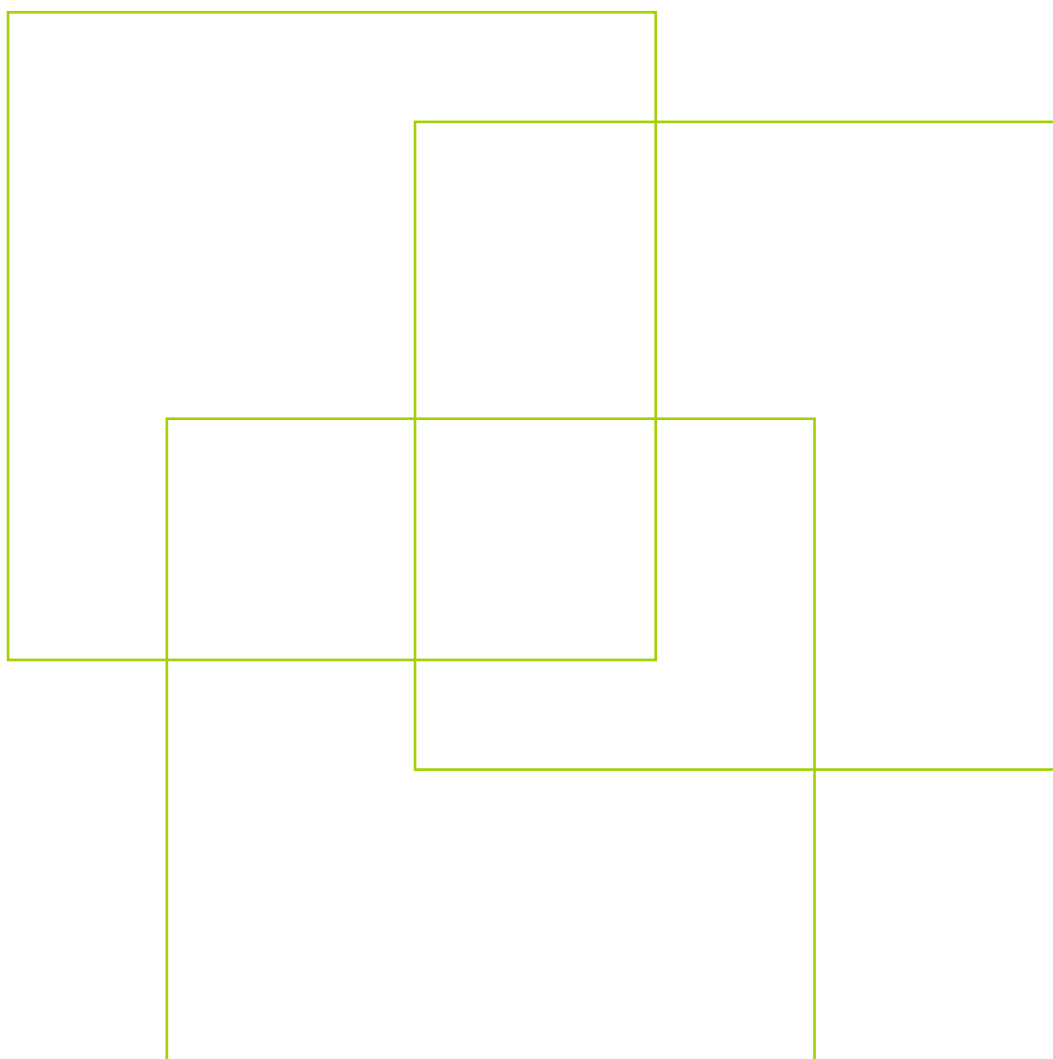




Report II

# Draft Programme and Budget for 2014-15 and other questions



**International Labour Conference, 102nd Session, 2013**

**Report II**

# **Draft Programme and Budget for 2014–15 and other questions**

**Second item on the agenda: Programme and Budget proposals for 2014–15  
and other questions**

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## Preface

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1. This report comprises, in addition to material submitted for information, a number of items requiring action by the Conference. Any other items which may arise after the publication of this report and which also call for action by the Conference will be submitted to the participants through the *Provisional Record*.
2. This report deals with the draft Programme and Budget for 2014–15 as examined by the Governing Body at its 317th Session (March 2013). The full material relating to the draft Programme and Budget for 2014–15 appears on pages 1–6. This material should be read in conjunction with the Director-General’s original Programme and Budget proposals for 2014–15 (GB.317/PFA/1) as indicated in paragraph 2 on page 1.
3. Other items requiring action are:
  - (a) Financial report and audited consolidated financial statements for the year ended 31 December 2012, which is published in a separate document available to Conference participants;
  - (b) Scale of assessments of contributions to the budget for 2014–15;
  - (c) Assessment of the contribution of new member States; and
  - (d) Composition of the Administrative Tribunal of the International Labour Organization.
4. Details of these items are set out in the following pages of this report.



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# Programme and Budget for 2014–15

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## Consideration of the Director-General's Programme and Budget proposals for 2014–15 by the Governing Body

1. The Director-General's original Programme and Budget proposals for 2014–15 were submitted to the Governing Body at its 317th Session (March 2013) in document GB.317/PFA/1. That document is being reissued as a supplement to the present report.
2. The discussion of the original proposals, and adjustments subsequently proposed by the Director-General, was recorded in the draft minutes of the Programme, Financial and Administrative Section of the Governing Body, which is reproduced in Appendix I to the present report.<sup>1</sup> The Governing Body decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 74th financial period, ending 31 December 2015, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 8.
3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of US\$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 assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.
4. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals together with the provisional programme level for 2014–15 as endorsed by the Governing Body following its approval of adjustments proposed by the Director-General. Details of the Director-General's proposed adjustments are set out in Appendix II to this report, and are incorporated in table A on page 3.
5. Table B, which is set out on page 4, and is entitled "Proposed operational budget – Analysis of increases and decreases", permits the identification of changes in programme level, as distinct from changes due to cost increases and currency fluctuations. The second column shows the Director-General's proposals for 2014–15 costed in terms of constant 2012–13 US dollars, i.e. on the basis of cost levels and exchange rates used in preparing the 2012–13 programme and budget. These figures can thus be compared

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<sup>1</sup> See blue title page. This report for the Conference was prepared immediately after the 317th Session (March 2013) of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations.



directly with those in the first column, which is headed “2012–13”, so that programme increases and decreases in real terms can be readily identified. The figures in the penultimate column represent the 2014–15 budget proposals costed on the basis of estimated 2014–15 cost levels and the 2012–13 budget rate of exchange of 0.84 Swiss francs to the US dollar.

6. Appendix III to the present report consists of an addendum to the Director-General’s Programme and Budget proposals for 2014–15 following the discussion in the Governing Body. It provides changes in respect of strategy texts and targets that will be incorporated into the final Programme and Budget for 2014–15 as adopted by the International Labour Conference.

## **Recommendations of the Governing Body to the Conference at its 102nd Session (June 2013)**

7. The Governing Body recommends to the International Labour Conference at its 102nd Session (June 2013) that the final amount of the 2014–15 budget be based on the endorsed proposed expenditure budget of US\$864,006,872 estimated at the 2012–13 budget exchange rate of 0.84 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference.

8. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

*The General Conference of the International Labour Organization,*

*In virtue of the Financial Regulations, adopts for the 74th financial period, ending 31 December 2015, the budget of expenditure for the International Labour Organization amounting to US\$ ..... and the budget of income amounting to US\$ ....., 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.*

**Table A. Strategic budget: Proposed expenditure budget by appropriation line**

|   | <b>Strategic budget<br/>2012–13<sup>1</sup></b> | <b>Proposed strategic<br/>budget 2014–15</b> | <b>Proposed strategic<br/>budget 2014–15</b> |
|---|---|--|--|
|   | (in US\$)                                       | (in constant<br>2012–13 US\$)                | (recosted (US\$))                            |
| <b>Part I. Ordinary budget</b>                                    |   |  |  |
| <b>A. Policy-making organs</b>                                    | <b>93 292 325</b>                               | <b>92 493 577</b>                            | <b>91 759 515</b>                            |
| <b>B. Strategic objectives</b>                                    | <b>652 873 774</b>                              | <b>655 304 011</b>                           | <b>656 298 087</b>                           |
| Employment  | 202 273 352                                     | 204 235 404                                  | 204 545 223                                  |
| Social protection   | 132 246 112                                     | 132 442 103                                  | 132 643 013                                  |
| Social dialogue   | 186 114 727                                     | 186 364 867                                  | 186 647 577                                  |
| Standards   | 132 239 583                                     | 132 261 637                                  | 132 462 274                                  |
| <b>C. Management services</b>                                     | <b>70 953 136</b>                               | <b>69 201 647</b>                            | <b>68 280 474</b>                            |
| <b>D. Other budgetary provisions</b>                              | <b>47 133 896</b>                               | <b>47 253 896</b>                            | <b>50 158 749</b>                            |
| Adjustment for staff turnover                                     | -7 302 917                                      | -7 302 917                                   | -7 189 961                                   |
| <b>Total Part I</b>   | <b>856 950 214</b>                              | <b>856 950 214</b>                           | <b>859 306 864</b>                           |
| <b>Part II. Unforeseen expenditure</b>                            |   |  |  |
| Unforeseen expenditure  | 875 000   | 875 000                                      | 875 000                                      |
| <b>Part III. Working Capital Fund</b>                             |   |  |  |
| Working Capital Fund  |   |  |  |
| <b>Total (Parts I–III)</b>  | <b>857 825 214</b>                              | <b>857 825 214</b>                           | <b>860 181 864</b>                           |
| <b>Part IV. Institutional investments and extraordinary items</b> |   |  |  |
| Institutional investments and extraordinary items                 | 3 794 786                                       | 3 794 786                                    | 3 825 008                                    |
| <b>TOTAL (Parts I–IV)</b>   | <b>861 620 000</b>                              | <b>861 620 000</b>                           | <b>864 006 872</b>                           |

<sup>1</sup> To facilitate comparison with 2014–15 figures, the 2012–13 budget was revised to reflect the consolidation of IRIS support resources with other IT resources within the strategic objectives.

**Table B. Proposed operational budget – Analysis of increases and decreases**

|   | 2012–13            | 2014–15 estimates<br>in constant<br>2012–13 US dollars | Programme increases<br>(decreases) |             | Cost increases<br>(decreases) |             | 2014–15            | % of total<br>budget |
|---|--------------------|--|------------------------------------|-------------|-------------------------------|-------------|--------------------|----------------------|
|   | \$                 | \$   | \$                                 | %           | \$                            | %           | \$                 | %                    |
| <b>PART I. ORDINARY BUDGET</b>                          |                    |  |                                    |             |                               |             |                    |                      |
| <b>Policy-making organs</b>                             | <b>93 292 325</b>  | <b>92 493 577</b>                                      | <b>-798 748</b>                    | <b>-0.9</b> | <b>-734 062</b>               | <b>-0.8</b> | <b>91 759 515</b>  | <b>10.6</b>          |
| International Labour Conference                         | 16 618 283         | 16 618 283   | 0                                  |             | 135 850                       |             | 16 754 133         |                      |
| Governing Body  | 6 873 784          | 6 373 784  | -500 000                           |             | 90 090                        |             | 6 463 874          |                      |
| Major Regional Meetings                                 | 370 223            | 370 223  | 0                                  |             | 3 886                         |             | 374 109            |                      |
| Legal Services  | 4 081 796          | 4 061 883  | -19 913                            |             | -33 688                       |             | 4 028 195          |                      |
| Relations, Meetings and Document Services               | 65 348 239         | 65 069 404   | -278 835                           |             | -930 200                      |             | 64 139 204         |                      |
| <b>Strategic objectives</b>                             | <b>652 873 774</b> | <b>655 304 011</b>                                     | <b>2 430 237</b>                   | <b>0.4</b>  | <b>994 076</b>                | <b>0.2</b>  | <b>656 298 087</b> | <b>76.0</b>          |
| <b>Technical programmes</b>                             | <b>293 372 750</b> | <b>293 476 658</b>                                     | <b>103 908</b>                     | <b>0.0</b>  | <b>-2 184 381</b>             | <b>-0.7</b> | <b>291 292 277</b> | <b>33.7</b>          |
| Employment  | 57 450 374         | 57 934 075   | 483 701                            |             | -582 192                      |             | 57 351 883         |                      |
| Social Protection                                       | 41 013 175         | 41 003 480   | -9 695                             |             | -464 780                      |             | 40 538 700         |                      |
| Social Dialogue   | 32 441 839         | 32 174 741   | -267 098                           |             | -256 417                      |             | 31 918 324         |                      |
| Standards and Fundamental Principles and Rights at Work | 44 340 989         | 44 270 438   | -70 551                            |             | -441 663                      |             | 43 828 775         |                      |
| Employers' and Workers' Organizations                   |                    |  |                                    |             |                               |             |                    |                      |
| Employers' Activities                                   | 9 241 531          | 9 768 307  | 526 776                            |             | 3 861                         |             | 9 772 168          |                      |
| Workers' Activities                                     | 22 331 448         | 22 160 124   | -171 324                           |             | 31 558                        |             | 22 191 682         |                      |
| Institutional Capacities                                | 68 628 075         | 68 147 100   | -480 975                           |             | -466 752                      |             | 67 680 348         |                      |
| International Institute for Labour Studies              | 7 128 495          | 7 128 495  | 0                                  |             | -81 804                       |             | 7 046 691          |                      |
| International Training Centre of the ILO, Turin         | 8 746 672          | 8 746 672  | 0                                  |             | 0                             |             | 8 746 672          |                      |
| Technical Meetings Reserve                              | 493 226            | 443 226  | -50 000                            |             | 7 508                         |             | 450 734            |                      |
| Support to South–South and Triangular Cooperation       | 1 556 926          | 1 700 000  | 143 074                            |             | 66 300                        |             | 1 766 300          |                      |

|  | 2012-13            | 2014-15 estimates<br>in constant<br>2012-13 US dollars | Programme increases<br>(decreases) |             | Cost increases<br>(decreases) |             | 2014-15            | % of total<br>budget |
|--|--------------------|--|------------------------------------|-------------|-------------------------------|-------------|--------------------|----------------------|
|  | \$                 | \$   | \$                                 | %           | \$                            | %           | \$                 | %                    |
| <b>Regions</b>                                 | <b>256 461 835</b> | <b>257 621 947</b>                                     | <b>1 160 112</b>                   | <b>0.5</b>  | <b>3 668 191</b>              | <b>1.4</b>  | <b>261 290 138</b> | <b>30.3</b>          |
| Programmes in Africa                           | 79 119 632         | 79 314 618   | 194 986                            |             | 1 046 538                     |             | 80 361 156         |                      |
| Programmes in the Americas                     | 64 299 042         | 64 457 504   | 158 462                            |             | 1 701 509                     |             | 66 159 013         |                      |
| Programmes in Arab States                      | 16 540 100         | 16 580 862   | 40 762                             |             | 701 585                       |             | 17 282 447         |                      |
| Programmes in Asia and the Pacific             | 71 798 239         | 72 503 257   | 705 018                            |             | -200 506                      |             | 72 302 751         |                      |
| Programmes in Europe and Central Asia          | 24 704 822         | 24 765 706   | 60 884                             |             | 419 065                       |             | 25 184 771         |                      |
| <b>Support services</b>                        | <b>103 039 189</b> | <b>104 205 406</b>                                     | <b>1 166 217</b>                   | <b>1.1</b>  | <b>-489 734</b>               | <b>-0.5</b> | <b>103 715 672</b> | <b>12.0</b>          |
| Information Technology and Communications      | 40 835 920         | 43 717 946   | 2 882 026                          |             | -263 203                      |             | 43 454 743         |                      |
| Facilities Management                          | 25 746 071         | 24 921 504   | -824 567                           |             | 123 081                       |             | 25 044 585         |                      |
| Central Services, Security and Protocol        | 33 277 451         | 32 401 211   | -876 240                           |             | -298 171                      |             | 32 103 040         |                      |
| Procurement                                    | 3 179 747          | 3 164 745  | -15 002                            |             | -51 441                       |             | 3 113 304          |                      |
| <b>Management services</b>                     | <b>64 218 132</b>  | <b>62 493 255</b>                                      | <b>-1 724 877</b>                  | <b>-2.7</b> | <b>-839 105</b>               | <b>-1.3</b> | <b>61 654 150</b>  | <b>7.1</b>           |
| General Management                             | 10 374 213         | 8 887 230  | -1 486 983                         |             | -180 109                      |             | 8 707 121          |                      |
| Deputy Director-General, Management and Reform | 1 835 744          | 1 827 667  | -8 077                             |             | 14 540                        |             | 1 842 207          |                      |
| Human Resources Development                    | 27 160 222         | 27 049 478   | -110 744                           |             | -323 910                      |             | 26 725 568         |                      |
| Financial Services                             | 19 297 458         | 19 204 725   | -92 733                            |             | -294 608                      |             | 18 910 117         |                      |
| Programming and Management                     | 5 550 495          | 5 524 155  | -26 340                            |             | -55 018                       |             | 5 469 137          |                      |
| <b>Oversight and evaluation</b>                | <b>6 735 004</b>   | <b>6 708 392</b>                                       | <b>-26 612</b>                     | <b>-0.4</b> | <b>-82 068</b>                | <b>-1.2</b> | <b>6 626 324</b>   | <b>0.8</b>           |
| Internal Audit and Oversight                   | 2 882 105          | 2 868 615  | -13 490                            |             | -44 137                       |             | 2 824 478          |                      |
| Independent Oversight Advisory Committee       | 416 185            | 416 185  | 0                                  |             | -192                          |             | 415 993            |                      |
| Ethics function                                | 243 269            | 242 396  | -873                               |             | -2 481                        |             | 239 915            |                      |
| Evaluation                                     | 3 193 445          | 3 181 196  | -12 249                            |             | -35 258                       |             | 3 145 938          |                      |

|   | 2012-13            | 2014-15 estimates<br>in constant<br>2012-13 US dollars | Programme increases<br>(decreases) |            | Cost increases<br>(decreases) |            | 2014-15            | % of total<br>budget |
|---|--------------------|--|------------------------------------|------------|-------------------------------|------------|--------------------|----------------------|
|   | \$                 | \$   | \$                                 | %          | \$                            | %          | \$                 | %                    |
| Other budgetary provisions  | 47 133 896         | 47 253 896   | 120 000                            | 0.3        | 2 904 853                     | 6.1        | 50 158 749         | 5.8                  |
| Adjustment for staff turnover   | -7 302 917         | -7 302 917   | 0                                  | 0.0        | 112 956                       | -1.5       | -7 189 961         | -0.8                 |
| <b>TOTAL PART I</b>   | <b>856 950 214</b> | <b>856 950 214</b>                                     | <b>0</b>                           | <b>0.0</b> | <b>2 356 650</b>              | <b>0.3</b> | <b>859 306 864</b> | <b>99.5</b>          |
| <b>PART II. UNFORESEEN EXPENDITURE</b>                                |                    |  |                                    |            |                               |            |                    |                      |
| Unforeseen expenditure  | 875 000            | 875 000  | 0                                  | 0.0        | 0                             | 0.0        | 875 000            | 0.1                  |
| <b>PART III. WORKING CAPITAL FUND</b>                                 |                    |  |                                    |            |                               |            |                    |                      |
| Working Capital Fund  |                    |  |                                    |            |                               |            |                    |                      |
| <b>TOTAL (PARTS I-III)</b>  | <b>857 825 214</b> | <b>857 825 214</b>                                     | <b>0</b>                           | <b>0.0</b> | <b>2 356 650</b>              | <b>0.3</b> | <b>860 181 864</b> | <b>99.6</b>          |
| <b>PART IV. INSTITUTIONAL INVESTMENTS AND<br/>EXTRAORDINARY ITEMS</b> |                    |  |                                    |            |                               |            |                    |                      |
| Accommodation   | 3 794 786          | 3 794 786  | 0                                  | 0.0        | 30 222                        | 0.8        | 3 825 008          |                      |
| <b>TOTAL PART IV</b>  | <b>3 794 786</b>   | <b>3 794 786</b>                                       | <b>0</b>                           | <b>0.0</b> | <b>30 222</b>                 | <b>0.8</b> | <b>3 825 008</b>   | <b>0.4</b>           |
| <b>TOTAL (PARTS I-IV)</b>   | <b>861 620 000</b> | <b>861 620 000</b>                                     | <b>0</b>                           | <b>0.0</b> | <b>2 386 872</b>              | <b>0.3</b> | <b>864 006 872</b> | <b>100.0</b>         |

## **Other financial and administrative questions**

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### **Financial report and audited consolidated financial statements for the year ended 31 December 2012**

1. In accordance with articles 28 and 29 of the Financial Regulations, the International Labour Conference will be called upon to adopt the audited consolidated financial statements for 2012 after their examination by the Governing Body. The statements cover the regular budget, the Working Capital Fund, extra-budgetary accounts administered by the Organization, and all other special funds and accounts.
2. The Director-General's financial report and the statements for 2012, together with the Auditor's report, will be communicated to Members as a separate document. The Governing Body's recommendation as to the adoption of the audited statements will be communicated to the Conference in a separate document which will be presented to the Finance Committee of Government Representatives.

## **Scale of assessments of contributions to the budget for 2014–15**

1. At its 317th Session (March 2013), the Governing Body decided, on the recommendation of the Government members of the Governing Body, to propose to the Conference at its 102nd Session (June 2013) that, 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, it adopt the draft scale of assessments for 2014–15 as set out in column 3 of the appendix to the report of the Government members of the Governing Body for allocation of expenses, which is reproduced as Appendix IV to this report.
2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessments for 2014–15 and to make appropriate proposals to the Conference.

## **Assessments of contributions of new member States**

1. On 29 April 2012, the Republic of South Sudan, which had joined the United Nations on 14 July 2011, became a Member of the ILO. At its 317th Session (March 2013), the Governing Body decided, on the recommendation of the Government members of the Governing Body (see Appendix IV to this report), to propose to the International Labour Conference at its 102nd Session (June 2013) that, 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, 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.
2. On 29 May 2012, the Republic of Palau, which had joined the United Nations on 15 December 1994, became a Member of the ILO. At its 317th Session (March 2013), the Governing Body decided, on the recommendation of the Government members of the Governing Body (see Appendix IV to this report), to propose to the International Labour Conference at its 102nd Session (June 2013) that, 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, 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.
3. It will be for the Finance Committee of Government Representatives to consider these proposals put forward by the Governing Body and to make appropriate proposals to the Conference.



## **Composition of the Administrative Tribunal of the International Labour Organization**

1. At its 317th Session (March 2013), the Governing Body decided (see Appendix V to this report) to propose to the Conference at its 102nd Session (June 2013) the renewal of the terms of office of Mr Rouiller (Switzerland) and Mr Frydman (France) for three years each; to delegate 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; and to propose to the Conference that it adopt a resolution in the following terms:

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.

2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

## **Appendix I**

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**Excerpt – Draft minutes of the Programme,  
Financial and Administrative Section of  
the Governing Body at its 317th Session  
(March 2013) (GB.317/PFA/PV/Draft)**





## Governing Body

317th Session, Geneva, 6–28 March 2013

GB.317/PFA/PV/Draft

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Programme, Financial and Administrative Section

PFA

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DRAFT MINUTES

## Programme, Financial and Administrative Section

[...]

### 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)

- The Director-General* presented his Programme and Budget proposals for 2014–15 (his statement is reproduced in Appendix I).
- 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).
- 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. He noted that his Government’s position on budgets in the UN system was well known. Much like national governments, the Office should continue to look for efficiencies and savings on an ongoing basis, 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.<sup>1</sup> The Director-General's statement is reproduced in Appendix II.
- 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

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<sup>1</sup> GB.317/PFA/1/1.

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 and the Nordic countries.
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.)



## 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.

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## **Appendix II**

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**Director-General's proposals for  
adjustments to the Programme  
and Budget proposals for 2014–15  
(GB.317/PFA/1/1)**







## Governing Body

317th Session, Geneva, 6–28 March 2013

GB.317/PFA/1/1

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

**PFA**

**Date:** 19 March 2013  
**Original:** English

FIRST ITEM ON THE AGENDA

## Programme and Budget proposals for 2014–15

### Director-General's proposals for adjustments to the Programme and Budget proposals for 2014–15

#### Purpose of the document

In this paper the Governing Body is invited to recommend the proposed programme and budget for 2014–15 as adjusted, for approval by the Conference (see draft decision in paragraph 9).

**Relevant strategic objective:** Not applicable.

**Policy implications:** Recommendation on programme and budget.

**Legal implications:** None.

**Financial implications:** Recommendation on budget level for 2014–15.

**Follow-up action required:** None.

**Author unit:** Office of the Treasurer and Financial Comptroller (TR/CF).

**Related documents:** GB.317/PFA/1.



1. In respect of the Director-General's response to the Programme and Budget debate, this document provides financial information on the proposed adjustments to the budget.
2. Attached are three appendices summarizing the proposed adjustments to the original proposals and the revised budget totals resulting from these adjustments.
3. Appendix I contains the revised strategic budget, including the proposed adjustments.
4. Appendix II details the adjustments to the operational budget in constant dollars.
5. Appendix III summarizes the revised proposals taking account of the revisions to cost increases and the programme adjustments indicated in Appendix II. The net effect of these adjustments is to reduce the nominal level of the proposals by US\$4,198, from \$864,011,070 to \$864,006,872.
6. The proposed adjustments amount to some \$2.2 million.
7. In summary, it is proposed to strengthen technical capacity in statistics, economic analysis and in the Bureau for Employers' Activities (one additional Professional category position each), as well as in social dialogue and occupational safety and health in the regions, as follows:

|                                | US\$             |
|--------------------------------|------------------|
| Statistics                     | 526 776          |
| Economic analysis              | 526 776          |
| Employers' activities          | 526 776          |
| Social dialogue                | 316 668          |
| Occupational safety and health | 316 668          |
| <b>Total</b>                   | <b>2 213 664</b> |

8. It is proposed to finance this increase through the following redeployments: a reduction in the duration of the March Governing Body session in odd years (\$500,000); fewer but higher profile publications and related communication (\$160,000); a reduction in the budget of the Century Project (\$342,000); lower management and administrative costs resulting from the merger of the Department of Facilities Management and the Central Services Department (\$685,000); and reprofiling of an administrative professional position in the policy portfolio (\$527,000).

### **Draft decision**

#### **9. The Governing Body:**

- (a) *recommends to the International Labour Conference at its 102nd Session (June 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) *proposes to the Conference at the same session 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.

## Appendix I

### Revised strategic budget: Proposed expenditure budget by appropriation line

|   | Revised strategic budget 2012–13 <sup>1</sup> | Adjusted proposed strategic budget 2014–15 | Adjusted proposed strategic budget 2014–15 |
|---|---|--|--|
|   | (in US\$)                                     | (in constant 2012–13 US\$)                 | (recosted (US\$))                          |
| <b>Part I. Ordinary budget</b>                                    |   |  |  |
| <b>A. Policy-making organs</b>                                    | <b>93 292 325</b>                             | <b>92 493 577</b>                          | <b>91 759 515</b>                          |
| <b>B. Strategic objectives</b>                                    | <b>652 873 774</b>                            | <b>655 304 011</b>                         | <b>656 298 087</b>                         |
| Employment  | 202 273 352                                   | 204 235 404                                | 204 545 223                                |
| Social protection   | 132 246 112                                   | 132 442 103                                | 132 643 013                                |
| Social dialogue   | 186 114 727                                   | 186 364 867                                | 186 647 577                                |
| Standards   | 132 239 583                                   | 132 261 637                                | 132 462 274                                |
| <b>C. Management services</b>                                     | <b>70 953 136</b>                             | <b>69 201 647</b>                          | <b>68 280 474</b>                          |
| <b>D. Other budgetary provisions</b>                              | <b>47 133 896</b>                             | <b>47 253 896</b>                          | <b>50 158 749</b>                          |
| Adjustment for staff turnover                                     | -7 302 917                                    | -7 302 917                                 | -7 189 961                                 |
| <b>Total Part I</b>   | <b>856 950 214</b>                            | <b>856 950 214</b>                         | <b>859 306 864</b>                         |
| <b>Part II. Unforeseen expenditure</b>                            |   |  |  |
| Unforeseen expenditure  | 875 000                                       | 875 000                                    | 875 000                                    |
| <b>Part III. Working Capital Fund</b>                             |   |  |  |
| Working Capital Fund  |   |  |  |
| <b>Total (Parts I–III)</b>  | <b>857 825 214</b>                            | <b>857 825 214</b>                         | <b>860 181 864</b>                         |
| <b>Part IV. Institutional investments and extraordinary items</b> |   |  |  |
| Institutional investments and extraordinary items                 | 3 794 786                                     | 3 794 786                                  | 3 825 008                                  |
| <b>TOTAL (Parts I–IV)</b>   | <b>861 620 000</b>                            | <b>861 620 000</b>                         | <b>864 006 872</b>                         |

<sup>1</sup>To facilitate comparison with 2014–15 figures, the 2012–13 budget was revised to reflect the consolidation of IRIS support resources with other IT resources within the strategic objectives.

## Appendix II

### Adjustments to the operational budget for 2014–15

|  | Revised<br>2012–13<br>budget | Budget<br>proposals<br>2014–15 | Proposed<br>adjustments | Revised budget<br>proposals<br>2014–15 |
|--|------------------------------|--------------------------------|-------------------------|--|
| (in constant 2012–13 US\$)                                     |                              |                                |                         |  |
| <b>PART I</b>  |                              |                                |                         |  |
| <b>Policy-making organs</b>                                    |                              |                                |                         |  |
| International Labour Conference                                | 16 618 283                   | 16 618 283                     |                         | 16 618 283                             |
| Governing Body   | 6 873 784                    | 6 873 784                      | (500 000)               | 6 373 784                              |
| Major Regional Meetings  | 370 223                      | 370 223                        |                         | 370 223                                |
| Legal Services   | 4 081 796                    | 4 061 883                      |                         | 4 061 883                              |
| Relations, meetings and document services                      | 65 348 239                   | 65 069 404                     |                         | 65 069 404                             |
|  | <b>93 292 325</b>            | <b>92 993 577</b>              | <b>(500 000)</b>        | <b>92 493 577</b>                      |
| <b>Strategic objectives</b>                                    |                              |                                |                         |  |
| <b>Technical programmes</b>                                    |                              |                                |                         |  |
| <b>Employment</b>  | <b>57 450 374</b>            | <b>57 934 075</b>              |                         | <b>57 934 075</b>                      |
| <b>Social protection</b>                                       | <b>41 013 175</b>            | <b>41 003 480</b>              |                         | <b>41 003 480</b>                      |
| <b>Social dialogue</b>   | <b>32 441 839</b>            | <b>32 174 741</b>              |                         | <b>32 174 741</b>                      |
| <b>Standards and fundamental principles and rights at work</b> | <b>44 340 989</b>            | <b>44 270 438</b>              |                         | <b>44 270 438</b>                      |
| <b>Employers' and workers' organizations</b>                   |                              |                                |                         |  |
| Employers' activities  | 9 241 531                    | 9 241 531                      | 526 776                 | 9 768 307                              |
| Workers' activities  | 22 331 448                   | 22 160 124                     |                         | 22 160 124                             |
|  | <b>31 572 979</b>            | <b>31 401 655</b>              | <b>526 776</b>          | <b>31 928 431</b>                      |
| <b>Institutional capacities</b>                                |                              |                                |                         |  |
| <b>International Institute for Labour Studies</b>              | 7 128 495                    | 7 128 495                      |                         | 7 128 495                              |
| <b>International Training Centre of the ILO, Turin</b>         | 8 746 672                    | 8 746 672                      |                         | 8 746 672                              |
| <b>Technical Meetings Reserve</b>                              | 493 226                      | 443 226                        |                         | 443 226                                |
| <b>South–South and Triangular Cooperation</b>                  | 1 556 926                    | 1 700 000                      |                         | 1 700 000                              |
|  | <b>86 553 394</b>            | <b>86 140 309</b>              | <b>25 184</b>           | <b>86 165 493</b>                      |
| <b>Total technical programmes</b>                              | <b>293 372 750</b>           | <b>292 924 698</b>             | <b>551 960</b>          | <b>293 476 658</b>                     |
| <b>Regions</b>   |                              |                                |                         |  |
| Programmes in Africa   | 79 119 632                   | 79 119 632                     | 194 986                 | 79 314 618                             |
| Programmes in the Americas                                     | 64 299 042                   | 64 299 042                     | 158 462                 | 64 457 504                             |
| Programmes in Arab States                                      | 16 540 100                   | 16 540 100                     | 40 762                  | 16 580 862                             |
| Programmes in Asia and the Pacific                             | 71 798 239                   | 72 325 015                     | 178 242                 | 72 503 257                             |
| Programmes in Europe and Central Asia                          | 24 704 822                   | 24 704 822                     | 60 884                  | 24 765 706                             |
|  | <b>256 461 835</b>           | <b>256 988 611</b>             | <b>633 336</b>          | <b>257 621 947</b>                     |

|   | Revised<br>2012–13<br>budget | Budget<br>proposals<br>2014–15 | Proposed<br>adjustments | Revised budget<br>proposals<br>2014–15 |
|---|------------------------------|--------------------------------|-------------------------|--|
| (in constant 2012–13 US\$)  |                              |                                |                         |  |
| <b>Support services</b>   |                              |                                |                         |  |
| Information Technology and Communications                             | 40 835 920                   | 43 717 946                     |                         | 43 717 946                             |
| Facilities Management   | 25 746 071                   | 25 264 152                     | (342 648)               | 24 921 504                             |
| Central Services, Security and Protocol                               | 33 277 451                   | 32 743 859                     | (342 648)               | 32 401 211                             |
| Procurement   | 3 179 747                    | 3 164 745                      |                         | 3 164 745                              |
|   | <b>103 039 189</b>           | <b>104 890 702</b>             | <b>(685 296)</b>        | <b>104 205 406</b>                     |
| <b>Total strategic objectives</b>                                     | <b>652 873 774</b>           | <b>654 804 011</b>             | <b>500 000</b>          | <b>655 304 011</b>                     |
| <b>Management services</b>  |                              |                                |                         |  |
| General Management  | 10 374 213                   | 8 887 230                      |                         | 8 887 230                              |
| Deputy Director-General Management and Reform                         | 1 835 744                    | 1 827 667                      |                         | 1 827 667                              |
| Human Resources Development   | 27 160 222                   | 27 049 478                     |                         | 27 049 478                             |
| Financial Services  | 19 297 458                   | 19 204 725                     |                         | 19 204 725                             |
| Programming and Management  | 5 550 495                    | 5 524 155                      |                         | 5 524 155                              |
|   | <b>64 218 132</b>            | <b>62 493 255</b>              | <b>0</b>                | <b>62 493 255</b>                      |
| <b>Oversight and evaluation</b>                                       |                              |                                |                         |  |
| Internal Audit and Oversight  | 2 882 105                    | 2 868 615                      |                         | 2 868 615                              |
| Independent Oversight Advisory Committee                              | 416 185                      | 416 185                        |                         | 416 185                                |
| Ethics function   | 243 269                      | 242 396                        |                         | 242 396                                |
| Evaluation  | 3 193 445                    | 3 181 196                      |                         | 3 181 196                              |
|   | <b>6 735 004</b>             | <b>6 708 392</b>               | <b>0</b>                | <b>6 708 392</b>                       |
| <b>Other budgetary provisions</b>                                     | 47 133 896                   | 47 253 896                     |                         | 47 253 896                             |
| <b>Adjustment for staff turnover</b>                                  | -7 302 917                   | -7 302 917                     |                         | -7 302 917                             |
| <b>Total PART I</b>   | <b>856 950 214</b>           | <b>856 950 214</b>             | <b>0</b>                | <b>856 950 214</b>                     |
| <b>PART II. UNFORESEEN EXPENDITURE</b>                                |                              |                                |                         |  |
| Unforeseen expenditure  | 875 000                      | 875 000                        |                         | 875 000                                |
| <b>PART III. WORKING CAPITAL FUND</b>                                 |                              |                                |                         |  |
| Working Capital Fund  | –                            | –                              |                         | –                                      |
| <b>TOTAL (PARTS I–III)</b>  | <b>857 825 214</b>           | <b>857 825 214</b>             | <b>0</b>                | <b>857 825 214</b>                     |
| <b>PART IV. INSTITUTIONAL INVESTMENTS AND<br/>EXTRAORDINARY ITEMS</b> |                              |                                |                         |  |
| Accommodation   | 3 794 786                    | 3 794 786                      |                         | 3 794 786                              |
| <b>TOTAL PART IV</b>  | <b>3 794 786</b>             | <b>3 794 786</b>               | <b>0</b>                | <b>3 794 786</b>                       |
| <b>TOTAL (PARTS I–IV)</b>   | <b>861 620 000</b>           | <b>861 620 000</b>             | <b>0</b>                | <b>861 620 000</b>                     |



## Appendix III

### Provisional programme level for 2014–15 resulting from the adjustments proposed by the Director-General (in constant US\$)

|  |  | 2014–15<br>provisional<br>level (US\$) |  |   |
|--|--|--|--|---|
| <b>Part I.</b>   | <b>Ordinary budget</b>                                   | <b>856 950 214</b>                     |  |   |
| <b>Part II.</b>  | <b>Unforeseen expenditure</b>                            | <b>875 000</b>                         |  |   |
| <b>Part III.</b>   | <b>Working Capital Fund</b>                              | <b>–</b>                               |  |   |
| <b>Part IV.</b>  | <b>Institutional investments and extraordinary items</b> | <b>3 794 786</b>                       |  |   |
| <b>Provisional programme level (in constant dollars)</b> |  | <b>861 620 000</b>                     |  |   |
| <b>Cost increases</b>                                    |  |  |  |   |
|  | Initial cost increases                                   | 2 391 070                              |  |   |
|  | Reduction in cost increase due to programme adjustments  | -4 198                                 |  |   |
|  | New proposal   | <b>2 386 872</b>                       |  |   |
|  | <i>Total adjustments</i>                                 | -4 198                                 |  |   |
| <b>Provisional programme level (recosted)</b>            |  | <b>864 006 872</b>                     |  |   |
| <b>Comparison with 2012–13 programme and budget</b>      |  |  |  |   |
|  |  | 2012–13<br>budget                      | 2014–15<br>provisional<br>level<br>(in US dollars) | Increase/(decrease)<br>compared with<br>2012–13 |
| <b>Part I.</b>   | <b>Ordinary budget</b>                                   | 856 950 214                            | 856 950 214  | –   |
|  | Cost increase  |  | 2 356 650  | 2 356 650                                       |
| <b>Part II.</b>  | <b>Unforeseen expenditure</b>                            | 875 000                                | 875 000  | –   |
| <b>Part III.</b>   | <b>Working Capital Fund</b>                              |  | –  | –   |
| <b>Part IV.</b>  | <b>Institutional investments and extraordinary items</b> | 3 794 786                              | 3 794 786  | –   |
|  | Cost increase  |  | 30 222   | 30 222  |
| <b>Total budget (Parts I–IV)</b>                         |  | <b>861 620 000</b>                     | <b>864 006 872</b>                                 | <b>2 386 872</b>                                |

## **Appendix III**

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**Addendum to the Director-General's  
Programme and Budget proposals  
for 2014–15**



As reported to the Programme, Financial and Administrative Section of the Governing Body in the Director-General’s reply of 21 March 2013, this document contains revisions to the Programme and Budget proposals for 2014–15 resulting from the discussion of the proposals by the Governing Body at its Session in March 2013. Thereafter, these changes will be incorporated into the Programme and Budget for 2014–15, as adopted by the International Labour Conference in June 2013.

## Executive overview

### Paragraph 8

Replace the last sentence by:

A total of 721 targets are planned for 2014–15, of which 253 are in Africa, 167 in the Americas, 150 in Asia and the Pacific, 82 in Europe and Central Asia, 64 in the Arab States and five at the global level.

## Strategic framework

### Strategic objectives

#### After paragraph 39

Replace the text on “Employment” by:

This strategic objective focuses on promoting employment by creating a sustainable institutional, social and economic environment in which: women and men can develop and update the capacities and skills they need to be productively employed; sustainable enterprises can prosper and create jobs; and societies can achieve their goals of economic development and social progress. The ILO’s approach is guided by the Employment Policy Convention, 1964 (No. 122). It rests on employment-centred macroeconomic policies (the Global Employment Agenda), an enabling environment for sustainable enterprises and job creation, as defined by the 2007 Conference conclusions, and skills and labour market policies focusing on vulnerable groups at risk of poverty and exclusion. In 2014–15, greater emphasis will be placed on analytical and operational work addressing the interaction of employment and social protection measures underpinned by rights and social dialogue, as set out in the Conference conclusions concerning the recurrent discussion on employment (2010) and on social protection (2011). Strong emphasis will be placed on enacting the 2012 Conference resolution concerning “The youth employment crisis: A call for action” and on initiatives to formalize enterprises and to secure decent formal employment, including in rural areas. Work will also be guided by the outcome of the 2013 Conference discussions on ageing societies and on sustainable development, decent work and green jobs.

Replace the first sentence of the text on “Standards and fundamental principles and rights at work” by:

This strategic objective aims to promote the ratification and application of international labour standards at the country level.

## Areas of critical importance for priority action in 2014–15

### After paragraph 49

As regards the area entitled “Promoting more and better jobs for inclusive growth”, add under principal outcomes:

- Sustainable enterprises

As regards the area entitled “Productivity and working conditions in SMEs”, add under principal outcomes:

- Social dialogue and industrial relations
- Freedom of association and collective bargaining

As regards the area entitled “Formalization of the informal economy”, replace the last sentence of the text by:

It will work to strengthen the capacity of organizations of employers and of workers to reach out to businesses and workers in the informal economy in order to promote effective transitions to formality.

## Outcomes to be achieved in 2014–15

### Outcome 1: More women and men have access to productive employment, decent work and income opportunities

#### Paragraph 57

Insert at the beginning of the paragraph:

The ILO’s approach to youth employment is aligned with its broader strategy to promote overall employment. It addresses both supply- and demand-side issues with a view to creating and sustaining decent jobs for young people.

#### Indicators

Replace the target under indicator 1.4 by:

11 member States, of which 7 in Africa, 1 in the Americas, 1 in Arab States, 2 in Asia–Pacific

### Outcome 2: Skills development increases the employability of workers, the competitiveness of enterprises and the inclusiveness of growth

#### Paragraph 63

Insert at the end of the first sentence, after the words “disadvantaged groups”:

“, including in rural areas and in the informal economy.”

#### Paragraph 65

Insert after the first sentence:

Emphasis will be placed on mobilizing the social partners in respect of anticipating and better matching skills with enterprise needs.

#### Indicators

Replace the target under indicator 2.1 by:

17 member States, of which 3 in Africa, 5 in the Americas, 2 in Arab States, 4 in Asia–Pacific, 3 in Europe–Central Asia

### Outcome 3: Sustainable enterprises create productive and decent jobs

#### Paragraph 72

Replace the first sentence by:

The overarching aim of the strategy is to enable ILO Members to support the development and growth of enterprises of all sizes, in particular SMEs and cooperatives, that are productive and competitive, create decent work for women and men, and contribute to social inclusion and sustainable development.

#### Paragraph 75

Replace this paragraph by:

The ILO will work with tripartite constituents to facilitate policy dialogues on the enabling environment for sustainable enterprises with a view to fostering the establishment and growth of enterprises that combine competitiveness and rising productivity with social and environmental responsibility. This will include capacity building for constituents to undertake diagnostic assessments of the policy, legal and regulatory environment conducive to enterprise creation and growth leading to the generation of decent jobs.

#### Paragraph 76

Delete the words “In the area of the enabling environment for sustainable enterprises,”.  
Start the paragraph with “The ILO has developed ...”

#### Indicators

Replace the target under indicator 3.4 by:

2 member States, in Africa

#### Outcome 4: More people have access to better managed and more gender equitable social security benefits

#### Paragraph 90

Replace the paragraph by:

By the end of the biennium, another ten member States will have comprehensive statistical information allowing for national monitoring of the performance of their social security systems, bringing to over 90 the total number of member States for which this information is publicly accessible through the ILO’s Social Security Inquiry database. Another 20 member States will have benefited from ILO direct assistance to develop and operate their national social protection floors or systems.

#### Outcome 5: Women and men have improved and more equitable working conditions

#### Paragraph 93

Insert at the end of the paragraph:

The strategy is designed to ensure that working conditions policies are pursued in coordination with policies that foster employment and sustainable enterprises, extend social security systems, and preserve health and safety at work.

#### Paragraph 94

In the first sentence, after the words “national capacities”, insert:

“, including within employers’ and workers’ organizations,”

#### Paragraph 96

Replace the paragraph by:

During the biennium, ILO direct assistance and advisory services will be directed to achieve reportable results in at least 18 member States.

## **Outcome 6: Workers and enterprises benefit from improved safety and health conditions at work**

### **Paragraph 104**

Insert at the beginning of the paragraph:

The strategy is guided by relevant international labour standards, in particular the Occupational Safety and Health Convention, 1981 (No. 155), its 2002 Protocol and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187). It is based ...

### **Indicators**

Replace the target under indicator 6.1 by:

11 member States, of which 3 in Africa, 2 in the Americas, 1 in Arab States, 3 in Asia–Pacific, 2 in Europe–Central Asia

Replace the target under indicator 6.2 by:

11 member States, of which 1 in Africa, 3 in the Americas, 1 in Arab States, 3 in Asia–Pacific, 3 in Europe–Central Asia

## **Outcome 11: Labour administrations apply up-to-date labour legislation and provide effective services**

### **Paragraph 146**

Under the first bullet point, replace the second sentence by:

The ILO will assist member States to develop national plans for strengthening the institutional and human capacity of inspectorates.

Under the second bullet point, replace the second sentence by:

The ILO will support member States in carrying out labour law reforms.

### **Paragraph 150**

Insert at the beginning of the paragraph:

ILO technical assistance and advisory services on labour law reforms will be provided to approximately 30 countries, with at least nine member States expected to achieve reportable results during the biennium.

## **Outcome 12: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations**

### **Paragraph 156**

Insert at the end of the paragraph:

It contributes to the follow-up to the 2013 Conference conclusions concerning the recurrent discussion on social dialogue.

### **Paragraph 157**

Insert at the end of the paragraph:

Particular attention will be paid to strengthen the capacity of constituents to participate in tripartite social dialogue on policies that foster competitiveness and to negotiate collective agreements that contribute to improvements in productivity and working conditions.

## Indicators

Replace the target under indicator 12.1 by:

13 member States, of which 4 in Africa, 2 in the Americas, 1 in Arab States, 4 in Asia–Pacific, 2 in Europe–Central Asia

## Outcome 14: The right to freedom of association and collective bargaining is widely known and exercised

### Indicators

Replace the target under indicator 14.1 by:

16 member States, of which 7 in Africa, 3 in the Americas, 2 in Arab States, 3 in Asia–Pacific, 1 in Europe–Central Asia

## Outcome 15: Forced labour is eliminated

### Paragraph 183

Replace the first bullet point by:

- strengthening national capacity to enforce compliance with laws against forced labour and human trafficking for the purpose of forced labour and to promote complementary approaches to criminal and labour justice; and

### Paragraph 185

Replace the first sentence by:

The ILO will work with national authorities, workers' organizations, employers' organizations, the private sector and private employment agencies to take effective action against forced labour.

## Outcome 16: Child labour is eliminated, with priority given to the worst forms

### Paragraph 194

Replace the paragraph by:

ILO direct assistance will target over 30 countries, of which at least 14 will be in Africa.

## Outcome 18: International labour standards are ratified and applied

### Indicators

Replace the target under indicator 18.1 by:

40 member States, of which 14 in Africa, 12 in the Americas, 5 in Arab States, 6 in Asia–Pacific, 3 in Europe–Central Asia

## Governance, support and management

### Indicators

Replace the target under indicator 1.4 by:

Timely implementation of the building renovation project within budget





## **Appendix IV**

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





## Governing Body

317th Session, Geneva, 6–28 March 2013

GB.317/PFA/5

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

**PFA**

**Date:** 14 March 2013  
**Original:** English

FIFTH ITEM ON THE AGENDA

### Other financial questions

#### Report of the Government members of the Governing Body for allocation of expenses

**Purpose of the document**

This paper transmits the report of the Government members of the Governing Body for allocation of expenses for decision (see draft decisions in paragraphs 7, 10 and 13).

**Relevant strategic objective:** Not applicable.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** Sets the scale of assessment of contributions for new member States for 2012–13 and for all member States for 2014–15.

**Follow-up action required:** None.

**Author unit:** Office of the Treasurer and Financial Comptroller.

**Related documents:** GB.317/PFA/GMA/1, GB.317/PFA/GMA/2 and GB.317/PFA/GMA/3.



1. The Government members of the Governing Body met on 14 March 2013. The meeting was chaired by Minister Maria Luisa Escorel de Moraes on behalf of Ambassador Maria Nazareth Farani Azevêdo, Chairperson of the Government group of the Governing Body, who also acted as Reporter.

## **Assessment of the contributions of new member States**

### **Assessment of the contribution of the Republic of South Sudan** (First item on the agenda)

2. As the ILO scale of assessments for 2012 and 2013 is based upon the United Nations (UN) scale for 2010–12, the Government members considered it appropriate to recommend the same rate of assessment of 0.003 per cent for the calculation of the contribution of the Republic of South Sudan for the periods of its membership of the ILO in 2012 and 2013.
3. *A Government representative of Germany* requested clarification of how the proposed rate of assessment had been determined.
4. *A representative of the Director-General* (Director, Financial Services Department and Treasurer and Financial Comptroller) explained that, the proposed rate and scale of assessments referred to in the three Office papers were based on the scale voted on by the United Nations, adjusted for the members of the UN which are not members of the ILO.
5. Every three years the UN Committee on Contributions meets to propose a scale of assessments for member States, most recently for 2013–15. The scale is based broadly on capacity to pay after analysing comparative economic statistics such as gross national income over periods of three and six years.
6. *A Government representative of Australia* supported the point for decision.

### **Draft decision**

7. *The Governing Body decides, 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.*

### **Assessment of the contribution of the Republic of Palau** (Second item on the agenda)

8. The UN scale of assessments for 2010–12 includes the Republic of Palau at the minimum rate of assessment that is 0.001 per cent. The Government members considered it appropriate to recommend the same rate of assessment of 0.001 per cent for the calculation of the contribution of the Republic of Palau for the period of its membership of the ILO in 2012.

9. A Government representative of Australia supported the point for decision.

**Draft decision**

10. *The Governing Body decides, 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.*

**Scale of assessments of contributions to the budget for the 2014–15 financial period**  
(Third item on the agenda)

11. Since 1977, the scales of assessment for determining the contributions of member States of the ILO have been based on the UN scales of assessment, adjusted for differences in membership between the two organizations. The UN fixes its scales on a triennial basis. At its 67th session in December 2012, the UN General Assembly adopted the 2013–15 scale of assessments for member States' contributions to the regular budget of the UN.
12. In June 2012, on the recommendation of the Governing Body,<sup>1</sup> the Conference approved a scale of assessment for 2013 based on the UN scale for that year.

**Draft decision**

13. *The Governing Body decides, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the UN, 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.*

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<sup>1</sup> GB.313/PFA/3/1.

## Appendix

### Scale of assessments

| 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                 |

Draft Programme and Budget for 2014–15 and other questions

| 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)               |
| <b>TOTAL</b>                          | <b>100.000</b> | <b>99,961</b> | <b>100.000</b>     | <b>0.000</b>          |

## **Appendix V**

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### **Composition of the Administrative Tribunal of the ILO (GB.317/PFA/12)**





## Governing Body

317th Session, Geneva, 6–28 March 2013

GB.317/PFA/12

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

**PFA**

**Date:** 21 January 2013  
**Original:** French

TWELFTH ITEM ON THE AGENDA

## Matters relating to the Administrative Tribunal of the ILO

### Composition of the Tribunal

#### Purpose of the document

This paper contains proposals concerning the renewal of the term of office of two judges to the Administrative Tribunal of the ILO and possible appointment of one judge (see the draft decision in paragraph 5).

**Relevant strategic objective:** None.

**Policy implications:** None.

**Legal implications:** Proposed submission of a draft resolution to the Conference for renewal of the term of office of two judges and the possible appointment of one judge.

**Financial implications:** None.

**Follow-up action required:** Point for decision, paragraph 5.

**Author unit:** Office of the Legal Adviser (JUR).

**Related documents:** None.



## Introduction

1. Pursuant to article III of its Statute, the Administrative Tribunal consists of seven judges appointed for three-year terms by the Conference of the International Labour Organization. The present composition of the Tribunal as confirmed by the Conference is the following:
  - Mr Seydou Ba (Senegal), President: term of office expires in July 2015;
  - Mr Claude Rouiller (Switzerland): term of office expires in July 2013;
  - Mr Giuseppe Barbagallo (Italy): term of office expires in July 2015;
  - Ms Dolores M. Hansen (Canada): term of office expires in July 2015;
  - Mr Patrick Frydman (France): term of office expires in July 2013;
  - Mr Michael Francis Moore (Australia): term of office expires in July 2015;
  - Mr Hugh Anthony Rawlins (Saint Kitts and Nevis): term of office expires in July 2015.

## Elements of the proposal

2. The terms of office of Mr Rouiller and Mr Frydman are due to expire in July 2013. They have both expressed their willingness and availability to accept a new three-year term. In addition, there is likely to be a vacancy to be filled following the current session of the Governing Body.
3. In keeping with long-standing practice, the Director-General, after consultation with the Officers of the Governing Body, examines potential candidatures for the position of judge of the Administrative Tribunal on the basis of several criteria: candidates must have experience as judges of a high national jurisdiction or equivalent status at the international level and must be representative of different systems of law. Excellent knowledge of at least one of the two working languages of the Tribunal (English and French) and at least a passive knowledge of the other are necessary for the effective functioning of the Tribunal. An overall balance at the linguistic and geographical levels must also be ensured. The Director-General then recommends to the Governing Body, in its Programme, Financial and Administrative Section, the names of persons that the Conference will be invited to nominate as judges in order to fill the vacant posts in the Tribunal.
4. As regards the potential vacancy, if necessary, the Office will have to identify a suitable candidate. If the vacancy is confirmed before the 102nd Session of the International Labour Conference, the Office would request that the Officers be authorized by the Governing Body, on a one-off basis, to submit the name of an appropriate candidate directly to the Conference.



## **Draft decision**

### **5. The Governing Body:**

- (a) proposes to the Conference the renewal of the terms of office of Mr Rouiller (Switzerland) and Mr Frydman (France) for three years each;**
- (b) delegates 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 decides 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.