hand the importance you attach to the efficient delivery of relevant, useful and quality services.

With respect to human resources, let me say a few words in the light of a number of concerns expressed under different points of the PFA Section agenda last week. You have set us a clear time frame to resolve outstanding recruitment and selection questions. Moreover, you have stated that in so doing we must address existing situations of under-representation of certain regions and countries inside the Organization and at all levels.

That message is abundantly clear to me. It will be built into the overall human resource strategy. The ILO can only benefit from that, because it is by taking the fullest advantage of the talents, perspectives and experiences in all member States and constituencies that our Organization will become stronger.

By the time the 2014–15 biennium begins, we will be able to benefit from further improvements resulting from continuing reform. They cannot all be anticipated fully or in detail, but they will be forthcoming. Indeed, it is with this in mind that I wish to turn now to the issue of the proposed resource adjustments that I am proposing in response to your debate of last week.

I said last Monday that I am committed to the reduction of management and administrative spending so as to allow the redeployment of resources to technical work in the field and at headquarters, and this within the zero real growth scenario for the next biennium upon which I believe the Governing Body can agree. The reform process under way has already yielded some cost savings of this nature and shows that more can be had.

In this context I am proposing now the following redeployment of resources, reflected in the financial information now before you in document GB.317/PFA/1/1:

- In line with the insistence of many members of the Governing Body on the critical importance of reinforcing our statistical and analytical capacities, I propose to make provision for additional Professional positions in the field of statistics and of economic analysis. This comes, I recognize, in advance of the completion of the reform process in these areas, but I am convinced, and I believe that you will be too, that it represents a wise move – in the right direction. Each position will absorb some **US\$527,000**.
- I propose to add one Professional position to the Bureau for Employers' Activities (ACT/EMP). This responds, of course, to a long-standing demand of the Employers' group and I believe it to be justified at this stage by the extra demands that can be expected to be made of the Bureau as a result of the increased engagement that I hope the ILO will construct with private enterprises. It will not fall to ACT/EMP itself to conduct the activities concerned but there will be an important role for it in ensuring the smooth management of the process.
- In the light of the emphasis placed in many interventions on the need to reinforce funding to the regions, and also on the importance of occupational safety and health and on social dialogue, I am proposing to increase allocations to the regions on each of these subjects by some **US\$317,000**. The precise destination and use of these funds will have to be decided in the light of the ongoing review of field operations.

I propose to finance these changes through the following redeployments:

- A reduction in the duration of the programme and budget session of the Governing Body (i.e. March 2015) to the standard duration of “normal” sessions, with savings of **US\$500,000**. The experience of our current session shows clearly, I think, that this is both realistic and necessary. My best-selling point for it here is to tell you that if this reform were applied to the current session you could all be going home tomorrow.
- The rationalization of publications and their dissemination and distribution, with fewer, higher profile products, shorter products, and better-calibrated print runs can bring us immediate and initial savings of **US\$160,000**.
- As regards the Century Project for which, in the interests of transparency, I have insisted on the need for a clear and explicit budget line, I would propose a reduction of some **US\$342,000**. We are working now on a coherent plan of activities and will revert to the Governing Body with it at a future session.

In addition, since my original programme and budget proposals were published, I announced on 12 February the restructuring of the ILO headquarters secretariat and this has already contributed to an “early harvest” of cost savings.

In this context, I can now announce a redeployment of **US\$1.2 million** resulting directly from the reforms announced on 12 February. They result from a consolidation of structures and the reprofiling of a position as indicated in paragraph 8 of the document before you.

The resulting total amount of **US\$2.2 million** I therefore propose to redeploy now is a modest figure. I recognize this, but it is – I repeat – a first dividend of reform. More will follow and while it would be wrong to anticipate still unrealized gains at this stage in larger scale redeployments I am committed to ensuring that we will soon be in a position to redeploy resources on a larger scale as reform takes hold.

My commitment is to redeploy resources of at least **US\$15 to US\$20 million** to meet technical needs in the regions and at headquarters by the end of the next biennium. We need to do this to be equal to our programme ambitions, and we will do it.

In that regard, I would recall that, following recent changes to travel arrangements for staff, it was suggested that corresponding adjustments be made to the rules governing Worker and Employer members of the Governing Body and participants at other meetings. That would generate savings of **US\$514,000** in a full biennium. I brought this matter to the attention of the Officers on Tuesday, and believe that it is proper to allow them to consult their respective groups before going any further with the matter.

Mr President, members of the Governing Body,

The debate on the programme and budget proposals has set out in the clearest terms where you want to see the ILO towards the end of 2015 and how you want the Organization to perform. Beyond specific wording, beyond specific budget adjustments, I believe we have together a strong understanding of the direction of change we must pursue.

With these remarks I commend my revised Programme and Budget proposals for 2014–15 to the Governing Body for transmission to this year’s session of the International Labour Conference.

Thank you for your attention.

* * *

Appendix III

Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (317th Session – 13 March 2013)

Monsieur le Président,
Director-General,
Members of the Governing Body,

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

Mr Chairperson,

To say that the ILO is going through a period of great change would be both a terrible understatement and a repetition of my last address to the Governing Body.

The Chairperson of the Staff Union Committee has precious few opportunities to address the Governing Body – so few that I really cannot afford to simply repeat the “change” mantra that permeated my statement to you just last November.

It has been a common theme in the statements made by yourselves within these walls in recent months, and indeed will be so for the months and years to come.

Just yesterday, we heard your calls to enhance the ILO’s effectiveness; its credibility. We heard you calling for the establishment of an internationally recognized centre of technical excellence for the world of work, to be the first-choice provider of policy analysis and quality services, and a credible and influential advocate in the international policy arena for its enduring goal of social justice.

If I can take a moment to share a personal reflection here: What you described yesterday is the ILO where I want to work. An ILO based on the principles of social justice, freedom of association, equality, healthy industrial relations and a rights-based approach to development, not to mention the idea that “labour is not a commodity” – that is the ILO to which I applied as a young professional. That is the ILO that I am, that our Union is, and I feel confident that the staff are fully committed to building together with the Director-General and his Administration.

I would nevertheless ask you to consider the extent to which our staff are affected by change today. The recently announced restructuring in headquarters aims to reorganize our work in the areas of policy, management and reform, as well as field operations and partnerships. A similar review will soon begin and will soon have an impact on our colleagues across the regions.

Moreover, there is the building renovation, during which most of us will still be occupying two-thirds of the building, while others will be sent elsewhere. We still have not determined whether they are the *lucky* or the *unlucky* ones, but we will follow these developments closely. In addition to this, there are many, many changes on the horizon in relation to our human resource policies, as well as a review of the common system compensation package.

However, this should not by any means downplay the serious and significant and, in some cases, drastic changes being faced by your own public services. Our Union’s participation in the 29th World Congress of our own global union federation, Public

Services International, which took place last year in Durban, South Africa, brought that reality home to us in very real terms.

We fully recognize the gesture of confidence by you, our Governing Body, to provide for a zero-growth budget during a period of austerity and immense job losses in many national contexts. We also recognize the impetus for us to deliver. My colleagues throughout the House are fully committed to working with you in order to find credible and sustainable solutions to the crises that we all face.

The numerous references to social dialogue made by you and by our Director-General are also very encouraging because, for us, it is not only about what changes are required, but also about *how* those changes are introduced.

And here we need to identify some very positive developments.

Firstly, with regard to the headquarters renovation; we welcome the appointment of a professional specialist Project Manager, as well as the fact that the Union has been involved in the Project Steering Committee and that the voice of the staff has been effectively represented and taken into account in the decisions on office layout following the renovation.

We also recognize the important gains in transparency in the calls for expressions of interest for director positions. This was a long-standing campaign issue for the Union, and this, coupled with the retention of internal candidates meeting the minimum requirements, can only be lauded as a positive step. While we are on the question of recruitment and selection, I would just like to remind you that it was on the express demand of the Governing Body that the Staff Union and the Administration resorted to mediation in 2011. We understand that the outcome of this mediation may not be to the liking of some members of the Governing Body. To avoid a repetition of the difficulties faced in 2010, all we can do is to remain available to the Administration to continue negotiations or return to the mediator.

On a more positive note, contact with the Director-General and his Deputy-Directors-General has been regular, which in and of itself is an improvement on past practice and has provided valuable opportunities for the Staff Union Committee to voice its concerns and to exchange information. We have raised several issues in relation to the implementation of the current restructuring and look forward to finding positive solutions. We met with the Deputy Director-General for Field Operations and Partnerships just this week and we were very encouraged by his openness.

One area that has given us cause for concern in relation to the reform is the nature of the consultations. We recognize that the restructuring decisions were based on a consultative process that involved a select number of staff, and that these decisions remained the responsibility of the Director-General. However, and we mean no disrespect to our hard-working and dedicated colleagues, we have heard from many sources that the criteria used to select those who would be consulted, and the outcomes of those consultations, raised questions as to the inclusiveness of the process.

The Union made several overtures with a view to consulting on the proposed structures, not in an effort to co-manage, as it recognizes that the final decision was the prerogative of the Director-General, but because we felt that our knowledge, our networks and our experience could have added value to the process.

The Union was, and remains, committed to consulting on the obvious impacts that the restructuring will have on the staff. For example, up to now, at least, the redistribution of positions seems to be based on “thematic” areas, rather than on the job descriptions, professional profiles or interests of the staff affected. This is even more pronounced for our General Services colleagues, who may be faced with considerable duplication in functions, and who have, until now, had no involvement in identifying suitable options – including through retraining – in the new structure. We are encouraged by the Director-General’s

statement to the effect that the next stages of the reform will be carried out in full compliance with the ILO's own guidelines on managing change and restructuring processes, and by management's willingness to find ways to deal with problems at the earliest possible stage.

The fact of the matter is that when things are going wrong, we – the Union – receive the questions, the complaints and the fears of the staff. Even managers – the leaders of the various work units – have raised concerns in recent weeks, when they should themselves be in a position to address the worries of their own teams.

We regret that the Union has not been fully involved in the consultations on the restructuring, or on the numerous project teams that are consulting the staff on their terms and conditions. This is indeed a pity, as many of these changes have to do with how people work, how they approach their work and how their terms and conditions are established, which requires buy-in from the people themselves. By choosing the staff who were consulted directly, the elected representatives have been replaced with *selected* representatives.

While we would have liked to have been more involved from the outset, there is still an opportunity to involve us. As the ILO itself preaches, it is always better to prevent than to react at a point where conflict is present. Of course, management has respected its undertaking to negotiate with the Union over any changes in terms and conditions, and these preliminary consultations are about informing their own position. The Union will take the necessary measures to ensure that we are prepared to represent our members, to be “à l'écoute” – to listen to their concerns and to build our positions around them.

In a way, this is the thinking behind the Union's “ONE ILO” campaign, launched just last month. You may have noticed the posters when you entered the building, or the pins worn proudly by the staff. However, this campaign is about much more than posters and pins, it is designed to break down barriers, to bridge gaps and to promote equity, transparency and merit within the ILO.

ONE ILO means an end to discrimination against Technical Cooperation staff; it means equal treatment for local staff in the field; it means security for all without distinction; it means equal pay for work of equal value, based on a negotiated classification system; it means an end to precarious work; it means maternity protection for ILO staff, in line with international labour standards; it means a workable, incentivized mobility policy, including between the ILO and the Turin Centre; it means the return of the ILO to a lead role in the United Nations system when it comes to the terms and conditions of work, based on good faith and collective bargaining.

As I said, ONE ILO will inevitably involve consulting broadly with the staff on the very issues on which the Administration has already begun direct consultations. Would it not have been preferable to engage in this consultation together? In spite of this, the Staff Union Committee will continue to fulfil the responsibilities for which it was elected.

It will do so through its commitment to solidarity, both throughout the Office and with the world of work at large. As a well-known figure from the American labour movement noted: “If the basic elements, identity of interest, clarity of vision, honesty of intent, and oneness of purpose, or any of these is lacking, all sentimental pleas for solidarity, and all other efforts to achieve it will be barren of results.” Our participation in the PSI World Congress focused our own Union on the organizing principle of “working in the people's interest”, which aims to advance social justice through quality public services.

Why am I raising this with you today? Simply because I am – because we are – committed to these principles – these interdependent principles – of solidarity, of good human resource policies, and of collective bargaining. Where we can find solutions, not only to the crisis, making the ILO more relevant and effective, but from the crisis, recognizing the importance here in the Office itself of where we can return to a model of clear and effective industrial relations.

I say this because I want to avoid, at all costs, you finding yourselves here in October wondering why there have been cases submitted to the Tribunal, why there is a general sense of demotivation among the staff, and why their representatives are having to question the reform process because of a lack of frank and healthy consultation from the beginning.

Should this occur, I will point to today's statement, and I will recall that we were here offering to be part of the solution, to be a partner in the very change that you have – and indeed we have – been seeking.

Thank you.

DRAFT

Appendix IV

Update of member States' contributions received between 1 and 13 March 2013

Since 1 March 2013, contributions for 2013 and prior years amounting to 19,864,527 Swiss francs (CHF) have been received from eight member States as follows:

Member States	Contribution received for 2013	Contribution received for arrears	Total contributions received in CHF
Argentina	–	651 200	651 200
Guatemala	97 241	–	97 241
Kiribati ¹	–	6 044	6 044
Morocco	203 288	–	203 288
Philippines	304 676	–	304 676
Saudi Arabia	2 896 006	–	2 896 006
Sri Lanka	67 760	–	67 760
United States	–	15 638 312	15 638 312
Total	3 568 971	16 295 556	19 864 527

¹ Kiribati has regained its right to vote.

Including contributions received between 1 and 13 March 2013, the total contributions received in 2013 amount to CHF153,076,029. Of this amount, CHF122,925,346 represents contributions for 2013 and CHF30,150,683 represents contributions for arrears.

The balance due as of 13 March 2013 is CHF287,594,095.

Appendix V

Scale of assessments of contributions to the budget for the 2014–15 financial period

State	ILO	UN	Draft ILO scale of	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2013	2013-2015	2014-15	cols 3 and 1)
Col.1	Col.2	Col.3	Col.4	
%	%	%	%	%
1 Afghanistan	0.004	0.005	0.005	0.001
2 Albania	0.010	0.010	0.010	-
3 Algeria	0.128	0.137	0.137	0.009
4 Angola	0.010	0.010	0.010	-
5 Antigua and Barbuda	0.002	0.002	0.002	-
6 Argentina	0.287	0.432	0.432	0.145
7 Armenia	0.005	0.007	0.007	0.002
8 Australia	1.934	2.074	2.075	0.141
9 Austria	0.852	0.798	0.798	(0.054)
10 Azerbaijan	0.015	0.040	0.040	0.025
11 Bahamas	0.018	0.017	0.017	(0.001)
12 Bahrain	0.039	0.039	0.039	-
13 Bangladesh	0.010	0.010	0.010	-
14 Barbados	0.008	0.008	0.008	-
15 Belarus	0.042	0.056	0.056	0.014
16 Belgium	1.076	0.998	0.999	(0.077)
17 Belize	0.001	0.001	0.001	-
18 Benin	0.003	0.003	0.003	-
19 Bolivia, Plurinational State of	0.007	0.009	0.009	0.002
20 Bosnia and Herzegovina	0.014	0.017	0.017	0.003
21 Botswana	0.018	0.017	0.017	(0.001)
22 Brazil	1.612	2.934	2.936	1.324
23 Brunei Darussalam	0.028	0.026	0.026	(0.002)
24 Bulgaria	0.038	0.047	0.047	0.009
25 Burkina Faso	0.003	0.003	0.003	-
26 Burundi	0.001	0.001	0.001	-
27 Cambodia	0.003	0.004	0.004	0.001
28 Cameroon	0.011	0.012	0.012	0.001
29 Canada	3.208	2.984	2.986	(0.222)
30 Cape Verde	0.001	0.001	0.001	-
31 Central African Republic	0.001	0.001	0.001	-
32 Chad	0.002	0.002	0.002	-
33 Chile	0.236	0.334	0.334	0.098
34 China	3.190	5.148	5.151	1.961
35 Colombia	0.144	0.259	0.259	0.115
36 Comoros	0.001	0.001	0.001	-
37 Congo	0.003	0.005	0.005	0.002
38 Costa Rica	0.034	0.038	0.038	0.004
39 Côte d'Ivoire	0.010	0.011	0.011	0.001
40 Croatia	0.097	0.126	0.126	0.029
41 Cuba	0.071	0.069	0.069	(0.002)
42 Cyprus	0.046	0.047	0.047	0.001
43 Czech Republic	0.349	0.386	0.386	0.037
44 Democratic Republic of the Congo	0.003	0.003	0.003	-
45 Denmark	0.736	0.675	0.675	(0.061)
46 Djibouti	0.001	0.001	0.001	-
47 Dominica	0.001	0.001	0.001	-
48 Dominican Republic	0.042	0.045	0.045	0.003
49 Ecuador	0.040	0.044	0.044	0.004
50 Egypt	0.094	0.134	0.134	0.040
51 El Salvador	0.019	0.016	0.016	(0.003)
52 Equatorial Guinea	0.008	0.010	0.010	0.002

State	ILO	UN	Draft ILO scale of	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2013	2013-2015	2014-15	cols 3 and 1)
	Col.1	Col.2	Col.3	Col.4
	%	%	%	%
53 Eritrea	0.001	0.001	0.001	-
54 Estonia	0.040	0.040	0.040	-
55 Ethiopia	0.008	0.010	0.010	0.002
56 Fiji	0.004	0.003	0.003	(0.001)
57 Finland	0.566	0.519	0.519	(0.047)
58 France	6.126	5.593	5.596	(0.530)
59 Gabon	0.014	0.020	0.020	0.006
60 Gambia	0.001	0.001	0.001	-
61 Georgia	0.006	0.007	0.007	0.001
62 Germany	8.021	7.141	7.145	(0.876)
63 Ghana	0.006	0.014	0.014	0.008
64 Greece	0.691	0.638	0.638	(0.053)
65 Grenada	0.001	0.001	0.001	-
66 Guatemala	0.028	0.027	0.027	(0.001)
67 Guinea	0.002	0.001	0.001	(0.001)
68 Guinea-Bissau	0.001	0.001	0.001	-
69 Guyana	0.001	0.001	0.001	-
70 Haiti	0.003	0.003	0.003	-
71 Honduras	0.008	0.008	0.008	-
72 Hungary	0.291	0.266	0.266	(0.025)
73 Iceland	0.042	0.027	0.027	(0.015)
74 India	0.534	0.666	0.666	0.132
75 Indonesia	0.238	0.346	0.346	0.108
76 Iran, Islamic Republic of	0.233	0.356	0.356	0.123
77 Iraq	0.020	0.068	0.068	0.048
78 Ireland	0.498	0.418	0.418	(0.080)
79 Israel	0.384	0.396	0.396	0.012
80 Italy	5.001	4.448	4.450	(0.551)
81 Jamaica	0.014	0.011	0.011	(0.003)
82 Japan	12.535	10.833	10.839	(1.696)
83 Jordan	0.014	0.022	0.022	0.008
84 Kazakhstan	0.076	0.121	0.121	0.045
85 Kenya	0.012	0.013	0.013	0.001
86 Kiribati	0.001	0.001	0.001	-
87 Korea, Republic of	2.261	1.994	1.995	(0.266)
88 Kuwait	0.263	0.273	0.273	0.010
89 Kyrgyzstan	0.001	0.002	0.002	0.001
90 Lao People's Democratic Republic	0.001	0.002	0.002	0.001
91 Latvia	0.038	0.047	0.047	0.009
92 Lebanon	0.033	0.042	0.042	0.009
93 Lesotho	0.001	0.001	0.001	-
94 Liberia	0.001	0.001	0.001	-
95 Libya	0.129	0.142	0.142	0.013
96 Lithuania	0.065	0.073	0.073	0.008
97 Luxembourg	0.090	0.081	0.081	(0.009)
98 Madagascar	0.003	0.003	0.003	-
99 Malawi	0.001	0.002	0.002	0.001
100 Malaysia	0.253	0.281	0.281	0.028
101 Maldives, Republic of	0.001	0.001	0.001	-
102 Mali	0.003	0.004	0.004	0.001
103 Malta	0.017	0.016	0.016	(0.001)
104 Marshall Islands	0.001	0.001	0.001	-
105 Mauritania	0.001	0.002	0.002	0.001
106 Mauritius	0.011	0.013	0.013	0.002
107 Mexico	2.357	1.842	1.843	(0.514)
108 Moldova, Republic of	0.002	0.003	0.003	0.001

State	ILO	UN	Draft ILO scale of	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2013	2013-2015	2014-15	cols 3 and 1)
	Col.1	Col.2	Col.3	Col.4
	%	%	%	%
109 Mongolia	0.002	0.003	0.003	0.001
110 Montenegro	0.004	0.005	0.005	0.001
111 Morocco	0.058	0.062	0.062	0.004
112 Mozambique	0.003	0.003	0.003	-
113 Myanmar	0.006	0.010	0.010	0.004
114 Namibia	0.008	0.010	0.010	0.002
115 Nepal	0.006	0.006	0.006	-
116 Netherlands	1.856	1.654	1.655	(0.201)
117 New Zealand	0.273	0.253	0.253	(0.020)
118 Nicaragua	0.003	0.003	0.003	-
119 Niger	0.002	0.002	0.002	-
120 Nigeria	0.078	0.090	0.090	0.012
121 Norway	0.872	0.851	0.852	(0.020)
122 Oman	0.086	0.102	0.102	0.016
123 Pakistan	0.082	0.085	0.085	0.003
124 Palau	0.001	0.001	0.001	-
125 Panama	0.022	0.026	0.026	0.004
126 Papua New Guinea	0.002	0.004	0.004	0.002
127 Paraguay	0.007	0.010	0.010	0.003
128 Peru	0.090	0.117	0.117	0.027
129 Philippines	0.090	0.154	0.154	0.064
130 Poland	0.828	0.921	0.922	0.094
131 Portugal	0.511	0.474	0.474	(0.037)
132 Qatar	0.135	0.209	0.209	0.074
133 Romania	0.177	0.226	0.226	0.049
134 Russian Federation	1.603	2.438	2.439	0.836
135 Rwanda	0.001	0.002	0.002	0.001
136 Saint Kitts and Nevis	0.001	0.001	0.001	-
137 Saint Lucia	0.001	0.001	0.001	-
138 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
139 Samoa	0.001	0.001	0.001	-
140 San Marino	0.003	0.003	0.003	-
141 Sao Tome and Principe	0.001	0.001	0.001	-
142 Saudi Arabia	0.830	0.864	0.865	0.035
143 Senegal	0.006	0.006	0.006	-
144 Serbia	0.037	0.040	0.040	0.003
145 Seychelles	0.002	0.001	0.001	(0.001)
146 Sierra Leone	0.001	0.001	0.001	-
147 Singapore	0.335	0.384	0.384	0.049
148 Slovakia	0.142	0.171	0.171	0.029
149 Slovenia	0.103	0.100	0.100	(0.003)
150 Solomon Islands	0.001	0.001	0.001	-
151 Somalia	0.001	0.001	0.001	-
152 South Africa	0.385	0.372	0.372	(0.013)
153 South Sudan	-	0.004	0.004	0.004
154 Spain	3.178	2.973	2.975	(0.203)
155 Sri Lanka	0.019	0.025	0.025	0.006
156 Sudan	0.010	0.010	0.010	-
157 Suriname	0.003	0.004	0.004	0.001
158 Swaziland	0.003	0.003	0.003	-
159 Sweden	1.065	0.960	0.961	(0.104)
160 Switzerland	1.131	1.047	1.048	(0.083)
161 Syrian Arab Republic	0.025	0.036	0.036	0.011
162 Tajikistan	0.002	0.003	0.003	0.001
163 Tanzania, United Republic of	0.008	0.009	0.009	0.001
164 Thailand	0.209	0.239	0.239	0.030
165 The former Yug. Rep of Macedonia	0.007	0.008	0.008	0.001
166 Timor-Leste	0.001	0.002	0.002	0.001

State	ILO	UN	Draft ILO scale of	Increase (Decrease)
	assessments	assessments	assessments	(Diff. between
	2013	2013-2015	2014-15	cols 3 and 1)
	Col.1	Col.2	Col.3	Col.4
	%	%	%	%
167 Togo	0.001	0.001	0.001	-
168 Trinidad and Tobago	0.044	0.044	0.044	-
169 Tunisia	0.030	0.036	0.036	0.006
170 Turkey	0.617	1.328	1.329	0.712
171 Turkmenistan	0.026	0.019	0.019	(0.007)
172 Tuvalu	0.001	0.001	0.001	-
173 Uganda	0.006	0.006	0.006	-
174 Ukraine	0.087	0.099	0.099	0.012
175 United Arab Emirates	0.391	0.595	0.595	0.204
176 United Kingdom	6.607	5.179	5.182	(1.425)
177 United States	22.000	22.000	22.000	-
178 Uruguay	0.027	0.052	0.052	0.025
179 Uzbekistan	0.010	0.015	0.015	0.005
180 Vanuatu	0.001	0.001	0.001	-
181 Venezuela, Bolivarian Republic of	0.314	0.627	0.627	0.313
182 Viet Nam	0.033	0.042	0.042	0.009
183 Yemen	0.010	0.010	0.010	-
184 Zambia	0.004	0.006	0.006	0.002
185 Zimbabwe	0.003	0.002	0.002	(0.001)
TOTAL	100.000	99.961	100.000	0.000