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PFA

NINTH ITEM ON THE AGENDA

**Programme and Budget proposals for
2000-01:
Approval of the detailed budget and
further development of strategic budgeting**

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I. Introduction

1. In adopting the Programme and Budget proposals for 2000-01 in June 1999, the International Labour Conference requested that the Director-General "... submit to the Governing Body, at its 276th Session (November 1999), a statement as referred to in article 15 of the Financial Regulations, providing further details of the budget of expenditure". The present paper is intended to provide the Governing Body with the further details necessary to approve the budget of expenditure by item (the Operational Budget). More specifically, the following information is found in this paper:
 - General tables showing —
 - a comparison between the Strategic Budget as adopted by the Conference in June 1999 and comparable figures following changes in the Operational Budget;
 - the Operational Budget by item of expenditure for 2000-01 at 2000-01 cost and budgetary exchange rates, compared with the Operational Budget for 1998-99 at 1998-99 cost and exchange rates;
 - increases and decreases in the 2000-01 Operational Budget as compared with 1998-99, showing the effects of cost increases and decreases and of the change in the exchange rate;
 - a breakdown of the Operational Budget by item and object of expenditure.
 - More detailed tables within each budget "envelope", showing resources for each programme from the regular budget and from other sources. These tables also show the staff resources of each programme in work-years. They have been prepared in constant 1998-99 dollars and provide comparable data for the 1998-99 biennium. The new structure of the technical programmes is reflected in the relevant tables.
 - Data on estimated expenditure on technical cooperation funded from extra-budgetary sources.
 - Reformulated Operational Objectives with corresponding indicators and targets.
 - Details of the eight InFocus programmes.
 - Proposals related to programme evaluation and reporting to the Governing Body on programme implementation.
 - Proposals on the future programming cycle, and in particular on the preparation of a Strategic Plan.
 - Information on the personnel implications of the proposals.
2. Under arrangements decided some time ago, the Director-General was to have presented a report on programme implementation in 1998-99 to the current session of the Governing Body. In addition to describing what had been accomplished, the principal purpose of that document was to explain what changes were foreseen for the next biennium in the light of experience in the current biennium. The present document explains the changes for the next biennium and in part analyses the reasons for them. The rationale for the next biennium's programme was fully developed in the programme and budget proposals considered by the Governing Body in March 1999. For these reasons, a paper on programme implementation has not been submitted. However, the Report of the Director-General on ILO activities in 1998-99, to be submitted to the next session of the International Labour Conference, is well advanced.

3. Immediately after the Conference, the Director-General began an intensive process of internal consultation involving staff of the regions and headquarters. The objective was partly informational, to explain the new management processes being introduced and the work to be done in future and also to elaborate the InFocus programmes jointly by the field and headquarters. A meeting was organized at the end of June involving all field office directors and many Geneva-based officials. In addition, meetings were organized between senior staff of technical sectors in Geneva and technical specialists from the regions to determine how best to work together in achieving the strategic and Operational Objectives.
4. The Director-General asked all the Executive Directors to undertake internal staff consultations to determine the organizational structure of their sectors and refine the InFocus programmes.
5. The Director-General issued instructions to the Executive Directors to review their programme and budget proposals, most of which had been prepared in mid-1998. They were to resubmit them at two levels, one at 92 per cent of the 1998-99 level and the other at a level varying from 97 per cent upwards depending on the sector. This was intended to ensure that priorities were still valid and to provide choices for the final selection of proposals. The Executive Directors were also asked to reconsider the Operational Objectives in view of their importance for future planning, management and reporting. As part of this process, performance indicators and targets were to be introduced. Consultants were hired to facilitate the identification of indicators and targets.
6. The results of this intensive work in the period since June are presented in the next section. Before passing to that section, however, explanations are provided on four matters — the regions and regular budget for technical cooperation (RBTC); Operational Objectives, indicators and targets; resource shifts within the approved budget; and common services in the technical sectors.
7. The budgetary allocations to the **regions** remain unchanged. The budgets for the five regions and for their headquarters support unit were individually approved in the Strategic Budget, unlike other Office units. Moreover, next year the regions will undergo a review of their operations. The Director-General believes their budget levels should remain fixed pending the results of that review. **RBTC** credits are increased by \$1,585,000 in 2000-01 compared with 1998-99, the increases falling entirely in the regional budgets. The use of these credits will be among the subjects of study in the review of the regions in 2000.
8. The **Operational Objectives** are somewhat changed from those presented in the Strategic Budget. The number of objectives remains unchanged at 16. The main changes are as follows:
 - In the Standards, Fundamental Principles and Rights at Work Sector, a new Operational Objective has been added to reflect the role of the International labour standards programme in the supervisory process for all standards. The two Operational Objectives referring to standards and fundamental principles and rights at work have been merged, with separate indicators for promotion of the Declaration and for the ratification and application of the fundamental Conventions.
 - In the Employment Sector, the six Operational Objectives have been recast as five in the interests of clarity and accountability, in particular through better alignment with the InFocus programmes. The same content is covered.
 - In the Social Protection Sector, the last Operational Objective has been changed to correspond to the InFocus Programme on Socio-Economic Security.

- In the Social Dialogue Sector, the two Operational Objectives have been expanded to three to more clearly cover the promotion of social dialogue, the strengthening of institutions for dialogue and the strengthening of the parties to social dialogue — governments and employers' and workers' organizations.
9. The process of establishing **indicators and targets** has been a difficult exercise. An indicator is a measure or a test of whether progress is being made towards achieving an objective. A target is a desired value of the indicator at a particular point of time, or in other words a measure of how much progress should have been made towards meeting the objective by a specified date. A typical example of an indicator would be the ratification and successful implementation of an ILO Convention, with the target being a particular number of countries meeting that indicator in a two-year period. Not all objectives lend themselves to this type of measuring and more complex indicators and targets are necessary. The indicators and targets found under the programmes are a first effort on the part of the Office to come to grips with this feature of strategic budgeting and these indicators and targets may, and probably will have to, undergo revision in the light of experience. This has been the experience of national public administrations and of private sector enterprises that have introduced them. For some indicators no targets are proposed. Either baseline data does not yet exist to establish a target or the cost of acquiring the data would be exorbitant. Outputs will have to serve as a rough proxy for targets. Indicators and targets will be the basis of future reporting to the Governing Body. Objectives, indicators and targets are also under development for the service and support programmes, as will be seen under the appropriate heading towards the end of this paper.
10. The third issue is that of **resource shifts**. The overall budget respects the decision on the total budget level approved by the Conference. However, the budget review conducted over the summer has revealed opportunities for increases under some budget envelopes and reductions in others. The Governing Body has the authority under the Financial Regulations to change the budgetary envelopes in the programme and budget approved by the Conference. The proposed changes reinforce the technical services provided to constituents. Details are provided in a later section of this paper.
11. The structuring of work around four sectors, each responsible for one of the Strategic Objectives, offers an opportunity to make improvements in efficiency and coordination. This will be done by providing **common services** at sector level, rather than in each department, as was done previously. Functional responsibility for the service for the ILO as a whole will remain with the central unit indicated in parenthesis in the following list of functions that the common services units may cover:
- Support to programme planning, evaluation and reporting (Bureau of Programming and Management).
 - Support to technical cooperation development and implementation (Development Cooperation Department).
 - Promotion of activities related to gender equality (Bureau for Gender Equality).
 - Support for the implementation of research policy (International Institute for Labour Studies).
 - Activities related to external partnerships, communications and relations (Bureau for External Relations and Partnerships).
 - Development and analysis of statistics and databases (Bureau of Statistics).
 - Information technology support (Bureau of Information Technology and Communication).

- Financial administration (Financial Services Department).
 - Personnel administration (Personnel Department).
- 12.** These services are to be provided at sector level only where it is more efficient to do so. Additional resources will not be allocated. A minimum of services has already been grouped at sector level in the budget information presented in this document. In the coming months, each sector will consolidate additional services if this can be shown to be efficient and effective. The nature of the working relationships between the programmes within each sector and the common services units must be elaborated such that shared services are used optimally. Finally, the common services units will be used to facilitate dialogue and collaboration between sectors for each of the key functions listed in the preceding paragraph.

II. General tables

Table 1: Strategic Budget for 2000-01

	2000-01 Strategic Budget as approved by ILC	2000-01 Proposed Strategic Budget	2000-01 Strategic Budget
	(in constant 1998-99 US\$)		revalued at 1.53 SFr/US\$
Regular budget			
Policy making organs	65 440 917	63 647 908	60 896 671
Strategic objectives	358 067 950	361 621 553	351 728 503
Technical programmes	149 387 855	152 637 493	147 765 932
Standards, fundamental principles & rights at work	31 737 426	33 556 419	32 476 744
Employment	55 103 584	55 204 715	53 532 109
Social protection	44 271 122	45 557 665	43 994 948
Social dialogue	18 275 723	18 318 694	17 762 131
Regions and technical cooperation	140 909 873	140 909 873	138 281 517
Standards, fundamental principles & rights at work	31 918 244	31 918 244	31 296 743
Employment	51 946 056	51 946 056	51 025 873
Social protection	27 339 510	27 339 510	26 804 397
Social dialogue	29 706 063	29 706 063	29 154 504
Support services	67 770 222	68 074 187	65 681 054
Standards, fundamental principles & rights at work	14 909 448	14 976 321	14 449 832
Employment	25 074 982	25 187 449	24 301 990
Social protection	16 942 556	17 018 547	16 420 264
Social dialogue	10 843 236	10 891 870	10 508 969
Management services		39 170 773	37 694 149
Other budgetary provisions	20 636 500	20 636 500	20 243 879
Adjustment for staff turnover	-4 116 734	-4 116 734	-3 968 202
Unforeseen expenditure	875 000	875 000	875 000
Working capital fund	0	0	0
TOTAL	481 835 000	481 835 000	467 470 000

Table 2: Operational Budget by item of expenditure

	1998-99 budget valued at exchange rate of 1.46 SFr per US\$	2000-01 budget valued at 2000-01 cost rates and exchange rate of 1.53 SFr per US\$
PART I. ORDINARY BUDGET		
Policy-making organs	65 636 386	60 896 671
International Labour Conference	10 330 131	9 602 562
Governing Body	2 261 778	2 026 458
Major Regional Meetings	810 804	558 700
Legal services	2 703 986	2 522 832
Relations, meetings and document services	49 529 687	46 186 119
Strategic Objectives	357 087 481	351 728 503
Technical programmes	148 279 658	147 765 932
Standards, fundamental principles and rights at work	22 119 444	25 406 270
Employment	39 387 959	36 663 425
Social protection	24 707 233	25 441 132
Social dialogue	42 124 116	39 954 293
ILO Turin Centre	5 130 000	5 340 000
International Institute for Labour Studies	5 079 930	4 931 020
International policy group	-	1 246 414
Gender equality	1 118 250	2 026 622
Statistics	7 282 463	6 756 756
Interdepartmental activities	1 330 263	-
Regions and technical cooperation	139 324 873	138 281 517
Development cooperation	3 180 261	3 057 272
Field programmes in Africa	39 615 698	40 073 294
Field programmes in the Americas	36 643 947	36 680 263
Field programmes in Arab States	7 985 753	8 129 430
Field programmes in Asia and the Pacific	39 420 668	37 960 606
Field programmes in Europe and Central Asia	12 478 546	12 380 652
Support services	69 482 950	65 681 054
External relations and partnerships	3 939 268	4 515 784
ILO library	7 744 363	7 397 379
Information technology and communications	12 503 261	11 625 682
Internal administration	34 253 210	31 150 832
Publications	5 970 321	5 392 002
Public information	5 072 527	5 599 375
Management services	40 931 367	37 694 149
General management	7 837 894	6 339 726
Personnel	15 864 153	15 002 862
Financial services	12 103 599	11 554 805
Programming and management	5 125 721	4 796 756
Other budgetary provisions	20 636 500	20 243 879
Adjustment for staff turnover	-4 116 734	-3 968 202
TOTAL PART I.	480 175 000	466 595 000
PART II. UNFORESEEN EXPENDITURE		
Unforeseen expenditure	875 000	875 000
PART III. WORKING CAPITAL FUND		
Working Capital Fund	-	-
TOTAL (PARTS I-III)	481 050 000	467 470 000

Table 3: Operational Budget – Analysis of increases and decreases

	(A)	(B)	(C)		(D)		(E)		(F)	(G)
	1998-99	2000-01 Estimates (in constant	Programme increases (decreases)		Cost increases (decreases)		Adjustment exchange rate 1.46 to 1.53		2000-01	% of total budget
	\$	\$	\$	%	\$	%	\$	%	\$	%
PART I. ORDINARY BUDGET										
Policy-making organs	65 636 386	63 647 908	(1 988 478)	-3.03	(282 461)	-0.44	(2 468 776)	-3.88	60 896 671	13.03
International Labour Conference	10 330 131	10 040 507	(289 624)	-2.80	(2 775)	-0.03	(435 170)	-4.33	9 602 562	2.05
Governing Body	2 261 778	2 161 778	(100 000)	-4.42	(38 160)	-1.77	(97 160)	-4.49	2 026 458	0.43
Major Regional Meetings	810 804	567 000	(243 804)	-30.07	-	-	(8 300)	-1.46	558 700	0.12
Legal services	2 703 986	2 623 000	(80 986)	-3.00	(17 646)	-0.67	(82 522)	-3.15	2 522 832	0.54
Relations, meetings and document services	49 529 687	48 255 623	(1 274 064)	-2.57	(223 880)	-0.46	(1 845 624)	-3.82	46 186 119	9.88
Strategic objectives	357 087 481	361 621 553	4 534 072	1.27	(743 428)	-0.21	(9 149 622)	-2.53	351 728 503	75.24
Technical programmes	148 279 658	152 637 493	4 357 835	2.94	(493 659)	-0.32	(4 377 902)	-2.87	147 765 932	31.61
Standards, fundamental principles and rights at work	22 119 444	26 325 412	4 205 968	19.01	(106 946)	-0.41	(812 196)	-3.09	25 406 270	5.43
Employment	39 387 959	38 052 669	(1 335 290)	-3.39	(228 154)	-0.60	(1 161 090)	-3.05	36 663 425	7.84
Social protection	24 707 233	26 416 401	1 709 168	6.92	(158 809)	-0.60	(816 460)	-3.09	25 441 132	5.44
Social dialogue	42 124 116	41 204 558	(919 558)	-2.18	(165 203)	-0.40	(1 085 062)	-2.63	39 954 293	8.55
ILO Turin Centre	5 130 000	5 130 000	-	0.00	210 000	4.09	-	-	5 340 000	1.14
International Institute for Labour Studies	5 079 930	5 079 930	-	0.00	-	-	(148 910)	-2.93	4 931 020	1.05
International policy group	-	1 283 184	1 283 184	100.00	4 176	0.33	(40 946)	-3.19	1 246 414	0.27
Gender equality	1 118 250	2 103 300	985 050	88.09	(12 348)	-0.59	(64 330)	-3.06	2 026 622	0.43
Statistics	7 282 463	7 042 039	(240 424)	-3.30	(36 375)	-0.52	(248 908)	-3.53	6 756 756	1.45
Interdepartmental activities	1 330 263	-	(1 330 263)	-100.00	-	-	-	-	-	-
Regions and technical cooperation	139 324 873	140 909 873	1 585 000	1.14	(420 754)	-0.30	(2 207 602)	-1.57	138 281 517	29.58
Development cooperation	3 180 261	3 180 261	-	-	(21 771)	-0.68	(101 218)	-3.18	3 057 272	0.65
Field programmes in Africa	39 615 698	40 450 698	835 000	2.11	337 618	0.83	(715 022)	-1.77	40 073 294	8.57
Field programmes in the Americas	36 643 947	36 793 947	150 000	0.41	333 612	0.91	(447 296)	-1.22	36 680 263	7.85
Field programmes in Arab States	7 985 753	8 085 753	100 000	1.25	172 179	2.13	(128 502)	-1.59	8 129 430	1.74
Field programmes in Asia and the Pacific	39 420 668	39 820 668	400 000	1.01	(1 253 044)	-3.15	(607 018)	-1.52	37 960 606	8.12
Field programmes in Europe and Central Asia	12 478 546	12 578 546	100 000	0.80	10 652	0.08	(208 546)	-1.66	12 380 652	2.65

	(A)	(B)	(C)		(D)		(E)		(F)	(G)
	1998-99	2000-01 Estimates (in constant \$)	Programme increases (decreases)		Cost increases (decreases)		Adjustment exchange rate 1.46 to 1.53		2000-01	% of total budget
	\$	\$	\$	%	\$	%	\$	%	\$	%
Support services	69 482 950	68 074 187	(1 408 763)	-2.03	170 985	0.25	(2 564 118)	-3.77	65 681 054	14.05
External relations and partnerships	3 939 268	4 628 200	688 932	17.49	(7 754)	-0.17	(104 662)	-2.26	4 515 784	0.97
ILO library	7 744 363	7 462 000	(282 363)	-3.65	180 577	2.42	(245 198)	-3.29	7 397 379	1.58
Information technology and communications	12 503 261	12 128 460	(374 801)	-3.00	(81 984)	-0.68	(420 794)	-3.47	11 625 682	2.49
Internal administration	34 253 210	32 413 000	(1 840 210)	-5.37	147 526	0.46	(1 409 694)	-4.35	31 150 832	6.66
Publications	5 970 321	5 620 000	(350 321)	-5.87	(38 532)	-0.69	(189 466)	-3.37	5 392 002	1.15
Public information	5 072 527	5 822 527	750 000	14.79	(28 848)	-0.50	(194 304)	-3.34	5 599 375	1.20
Management services	40 931 367	39 170 773	(1 760 594)	-4.30	(90 334)	-0.23	(1 386 290)	-3.54	37 694 149	8.06
General management	7 837 894	6 481 962	(1 355 932)	-17.30	78 816	1.22	(221 052)	-3.41	6 339 726	1.36
Personnel	15 864 153	15 635 065	(229 088)	-1.44	(75 549)	-0.48	(556 654)	-3.56	15 002 862	3.21
Financial services	12 103 599	12 078 165	(25 434)	-0.21	(67 198)	-0.56	(456 162)	-3.78	11 554 805	2.47
Programming and management	5 125 721	4 975 581	(150 140)	-2.93	(26 403)	-0.53	(152 422)	-3.06	4 796 756	1.03
Other budgetary provisions	20 636 500	20 636 500	-	-	304 771	1.48	(697 392)	-3.38	20 243 879	4.33
Adjustment for staff turnover	(4 116 734)	(4 116 734)	-	-	26 452	-0.64	122 080	-2.97	(3 968 202)	-0.85
TOTAL PART I.	480 175 000	480 960 000	785 000	0.16	(785 000)	-0.16	(13 580 000)	-2.82	466 595 000	99.81
PART II. UNFORESEEN EXPENDITURE										
Unforeseen expenditure	875 000	875 000	-	-	-	-	-	-	875 000	0.19
PART III. WORKING CAPITAL FUND										
Working Capital Fund	-	-	-	-	-	-	-	-	-	-
TOTAL (PARTS I-III)	481 050 000	481 835 000	785 000	0.16	(785 000)	-0.16	(13 580 000)	-2.82	467 470 000	100.00

Table 4: Operational Budget by item and object of expenditure

		Staff costs	Travel on official business	Con-tractual services	General operating expenses	Supplies and material	Furniture and equipment	Acquisition and improve-ment of premises	Fellowship grants and field projects	Other items	Total \$
		1	2	3	4	5	6	7	8	9	
PART I. ORDINARY BUDGET											
Policy-making organs											
International Labour Conference	1998-99	6 567 781	38 450	2 209 160	1 253 980	260 760	-	-	-	-	10 330 131
	2000-01	6 585 767	75 000	1 817 490	1 301 490	260 760	-	-	-	-	10 040 507
Governing Body	1998-99	-	2 174 010	-	87 768	-	-	-	-	-	2 261 778
	2000-01	-	2 074 010	-	87 768	-	-	-	-	-	2 161 778
Major Regional Meetings	1998-99	136 165	154 440	106 879	413 320	-	-	-	-	-	810 804
	2000-01	264 900	124 400	42 500	131 200	4 000	-	-	-	-	567 000
Legal services	1998-99	2 583 108	38 086	82 792	-	-	-	-	-	-	2 703 986
	2000-01	2 558 386	20 000	44 614	-	-	-	-	-	-	2 623 000
Relations, meetings and document services	1998-99	44 935 385	24 265	1 208 335	2 549 230	344 264	468 208	-	-	-	49 529 687
	2000-01	43 865 779	40 000	1 079 927	2 285 000	255 000	729 917	-	-	-	48 255 623
Total	1998-99	54 222 439	2 429 251	3 607 166	4 304 298	605 024	468 208	-	-	-	65 636 386
	2000-01	53 274 832	2 333 410	2 984 531	3 805 458	519 760	729 917	-	-	-	63 647 908
Strategic Objectives											
Technical programmes											
Standards, fundamental principles and rights at work	1998-99	18 884 833	850 522	1 043 819	-	16 020	80 350	-	1 243 900	-	22 119 444
	2000-01	22 521 142	1 032 765	1 361 389	-	-	166 216	-	1 243 900	-	26 325 412
Employment	1998-99	32 624 887	1 920 157	2 598 352	-	8 000	207 163	-	2 029 400	-	39 387 959
	2000-01	28 011 507	2 509 842	4 801 920	50 000	250 000	400 000	-	2 029 400	-	38 052 669
Social protection	1998-99	21 567 062	787 365	1 214 336	-	-	17 970	-	1 120 500	-	24 707 233
	2000-01	22 902 972	823 300	1 418 705	-	23 188	127 736	-	1 120 500	-	26 416 401
Social dialogue	1998-99	28 363 043	3 913 556	1 508 081	8 730	-	77 336	-	8 253 370	-	42 124 116
	2000-01	26 854 146	3 695 980	2 160 098	-	5 000	267 934	-	8 221 400	-	41 204 558
ILO Turin Centre	1998-99	-	-	-	-	-	-	-	5 130 000	-	5 130 000
	2000-01	-	-	-	-	-	-	-	5 130 000	-	5 130 000
International Institute for Labour Studies	1998-99	-	-	-	-	-	-	-	5 079 930	-	5 079 930
	2000-01	-	-	-	-	-	-	-	5 079 930	-	5 079 930
International policy group	1998-99	-	-	-	-	-	-	-	-	-	-
	2000-01	1 133 184	50 000	100 000	-	-	-	-	-	-	1 283 184
Gender equality	1998-99	974 400	21 639	28 011	-	-	-	-	94 200	-	1 118 250
	2000-01	1 454 388	100 000	434 712	-	-	20 000	-	94 200	-	2 103 300
Statistics	1998-99	6 238 366	256 010	654 067	15 870	-	20 090	-	98 060	-	7 282 463
	2000-01	6 140 505	251 034	550 000	-	-	15 000	-	85 500	-	7 042 039
Interdepartmental activities	1998-99	259 683	86 860	859 180	-	-	124 540	-	-	-	1 330 263
	2000-01	-	-	-	-	-	-	-	-	-	-
Total	1998-99	108 912 274	7 836 109	7 905 846	24 600	24 020	527 449	-	23 049 360	-	148 279 658
	2000-01	109 017 844	8 462 921	10 826 824	50 000	278 188	996 886	-	23 004 830	-	152 637 493
Regions and technical cooperation											
Development cooperation	1998-99	3 090 163	51 355	15 610	-	-	23 133	-	-	-	3 180 261
	2000-01	3 079 357	62 161	15 610	-	-	23 133	-	-	-	3 180 261
Field programmes in Africa	1998-99	28 059 520	1 611 551	81 300	3 436 407	467 350	423 570	-	5 471 000	65 000	39 615 698
	2000-01	27 978 143	1 671 675	84 500	3 439 980	443 500	466 400	-	6 306 000	60 500	40 450 698
Field programmes in the Americas	1998-99	25 845 944	1 388 173	145 700	3 572 300	384 900	220 200	-	5 086 730	-	36 643 947
	2000-01	25 784 725	1 346 801	190 300	3 633 029	379 400	213 200	-	5 246 492	-	36 793 947
Field programmes in Arab States	1998-99	5 646 297	378 906	139 700	343 850	54 000	73 000	-	1 350 000	-	7 985 753
	2000-01	5 646 297	378 906	139 700	311 350	83 000	76 500	-	1 450 000	-	8 085 753
Field programmes in Asia and the Pacific	1998-99	28 915 224	1 558 965	602 165	3 304 693	492 235	582 386	-	3 965 000	-	39 420 668
	2000-01	28 644 735	1 572 230	619 620	3 548 535	481 985	588 563	-	4 365 000	-	39 820 668
Field programmes in Europe and Central Asia	1998-99	9 189 058	451 238	353 240	1 537 330	141 330	114 350	-	692 000	-	12 478 546
	2000-01	8 835 730	441 678	454 404	1 827 974	131 710	95 050	-	792 000	-	12 578 546
Total	1998-99	100 746 206	5 440 188	1 337 715	12 194 580	1 539 815	1 436 639	-	16 564 730	65 000	139 324 873
	2000-01	99 968 987	5 473 451	1 504 134	12 760 868	1 519 595	1 462 846	-	18 159 492	60 500	140 909 873

		Staff costs	Travel on official business	Con-tractual services	General operating expenses	Supplies and material	Furniture and equipment	Acquisition and improve-ment of premises	Fellowship grants and field projects	Other items	Total
		1	2	3	4	5	6	7	8	9	\$
Support services											
External relations and partnerships	1998-99	3 051 256	168 075	59 342	580 620	35 500	44 475	-	-	-	3 939 268
	2000-01	3 680 592	160 000	186 744	538 000	23 000	39 864	-	-	-	4 628 200
ILO library	1998-99	6 092 600	18 922	386 509	25 260	1 161 322	15 480	-	44 270	-	7 744 363
	2000-01	6 067 878	18 992	69 845	20 000	1 225 605	15 410	-	44 270	-	7 462 000
Information technology and communications	1998-99	9 936 296	110 683	207 384	1 235 143	-	350 445	-	167 530	495 780	12 503 261
	2000-01	9 996 204	53 486	120 000	1 415 871	-	340 000	-	53 026	149 873	12 128 460
Internal administration	1998-99	19 556 709	39 730	39 590	12 680 946	1 034 065	902 170	-	-	-	34 253 210
	2000-01	19 125 588	50 000	50 000	11 206 082	1 051 340	929 990	-	-	-	32 413 000
Publications	1998-99	4 888 669	53 700	950 222	3 970	3 950	69 810	-	-	-	5 970 321
	2000-01	4 729 337	43 700	788 822	3 970	3 950	50 221	-	-	-	5 620 000
Public information	1998-99	2 850 912	204 760	1 745 998	47 450	110 470	112 937	-	-	-	5 072 527
	2000-01	3 503 328	264 800	1 787 299	82 500	104 600	80 000	-	-	-	5 822 527
Total	1998-99	46 376 442	595 870	3 389 045	14 573 389	2 345 307	1 495 317	-	211 800	495 780	69 482 950
	2000-01	47 102 927	590 978	3 002 710	13 266 423	2 408 495	1 455 485	-	97 296	149 873	68 074 187
Management services											
General management	1998-99	6 799 920	605 389	-	432 585	-	-	-	-	-	7 837 894
	2000-01	5 179 965	600 000	244 412	432 585	-	25 000	-	-	-	6 481 962
Personnel	1998-99	12 708 015	339 825	301 903	178 040	-	95 620	-	2 179 230	61 520	15 864 153
	2000-01	11 971 916	256 368	849 851	82 700	-	295 000	-	2 179 230	-	15 635 065
Financial services	1998-99	11 682 147	171 288	166 714	-	3 400	80 050	-	-	-	12 103 599
	2000-01	11 656 713	171 288	166 714	-	3 400	80 050	-	-	-	12 078 165
Programming and management	1998-99	4 875 262	180 081	38 718	-	-	31 660	-	-	-	5 125 721
	2000-01	4 720 400	182 581	53 718	-	-	18 882	-	-	-	4 975 581
Total	1998-99	36 065 344	1 296 583	507 335	610 625	3 400	207 330	-	2 179 230	61 520	40 931 367
	2000-01	33 528 994	1 210 237	1 314 695	515 285	3 400	418 932	-	2 179 230	-	39 170 773
Other budgetary provisions											
Other budgetary provisions	1998-99	1 318 519	3 840	13 010	657 000	-	-	5 071 630	10 799 831	2 772 670	20 636 500
	2000-01	1 318 519	3 840	13 010	657 000	-	-	5 071 630	11 183 011	2 389 490	20 636 500
Adjustment for staff turnover											
Adjustment for staff turnover	1998-99	-4 116 734	-	-	-	-	-	-	-	-	-4 116 734
	2000-01	-4 116 734	-	-	-	-	-	-	-	-	-4 116 734
TOTAL PART I.	1998-99	343 524 490	17 601 841	16 760 117	32 364 492	4 517 566	4 134 943	5 071 630	52 804 951	3 394 970	480 175 000
	2000-01	340 095 369	18 074 837	19 645 904	31 055 034	4 729 438	5 064 066	5 071 630	54 623 859	2 599 863	480 960 000
PART II. UNFORESEEN EXPENDITURE											
Unforeseen expenditure	1998-99	-	-	-	-	-	-	-	-	875 000	875 000
	2000-01	-	-	-	-	-	-	-	-	875 000	875 000
PART III. WORKING CAPITAL FUND											
Working Capital Fund	1998-99	-	-	-	-	-	-	-	-	-	-
	2000-01	-	-	-	-	-	-	-	-	-	-
TOTAL (PARTS I-III)	1998-99	343 524 490	17 601 841	16 760 117	32 364 492	4 517 566	4 134 943	5 071 630	52 804 951	4 269 970	481 050 000
	2000-01	340 095 369	18 074 837	19 645 904	31 055 034	4 729 438	5 064 066	5 071 630	54 623 859	3 474 863	481 835 000

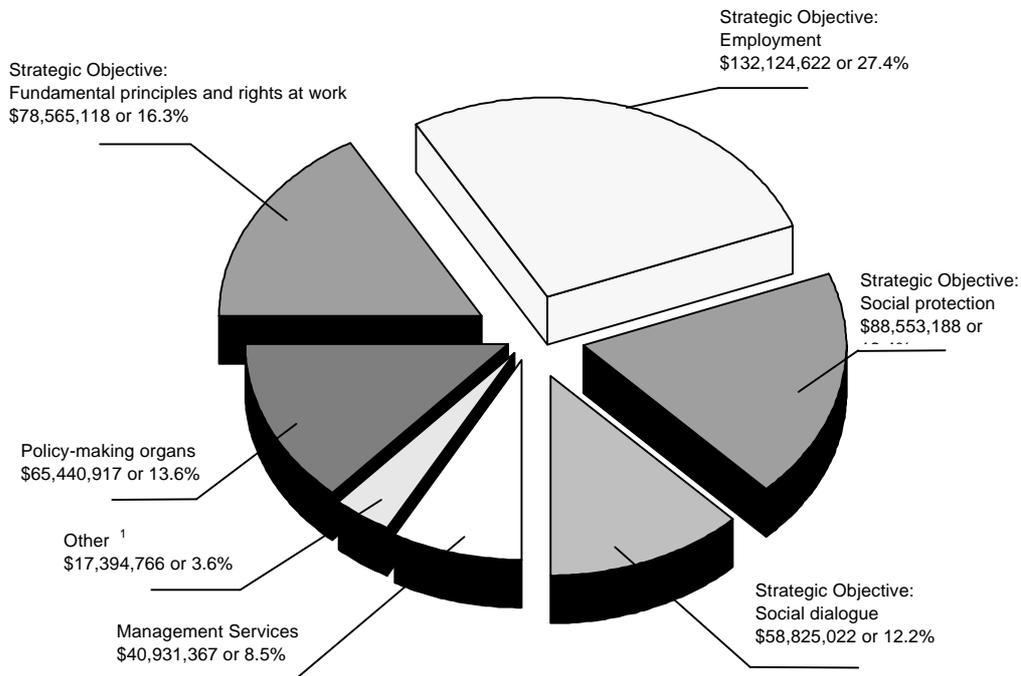
13. Tables 1, 2, 3 and 4 together provide a complete overview of the strategic and Operational Budgets for 2000-01.
14. Table 1 is the Strategic Budget adopted by the Governing Body and the International Labour Conference, updated to show the effects of the 2000-01 cost and exchange rates. It shows the expected contribution to each Strategic Objective.
15. Table 2 is the Operational Budget. It shows the allocations for the main budget envelopes, and within each envelope the allocations to the main programmes. For the technical programme envelope, in addition to the technical sectors (which now correspond to the Strategic Objectives), some individual cross-sectoral programmes are shown. Budgetary data for all programmes are shown in more detail later in this paper. Table 2 will be the basis of the accounts kept by the Office and financial reporting to the Governing Body.
16. Table 2 shows the resources actually available for programme areas and the comparable allocations for 1998-99.
17. Table 3, an analysis of increases and decreases, shows a number of changes in levels of allocations between 1998-99 and 2000-01. At the level of the main headings, the changes are the following, which result in nearly \$6 million of additional resources for operational work by technical and regional programmes:
 - A reduction of \$1,988,478, or 3 per cent, under Policy-making organs. It has been possible to make savings in the printing of Conference reports and efficiencies in Legal services and in Relations, meetings and document services.
 - A net reduction of \$1,408,763, or 2 per cent, under Support services. Efficiency gains have been achieved in the ILO library, Information technology and communications, Internal administration and Publications programmes. Increases are foreseen for External relations and partnerships, and Public information.
 - A reduction of \$1,760,594, or 4.3 per cent, in Management services. While there are reductions in all programmes, the main decrease results from the transfer of the costs relating to certain Executive Directors to the technical programmes they now supervise.
 - An increase of \$1,585,000 in regional programmes, or 1.1 per cent, already announced in the Strategic Budget.
 - An increase of \$4,357,835, or 2.9 per cent, in technical programmes.
18. The essential purpose of the operations described above was to increase the level of services to constituents. Within each region, this has been done by increasing the level of resources for regular budget for technical cooperation (RBTC). Within the overall increase in technical programmes there has been a significant redistribution of resources:
 - Resources shown in 1998-99 under Interdepartmental activities have been entirely redistributed.
 - Resources for the Statistics programme have declined by \$240,424, or 3.3 per cent. However, this will be balanced by greater emphasis on statistics in each technical sector.
 - Resources for Social dialogue have declined by \$919,558, or 2.2 per cent. This relates partly to savings in the cost of participation in sectoral meetings, based on past experience, which do not affect the terms of attendance at meetings. In addition, there have been savings due to streamlined management structures. Resources for

Employers' activities have been increased by two Professional posts dealing mainly with technical cooperation.

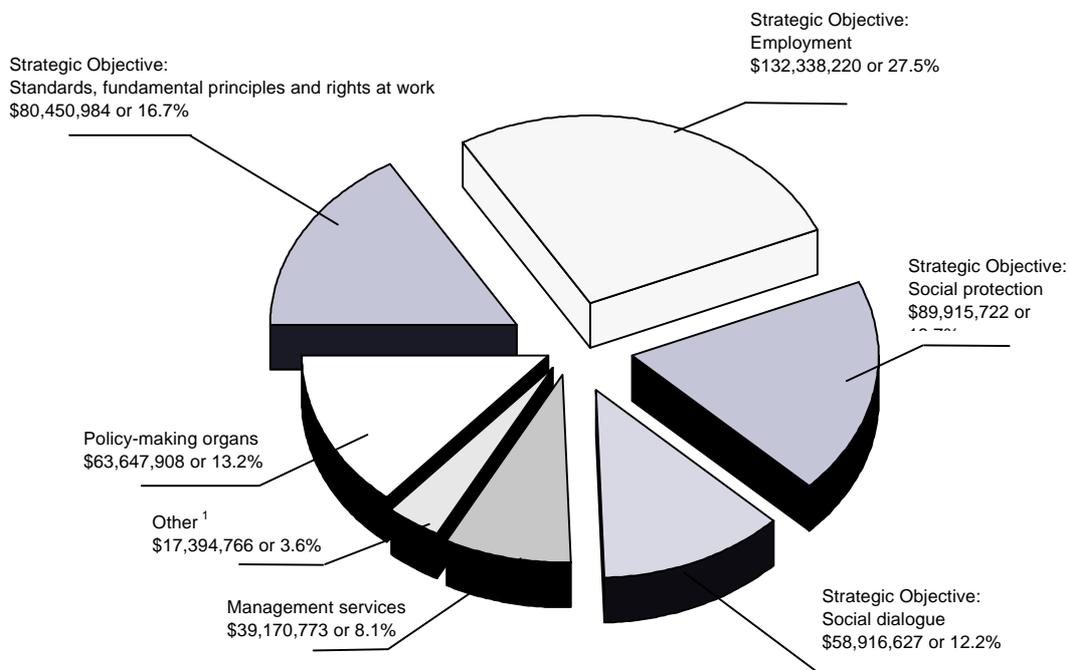
- Resources for programmes in the Employment Sector have declined by \$1,335,290 or 3.4 per cent. However, the total resources devoted to employment will continue to be the largest by a considerable margin, due to the following factors:
 - three-fifths of extra-budgetary technical cooperation relates to employment;
 - support cost resources available to the sector for backstopping of technical cooperation are expected to exceed \$5 million, more than the other three sectors combined;
 - the International Policy Group, described later in this paper, originated in the Employment Sector and will continue to devote considerable emphasis to macroeconomics in its new setting;
 - reorganization of the Employment Sector has been especially thorough and has resulted in significant gains in effectiveness and efficiency that will be devoted to additional services for constituents.
 - Resources for Social protection have increased by \$1,709,168, or 6.9 per cent. This reflects the assignment of the InFocus Programme on Socio-Economic Security to this sector. This InFocus programme emphasizes original research in several fields not covered by existing programmes, many of which are of concern to all technical sectors.
 - Resources for Standards, fundamental principles and rights at work have increased by \$4,205,968, or 19 per cent due to the InFocus Programme on Promoting the Declaration, and to the increase in regular budget resources for child labour.
 - Resources for Gender equality have been increased by \$985,050, or 88.1 per cent.
 - Regular budget resources for InFocus programmes amount to \$36,218,417, or 23.7 per cent of technical programmes.
19. For the technical programmes at headquarters, there are some important differences between the Strategic and Operational Budgets. This is not surprising, since the Strategic Budget is based on the evaluations of programme managers, while the Operational Budget refers to the actual amounts the individual Office units are expected to spend. (The methodology for evaluating contributions to objectives needs revision; this will be done as part of the proposed strategic planning process.) The differences between the Strategic and Operational Budgets are most notable in the Social Dialogue Sector. The Strategic Budget shows the contributions of the units within this sector spread relatively evenly among the four objectives rather than concentrated on that of social dialogue. Thus, in the Strategic Budget these other Strategic Objectives include resources from the social dialogue objective, whereas in the Operational Budget these resources are retained in the Social Dialogue Sector. This also occurs to a lesser degree within the other sectors. Similarly, Gender equality, the International policy group, the Institute, the Turin Centre and Statistics have been left outside the four technical sectors because of their cross-cutting programme content, and as a result the budgets of the sectors are smaller in operational terms than their weight in the Strategic Budget.
20. Table 4 shows the Operational Budget by item and object of expenditure and responds to the requests of Governing Body members for details on objects of expenditure.
21. The two charts on page 14 show the contribution of the budget to the Strategic Objectives and other envelopes, as approved by the Conference (upper chart) and as revised following resource shifts among the budgetary envelopes (lower chart). The changes between the envelopes and within each envelope are described in paragraphs 17 and 18 above.

22. The Strategic Budget approved by the Conference described the programme of work and distribution of resources by the Strategic Objectives. In the period since approval, an internal reorganization has created sectors corresponding to the Strategic Objectives. Resources are shown according to this new structure. This document does not seek to repeat information on the programme of work for 2000-01 contained in the Strategic Budget. However, it does provide brief descriptions of the structure of each sector and much more information on the InFocus programmes, as their design has advanced considerably since the Strategic Budget was approved. Naturally, this document adds performance indicators and targets to the Operational Objectives.

**Strategic Budget for 2000-01
as approved by the International Labour Conference (1999)
(in constant 1998-99 US\$)**



**Strategic Budget for 2000-01 as revised
(in constant 1998-99 US\$)**



III. The technical programme envelope

Table 5: Strategic Objectives: Technical programmes

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources
	(in constant 1998-99 US\$)				
Regular budget					
Standards, fundamental principles and rights at work	116 / 6	54 / 6	22 521 142	3 804 270	26 325 412
Employment	138 / 10	81 / 8	28 011 507	10 041 162	38 052 669
Social protection	115 / 5	61 / 2	22 902 972	3 513 429	26 416 401
Social dialogue	138 / 5	65 / 4	26 854 146	14 350 412	41 204 558
ILO Turin Centre	0 / 0	0 / 0	0	5 130 000	5 130 000
International Institute for Labour Studies	0 / 0	0 / 0	0	5 079 930	5 079 930
International policy group	6 / 0	2 / 0	1 133 184	150 000	1 283 184
Gender equality	8 / 0	3 / 0	1 454 388	648 912	2 103 300
Statistics	24 / 3	28 / 6	6 140 505	901 534	7 042 039
2000-01 total	547 / 5	296 / 2	109 017 844	43 619 649	152 637 493
1998-99 Total	539 / 7	312 / 3	108 912 274	39 367 384	148 279 658
Other sources					
2000-01 total	44 / 0	16 / 7	8 031 571	218 620 927	226 652 498
1998-99 total	30 / 3	18 / 2	6 186 004	180 838 662	187 024 666

23. The technical programmes envelope covers the response of the ILO to the Strategic and Operational Objectives. It is therefore covered first, and in the greatest detail.
24. Resources devoted to technical programmes under the Strategic Objectives have been increased substantially for both the regular budget and other sources, as shown in the table above.

A. Standards, Fundamental Principles and Rights at Work

Table 6: Standards, Fundamental Principles and Rights at Work

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources
	(in constant 1998-99 US\$)				
Regular budget					
International labour standards					
Equality and employment	22 / 6	4 / 0	3 694 446	88 450	3 782 896
Social protection and labour conditions	26 / 0	4 / 0	4 213 608	51 838	4 265 446
Freedom of association	18 / 0	6 / 0	3 205 440	101 330	3 306 770
Standards policy and information	13 / 0	6 / 6	2 508 402	327 681	2 836 083
Programme management	6 / 0	22 / 0	2 963 149	1 070 238	4 033 387
InFocus Programme on promoting the Declaration	10 / 0	6 / 0	2 058 784	441 216	2 500 000
InFocus Programme on child labour: IPEC	16 / 0	3 / 0	2 705 748	322 112	3 027 860
Executive Director's office and common services	5 / 0	3 / 0	1 171 565	1 401 405	2 572 970
2000-01 total	116 / 6	54 / 6	22 521 142	3 804 270	26 325 412
1998-99 total	97 / 10	47 / 6	18 884 833	3 234 611	22 119 444
Other sources					
2000-01 total	6 / 0	14 / 0	2 139 408	43 361 592	45 501 000
1998-99 total	4 / 0	5 / 4	1 069 492	17 725 496	18 794 988

Structure of the sector

25. The sector consists of the International Labour Standards Department, the InFocus Programme on Promoting the Declaration and the InFocus Programme on Child Labour: IPEC, which now covers all ILO activities on child labour, in addition to sector management. A gender task force covers all parts of the sector.
26. The International Labour Standards Department is being reorganized to better conform with, and serve, the four Strategic Objectives and to support efforts for the revision and modernization of standards. It will consist of the following:
 - *The Equality and Employment Branch*, which deals with instruments on equality, forced labour, employment policy, migrant workers, and indigenous peoples. It also includes the focal point for human rights coordination.
 - *The Social Protection and Labour Conditions Branch*, dealing with instruments on child labour (in cooperation with the InFocus Programme on Child Labour: IPEC), labour administration, seafarers, social protection, safety and health, and conditions of work.
 - *The Freedom of Association Branch*, which serves the Governing Body Committee on Freedom of Association and also deals with issues related to social dialogue.
 - *Standards policy and information*, which serves the Governing Body in relation to policy on standards, including revision, and provides legal information to the supervisory bodies, to the ILO, and to the general public.
 - *Programme management*, which includes the unit handling meetings and monitoring the supervisory process, ratifications and coordination with field activities.

- 27.** The InFocus Programme on Promoting the Declaration will catalyse and support the efforts of other units and field structures to promote the standards and fundamental principles and rights at work contained in the Declaration, and involves outreach efforts. This is a new structure, established in conformity with the decisions and expectations of the Conference and the Governing Body.
- 28.** The InFocus Programme on Child Labour: IPEC, is a new, integrated structure which combines all work on child labour in a single entity to ensure synergy and strengthened impact. This allows for the consolidation of previous work, eliminates duplication, and ensures that activities financed by the regular budget will directly reinforce the services provided with extra-budgetary resources to constituents. IPEC will be organized on three operational pillars: knowledge, service and advocacy. The research effort and improvement of the knowledge base will be used for advocacy, thus enhancing the basis for technical cooperation. Experience with field projects will feed into the knowledge base and policy functions of the programme. The new structure has been established through a consultative process involving IPEC and the child labour subprogramme earlier carried out under the Working conditions and environment programme.

Table 7: Strategic Objective No. 1 - Promote and realize standards, fundamental principles and rights at work

Operational Objectives	Performance indicators	Targets
<p><i>1a. Standards and fundamental principles and rights at work</i></p> <p>ILO member States give effect to the principles and rights concerning freedom of association and collective bargaining, non-discrimination and the elimination of forced and child labour</p>	References to and use of the fundamental principles and rights in national development programmes, other policy documents and the media	To be defined after the development of baseline data.
	Progress in the implementation of fundamental principles and rights at work	To be defined based on improvements recorded by the annual and global reports, as part of the follow-up to the Declaration on Fundamental Principles and Rights at Work. Ten countries will undertake comprehensive programmes on fundamental principles and rights at work.
	Effectiveness and volume of ILO technical cooperation that supports follow-up on the ILO Declaration on Fundamental Principles and Rights at Work	20 per cent increase in delivery of relevant technical cooperation. Baseline on effectiveness developed using external evaluation data
	Ratifications of fundamental Conventions and related improvements in national law and practice	70 new ratifications of fundamental Conventions in addition to ratifications of Convention No. 182. Target on national law and practice to be developed
<p><i>1b. Child labour</i></p> <p>Child labour is progressively eliminated, priority being given to the urgent elimination of its worst forms and providing alternatives for children and families</p>	Ratifications of Conventions No.138 (Minimum Age Convention, 1973) and No.182 (Worst Forms of Child Labour Convention, 1999)	Half of ILO member States ratify Convention No. 182
	Effectiveness and volume of ILO technical cooperation that supports the elimination of child labour	20 per cent increase in delivery of relevant technical cooperation. Baseline on effectiveness developed using external evaluation data
	The number of countries that adopt time-bound targets for the abolition of child labour	10-15 more countries adopt time-bound targets for the abolition of child labour (following signature of the Memorandum of Understanding)
	Policy-makers' understanding of trends, underlying factors, the special situation of the girl child, and development issues	Quantitative and qualitative data available in 30 countries
<p><i>1c. Standards supervision</i></p> <p>The supervisory bodies and ILO constituents receive the services they need related to development and the ratification and application of ILO standards</p>	Effectiveness of assistance to the Committee of Experts, the Conference Committee on Application of Standards and the Governing Body Committee on Freedom of Association	To be developed
	Effectiveness of assistance to member States on the ratification and application of standards	Cases of progress noted by the supervisory bodies. Increase in the number of advisory missions and assistance. Agreements on assistance following the ratification of Conventions
	Effectiveness of assistance to the Governing Body in relation to policy on standards	To be developed

InFocus programme descriptions

InFocus Programme on Promoting the Declaration

29. The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, reflects the core ILO values recognized by the international community at the World Summit for Social Development. At the same time it acknowledged that member States may often need assistance in putting into practice their pledge to respect, promote and realize the following principles and rights:
- freedom of association and effective recognition of the right to collective bargaining;
 - the elimination of all forms of forced or compulsory labour;
 - the effective abolition of child labour;
 - the elimination of discrimination in respect of employment and occupation.
30. The ILO must bring home the importance of these rights and principles in improving the lives of ordinary people, in line with the promotional nature of the Declaration and its follow-up. The Declaration recognizes the ILO's obligation to assist its Members, both directly and by mobilizing external resources and support.
31. The InFocus programme will therefore undertake research, support the reporting functions provided for in the follow-up and mobilize technical cooperation to help ILO Members give full effect to the Declaration.

Goals

32. The main goals of the InFocus programme are that:
- the Declaration on Fundamental Principles and Rights at Work and its Follow-up are more widely known to a variety of audiences and are applied within an increasing number of countries;
 - the follow-up to the Declaration is serviced effectively;
 - technical cooperation needs related to fundamental principles and rights at work are identified, with gender issues taken into account;
 - technical cooperation for the implementation of the standards and of fundamental principles and rights at work is significantly increased.

Strategy

33. The long-term objective of achieving significant progress in the realization of the principles and rights covered by the Declaration will be pursued with a balance of knowledge, advocacy and service functions. In cooperation with field structures and headquarters, two units — one for promotion and technical cooperation, the other for research and reporting — will work as integrated aspects of the programme. The programme will serve as an entry point for activities relating to fundamental principles and rights at work under all of the Strategic Objectives. In other words, the promotion of the Declaration will build on activities in the fields of social dialogue, social protection and employment.
34. Since the obstacles to achieving universal respect for the fundamental rights and principles at work differ to some extent in terms of the principle or right at stake and the country involved, the programme will aim to develop technical cooperation projects to address

constituents' specific needs and identify resources to meet them. This will include social reviews conducted at the constituents' request.

35. The work of the InFocus Programme on Promoting the Declaration will be informed by research work exploring the mutual reinforcement of sound development and respect for these rights and principles, taking full account of gender aspects. The advocacy work will use that knowledge in outreach efforts involving constituents to make the Declaration and its usefulness better known.
36. *Making the Declaration and its follow-up more widely known.* The follow-up cannot function properly without the provision of information from Governments and the other sources foreseen in the follow-up. Initially the InFocus Programme on Promoting the Declaration will devote considerable resources to the development and translation of materials (traditional and on the Internet) to explain the Declaration and its follow-up to a variety of audiences and to set up frameworks for dialogue. The early targets will be governments, which are to submit reports under the follow-up to the Declaration, as well as workers' and employers' organizations. Public outreach efforts will aim at reaching various audiences (other intergovernmental organizations, national parliamentarians, judiciary, academics, NGOs, etc.). The InFocus programme will also work with IPEC, the Turin Centre and other partners on developing course materials and conducting training activities. Tripartite promotional efforts at the national level will be encouraged.
37. *Servicing the follow-up to the Declaration effectively.* The processing of annual reports, the preparation of global reports, and the development of draft action plans for technical cooperation under the follow-up to the Declaration are new activities for the Office. Using information technology, mechanisms will be put into place for involving the field structures in various aspects of making the follow-up work. Since the topic of the global report will change each year, different specialists will be brought in on a rotating basis. Bearing in mind the operational review called for by the follow-up, the programme will seek to identify possible improvements the Conference or Governing Body might wish to make.
38. *Identifying gender-sensitive technical cooperation needs.* The InFocus Programme on Promoting the Declaration will devote resources to deepening knowledge of how fundamental principles and rights and gender and development concerns can be mutually reinforcing in various contexts (e.g. for different target groups and national settings). Enhanced dialogue with other intergovernmental organizations will also enrich technical cooperation proposals. The InFocus programme will act as an entry point for work in areas in which respect for the fundamental principles and rights at work can facilitate achieving further objectives (for example, respect for freedom of association and the right to engage in collective bargaining enabling the promotion of safe work).
39. *Increasing technical cooperation resources.* Working together with the field structures, IPEC and the headquarters units responsible for technical cooperation, the InFocus Programme on Promoting the Declaration will identify likely matches between requests for technical cooperation and possible sources of support. Attempts will be made to find new donors and to interest traditional donors in increasing their support for projects that would enhance respect for fundamental principles and rights at work. The delivery of services under such projects would be carried out in the manner best suited to meeting the project's goals. These activities will include joint projects with other United Nations bodies, Bretton Woods institutions, donor countries and foundations.

Major outputs

40. *Making the Declaration and its follow-up more widely known.* Initial efforts will focus on production of basic Web-enabled and other materials for use in outreach work with various audiences, along with the creation of an interactive website on the Declaration and its follow-up. Work will begin on establishing an advocacy network for the Declaration within and between constituents in different countries, exploiting opportunities for publicity, and on developing elements for briefings and training courses. In the 2000-01 biennium, translations of the Declaration and its follow-up will cover the major languages, training will focus on the ILO's constituents, and initial partnerships for further promotional activities will be forged.
41. *Servicing the follow-up to the Declaration effectively.* A tracking system to facilitate later assessment by the Governing Body and the Conference of whether the follow-up is fulfilling its purpose will be built into the systems being developed for the processing of annual reports and the preparation of reports by the Office. In the 2000-01 biennium, the InFocus Programme on Promoting the Declaration will analyse, compile and have the summaries translated for two rounds of annual reports, and prepare any additional Governing Body documents that may be required. It will publish the global report on freedom of association and collective bargaining, follow the Conference discussion and liaise with other relevant programmatic units for follow-up. Subsequently, it will do the same for the global report on forced labour and begin work on the global report on child labour.
42. *Identifying gender-sensitive technical cooperation needs.* The outputs under technical cooperation will be project proposals, developed with the involvement of constituents and other parts of the Office. In the 2000-01 biennium, a strategy will be worked out for involving the social partners in exploring this topic, and research work will integrate development and gender aspects.
43. *Increasing technical cooperation resources.* Outputs under this heading include the identification of new donors, arousal of interest in funding Declaration activities by traditional donors, and funds generated to support project proposals developed within the framework of the InFocus programme. In each biennium, priority will be given to areas of work and/or to countries identified by the Governing Body through the Declaration reporting process.

InFocus Programme on Child Labour: IPEC

44. The issue of child labour is one of today's most urgent social phenomena. Although more prevalent in developing countries, it still exists in industrialized countries and has re-emerged in countries in transition. As a result, millions of children continue to work in occupations and industries that are clearly hazardous, exploitative and morally unacceptable. Child labour stunts the lives of future generations and hampers sustainable development, hence the compelling need to deal with it effectively. The unanimous adoption by the International Labour Conference in 1999 of the Worst Forms of Child Labour Convention (No. 182) and Recommendation (No. 190) is a clear message from the international community that utmost priority should be given to its eradication. Many countries still lack the capacity to adequately address the problem, and a growing number seek assistance from the ILO.
45. The implementation of the InFocus Programme on Child Labour: IPEC will provide the Organization with the opportunity to recall that it stands for values about which the world cares. It will find strengthened resonance in the ILO strategy and vision as to its role in promoting social, economic and human rights. Focusing on the worst forms of child

labour, practical action will also be taken with regard to policy and technical advisory services, knowledge dissemination, advocacy campaigns and resource mobilization.

46. Following the adoption of Convention No. 182, new features of the programme are the emphasis on the worst forms of child labour; a significantly enhanced multimedia campaign; intensified data collection and the integration of statistical information, analysis and further research into policy and programme design; strengthened managerial support, with greater attention paid to monitoring and evaluation; and streamlined structures with clearly defined responsibilities and methods as a result of an external management review of IPEC.

Goals

47. With priority given to the worst forms of child labour, the key aims are that:
- countries are capable of effectively formulating policy and implementing programmes for the progressive elimination of child labour;
 - the worst forms of child labour are detected and prevented, and children are withdrawn from these forms of work as a matter of urgency;
 - member States take urgent action to ratify and enforce the Worst Forms of Child Labour Convention, 1999 (No. 182);
 - member States give priority to ratification of the Minimum Age Convention, 1973 (No. 138), and take effective measures to implement its provisions;
 - policy-makers and key partners at the national and international level have an improved understanding of child labour trends, the factors underlying child labour, the special situation of the girl child, and the linkages between child labour and development;
 - increased public awareness of child labour and calls for action.
48. Acting for the progressive elimination of child labour is part and parcel of the policy framework provided by the ILO Declaration on Fundamental Principles and Rights at Work. The issue of child labour is closely linked to that of development, since working children are denied the possibility of education and personal growth and hence to fully contribute to the development of their countries. Therefore, the programme will assist the constituents and implementing partners in translating into action the principles and rights proclaimed in the pertinent Conventions in their national development policies, plans and programmes. Gender will be a substantial component of all subprogrammes, for two major reasons: discrimination in respect of employment and occupation has a substantial incidence on child labour; working girl children are often more vulnerable than boys, particularly in the worst forms of child labour.
49. The InFocus Programme on Child Labour: IPEC, has four subprogrammes: knowledge, advocacy, service, and management support:
- the knowledge subprogramme will undertake activities on standards, policy issues and statistics on child labour for policy and programme development;
 - the advocacy component will lead a global campaign aimed at urgent and wide ratification and proper implementation of Convention No. 182, and at improved implementation of other relevant Conventions, mainly Convention No. 138;

- the service component will assist constituents and other implementing partners in translating into action their political will to abolish child labour, giving priority to its worst forms;
 - the management support aspect of the programme will implement the main recommendations of the external management review in order to build sound synergies among the subprogrammes and to streamline organization processes and procedures in a transparent manner. It will create effective evaluation mechanisms in order to ensure sustainable impact.
- 50.** Existing partnerships will be enhanced and joint ventures devised with other sectors, InFocus programmes and units. This will include the Area Offices and MDTs in order to ensure the smooth implementation of the programme. There will be strong links within the sector on standards, fundamental principles and rights at work. The programme will also continue to strengthen broad alliances with the business community and trade unions, as well as between international and regional organizations with a renewed commitment to inter-agency cooperation and substantive collaboration.

Major outputs

- 51.** The major outputs will be the following:

- Knowledge:
 - a standard, user-friendly and gender-sensitive methodology for the collection of information on child labour;
 - a Web-enabled knowledge base on child labour;
 - national and global trend reports on child labour as well as analytical reports and publications (including child labour and gender, development and armed conflicts);
- Advocacy:
 - multimedia products and printed publications for use in the ratification campaign;
 - a comprehensive website on child labour;
 - targeted awareness-raising materials for social and resource mobilization;
- Service:
 - a portfolio of effective national, subregional and regional programmes and projects against child labour for replication or adaptation, and a synthesis of ILO experience;
 - national and regional plans of action for the prevention and elimination of child labour;
 - national policies and legislation addressing child labour concerns;
 - annual reviews of country experience;
- Management support:
 - improved organizational and operational structures at headquarters and in the field;
 - synergy between the other subprogrammes;
 - a comprehensive evaluation strategy including executive and detailed workplans and effective mechanisms for overseeing their implementation; meaningful reporting of performance versus objectives;

- new adequate internal controls ensuring effective financial systems and procedures in operation at headquarters and in the field.

B. Employment

Table 8: Employment

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources	
	(in constant 1998-99 US\$)					
Regular budget						
Employment strategy	39 / 6	20 / 4	7 673 742	2 297 754	9 971 496	
Recovery and reconstruction						
InFocus Programme on Crisis Response & Reconstruction	7 / 0	7 / 0	1 663 032	500 000	2 163 032	
Employment-intensive investment	6 / 0	4 / 0	1 246 968	250 000	1 496 968	
InFocus Programme on Skills, Knowledge & Employability	28 / 4	16 / 0	5 630 644	1 485 000	7 115 644	
Job creation and enterprise development						
InFocus Programme on Boosting Employment through Small Enterprise Development	21 / 0	10 / 4	4 037 160	1 021 920	5 059 080	
Management development	9 / 0	3 / 0	1 602 720	462 424	2 065 144	
Cooperatives	6 / 0	4 / 0	1 246 968	125 000	1 371 968	
Programme management	2 / 0	5 / 0	742 884	100 000	842 884	
Multinational enterprises	6 / 0	2 / 0	1 068 480	90 000	1 158 480	
Gender promotion	5 / 0	2 / 0	920 148	401 668	1 321 816	
Executive Director's office and common services	9 / 0	8 / 0	2 178 761	3 307 396	5 486 157	
	2000-01 total	138 / 10	81 / 8	28 011 507	10 041 162	38 052 669
	1998-99 total	162 / 10	92 / 9	32 624 887	6 763 072	39 387 959
Other sources						
	2000-01 total	25 / 0	0 / 0	3 708 300	135 722 700	139 431 000
	1998-99 total	21 / 0	8 / 5	3 888 608	113 942 019	117 830 627

Structure of the sector

52. To reflect the coherence and interdependence of the different aspects of employment promotion and following a process of intensive consultations involving all sector staff at headquarters and the MDT specialists concerned, it has been agreed to organize the sector around the following units:

- The *Employment Strategy Department* will develop an overall framework for the analysis of the economic, social and financial aspects of employment promotion. In addition to undertaking research on the impact of macroeconomic, financial and other policies and measures on employment, it will be responsible for producing the *World Employment Report*, the Country Employment Policy Reviews, the Key Indicators of the Labour Market (KILM) and other knowledge-based products. The area also includes a social finance unit and a population unit, both mainly funded from extra-budgetary resources. An important aspect of the work in this area will be to provide advice on policy issues to other parts of the sector.
- The *Recovery and Reconstruction Department* will consist of a rapid response team to spearhead, prepare, plan, mobilize and manage the ILO's response to crisis situations and an employment-intensive infrastructure investment unit. The InFocus Programme on Crisis Response and Reconstruction is described below.
- The *Skills Development Department* corresponds to the InFocus Programme on Skills, Knowledge and Employability. It aims at increased investment in training and human resource development, described in more detail below. It will promote improved

access for vulnerable groups — in particular young people, disabled and displaced workers — to human resource development and labour market opportunities for their greater economic and social integration. The programme will also promote investment in human resources and improved organization and delivery of training to raise productivity and incomes in the informal sector and to enhance the capacity to reach and maintain sustainable livelihoods. It will also include activities to develop and strengthen the capacity of employment services to be more responsive to the evolving needs of the labour market.

- The *Job Creation and Enterprise Development Department* will aim at the creation and sustainability of decent jobs in all types of enterprises. The main emphasis will be on the promotion of small enterprises and the upgrading of informal sector micro-enterprises through the InFocus Programme on Boosting Employment through Small Enterprise Development described below. Another, smaller programme aims at the adoption by larger enterprises of management practices reflecting ILO values and principles, including measures to enhance competitiveness and productivity and promote socially sensitive enterprise restructuring. A third programme aims at the strengthening of cooperatives to ensure that they can continue and expand their role as viable, broad-based, participatory enterprises in a market economy context.
 - *Multinational enterprises.* Given its special responsibility in connection with the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the corresponding subcommittee of the Governing Body, a separate unit for multinational enterprises is maintained, reporting direct to the Executive Director.
 - *Gender promotion.* With a view to the effective mainstreaming of gender promotion issues in the sector, each programme and area will have a number of gender promotion experts. A gender promotion unit reporting direct to the Executive Director will support the gender promotion experts through research and knowledge management, and will work with them to ensure that all sector activities are gender-sensitive and gender-responsive. The gender promotion unit will also be responsible for the global programme on More And Better Jobs For Women.
53. A common services unit will coordinate support services for the sector as a whole, including knowledge management, documentation, Web-management, computer support, personnel and finance. The unit will also service the Governing Body Committee on Employment and Social Policy. It will be responsible for the preparation of programme and budget proposals as well as monitoring, reporting and evaluation in the sector. It also has special responsibility for technical cooperation coordination and resource mobilization and for ensuring that development concerns are effectively addressed in the different areas of the sector.

Table 9: Strategic Objective No. 2 – Create greater opportunities for women and men to secure decent employment and income

Operational Objectives	Performance indicators	Targets
<p><i>2a. Employment policy support</i></p> <p>ILO constituents are better equipped to analyse national and global employment and labour market developments and to elaborate and negotiate effective policies and programmes for employment promotion and human resources development</p>	<p>The number of decision-makers who make use of ILO policy advice and publications, including the Key Indicators of the Labour Market (KILM) and the World Employment Report (WER)</p>	<p>At least 50 per cent of the international news media give coverage to the WER</p> <p>At least 100 professional journals and other publications representing all regions make reference to the WER and to KILM</p> <p>At least 25,000 downloads per year from KILM and other employment policy websites</p>
	<p>The number of ILO member States that incorporate recommendations of Country Employment Policy Reviews (CEPR) and other policy advisory reports in national employment and human resource policies</p>	<p>The recommendations of at least four CEPRs are incorporated into government policies, in consultation with the social partners</p>
<p><i>2b. Knowledge, skills and employability</i></p> <p>ILO constituents invest more in training and human resources development for enhanced employability</p>	<p>Member States adopt strategies to improve the identification of training needs and to increase investment in training systems</p>	<p>At least eight countries adopt strategies promoted by the ILO</p>
	<p>Effectiveness and volume of ILO technical cooperation in the areas of training and human resource development</p>	<p>Baseline on effectiveness developed, using external evaluation data, and volume of technical cooperation increased by 20 per cent</p>
<p><i>2c. Reconstruction and employment-intensive investment</i></p> <p>ILO constituents are better equipped to design and implement special employment promotion programmes in situations of high unemployment, particularly in the context of different types of crisis</p>	<p>Effectiveness and volume of ILO technical cooperation in the areas of employment-intensive investment and post-crisis employment promotion</p>	<p>Baseline on effectiveness developed, using external evaluation data, and volume of technical cooperation increased by 20 per cent</p>
	<p>Number of countries adopting ILO approach to employment-intensive investment</p>	<p>At least ten countries adopt ILO approaches to employment-intensive investment</p>
	<p>Number of countries adopting ILO approach to post-crisis employment promotion</p>	<p>At least five countries adopt ILO approach to post-crisis employment promotion</p>

Operational Objectives	Performance indicators	Targets
<p><i>2d. Enterprise development</i></p> <p>Policies and programmes to promote the creation of quality jobs in enterprises and upgrade the informal sector are effectively implemented</p>	Number of countries and institutions adopting ILO policy and tools in the area of micro- and small enterprise development	To be determined once baseline is established
	Number of enterprises applying management practices which reflect ILO values and concerns	To be determined once baseline is established
	Effectiveness and volume of ILO technical cooperation in the area of enterprise and cooperative development	Baseline on effectiveness developed, using external evaluation data, and volume of technical cooperation increased by 10 per cent
<p><i>2e. Gender promotion and employment</i></p> <p>ILO constituents are better equipped to apply policies and implement programmes to promote gender promotion in employment</p>	The number of ILO programmes on employment that incorporate gender analysis and include specific measures to address gender promotion	All relevant programmes make use of gender analysis and explicitly include action on gender promotion
	Effectiveness and volume of ILO technical cooperation aiming specifically to provide better jobs for more women	Baseline on effectiveness developed, using external evaluation data, and volume of technical cooperation increased by 20 per cent
	Number of constituents adopting ILO advice and assistance on gender promotion in employment	At least 100 requests responded to and acted upon by constituents

InFocus programme descriptions

InFocus Programme on Crisis Response and Reconstruction

- 54.** An increasing number of countries are facing various types of crisis situations, including armed conflict, natural disasters, abrupt financial and economic downturns and social or political transitions. To devise lasting solutions to such crises it is essential to pay attention not only to the immediate employment impact of crises but also to their root causes. These include social exclusion and poverty, which are often the result of limited access to economic opportunities and productive resources, and the absence of social dialogue and democracy. Where jobs can be found, conditions of work are often poor and measures for social protection are usually absent. The normal resistance to forms of exploitation such as child labour often breaks down. Early ILO involvement in crisis situations is crucial, not only in view of the continuum from crisis through emergency to development, but also for effective resource mobilization, since most major pledges are made in the emergency phase. The programme builds on earlier work in a number of crisis situations and exploits the ILO's comparative advantage in the area of employment promotion.

Goals

- 55.** The programme aims at the development of a coherent and comprehensive capacity to respond in a timely and effective manner to different crises by facilitating the socio-economic reintegration of those most directly affected by crises. The programme also aims to ensure increased awareness at the national and international levels of the

importance of employment and related social concerns in crisis situations and a greater role for ILO constituents in efforts to overcome the effects of crises.

Strategy

56. Various types of measures and activities are called for before, during and after crises. These include early warning systems, crisis preparedness, emergency assistance, rehabilitation and development interventions. The programme strategy is based on the consideration that bringing the ILO's basic values and principles and developmental concerns to bear in the crisis context is essential both to tackle the immediate negative effects of crises and to create the conditions for a successful subsequent development process.
57. The main emphasis of the programme is on employment-related development interventions, such as the promotion of employment-intensive reconstruction and rehabilitation works, skills and entrepreneurship training, small enterprise development, local economic development and the promotion of social dialogue and social protection. As the majority of those affected by crises tend to be women and children, gender considerations will be prominent in planning programme interventions. The exact contents and relative weight of the different components of intervention at the country level will depend on the specific circumstances of each crisis. Since crisis situations are by their nature characterized by fluidity, sudden changes and uncertain outcomes, the programme will need to be flexible in choosing appropriate partners.
58. The programme will adopt a coherent, comprehensive and integrated approach, mobilizing the different competencies required in response to a particular crisis. When a specific technical input cannot be provided from within the ILO or is not available immediately, the programme will draw on a roster of consultants with the appropriate technical profile and relevant experience. This will require the flexible application of the ILO's usual modes of operation. In addition to direct ILO interventions, the programme will develop and strengthen the capacities of local and regional institutions, prepare guidelines and manuals and undertake demonstration projects and other activities to promote the ILO approach. The programme will also develop and strengthen strategic partnerships with a variety of actors and programmes active in crisis situations, both within and outside the UN system.
59. The programme will consist of a small rapid response team to spearhead, prepare, plan, mobilize and manage the ILO response to crises in cooperation with other headquarters and field units. A rapid action fund will be set up with RBTC resources to field missions to crisis countries at short notice. Because the ILO's ability to respond to crisis situations hinges on the availability of resources, the programme will develop a special resource mobilization strategy to ensure that the necessary resources are available for the services required by a given situation. This strategy will include sensitization of potential donors, appropriate ILO representation at pledging conferences and close collaboration with development banks and the European Union.
60. To avoid duplication, the programme will draw on the technical expertise available elsewhere in the ILO, both within and outside the employment sector, particularly in such areas as skills training, small enterprise development, micro-finance, knowledge management, macro-economic analysis and policies, employment-intensive investment, gender, disability, social dialogue, fundamental rights and principles and social protection. Specialists in these areas will act as focal points for the programme. Such an internal network, supported by external inputs, will ensure the multidisciplinary and comprehensive character of the programme. Focal points will also be established in each MDT to provide coordination and contacts at the field level and contribute to an early warning system and the design, implementation and monitoring of the programme's

country-level activities. Field staff will also participate in inter-agency needs assessment missions, in resource mobilization efforts, both internal and external, and in developing and strengthening the programme's capacity to network with relevant bodies at the national, regional and subregional levels, including academic institutions, researchers and networks, UNDP offices and other locally represented UN agencies and decentralized donor representatives. Active involvement by field staff is also essential in the programme's efforts to build up and strengthen local capacities, the preparation and adaptation of guidelines and manuals, advocacy and the implementation of pilot projects.

Major outputs

61. The major outputs will be —

- guidelines and manuals on employment and related social concerns in crisis situations;
- a network of specialists and focal points established throughout the organization, and a roster of external consultants;
- resources mobilized to implement employment creation programmes in crisis countries, with due attention to decent jobs and the dignity of workers;
- comprehensive socio-economic reintegration programmes and projects designed and implemented (directly by the ILO and by others) which help create decent employment directly or strengthen local capacities to create decent employment for those affected by the crisis;
- local capacities to promote decent employment in crisis countries strengthened;
- information disseminated, through publications, electronically, participation in needs assessment missions and the organization of meetings, on the ILO's comparative advantage in this area;
- strengthened capacity of ILO constituents to promote and contribute to the design and implementation of employment promotion and social interventions in crisis countries;
- employment and social policies elaborated and implemented by governments in crisis countries which reflect ILO values and development concerns.

In-Focus Programme on Skills, Knowledge and Employability

- 62.** The pivotal role of education and training for the promotion of more and better jobs for women and men is increasingly recognized. Investment in human resources, through lifelong learning, is of critical importance for enterprises concerned with improving their productivity and competitiveness in global markets, for individuals and their representative organizations concerned with maintaining employability in the midst of rapid changes and for governments concerned with spurring productivity and fostering higher economic growth and decent employment. A well-functioning education and training system enhances economic and social integration by offering opportunities to many groups who would otherwise be marginalized or excluded from the labour market.
- 63.** The *World Employment 1998* report "Employability in the global economy: How training matters", highlighted that, although most countries attach high priority to skills development, public and private sector investment in human resources development remains inadequate. Labour markets and training institutions are often too sluggish to cope with changing needs for knowledge in production systems. Considerable inequalities,

notably gender inequality, persist in access to education, knowledge and skills. The potential of skills development to help reduce unemployment and poverty remains largely unfulfilled.

64. As part of the overall ILO strategy, the programme will set training for men and women within a wider developmental framework; it will emphasize the importance of close links between training and work; and it will seek to encourage greater investment in equitable human resources development so that countries can reap the benefits of competitiveness, growth, development and social and economic integration. The programme will create and enhance synergies by providing a coherent framework for current ILO activities in the areas of skills development and employment-related labour market and human resources policies within the employment sector, at headquarters and in the field. It will also address emerging issues, such as employability and new approaches to lifelong learning.

Goals

65. The programme has four major goals:
- increased and effective investment in training and human resource development for enhanced employability, competitiveness and growth;
 - improved access of vulnerable groups, in particular of young people, disabled and displaced workers, to human resources development and labour market opportunities for greater economic and social integration;
 - increased and effective skills training to raise productivity and incomes in the informal sector;
 - strengthened capacity of employment services to be more responsive to the evolving needs of the labour market.

Strategy

66. The programme will seek to promote increased investment in knowledge and skills by highlighting linkages between investment in human resources, economic growth and decent employment; strengthening labour market information; encouraging training systems and training providers to be flexible while meeting high quality standards relating to training programme content and to the organization and management of training facilities; and encouraging enterprises to adopt high-skill strategies for improving productivity and providing quality employment. It will also develop an ILO concept of employability for policy formulation purposes and seek to promote the employability of the adult labour force through expanded opportunities for lifelong learning and improving the portability of the skills they acquire through work experience.
67. The programme will build its knowledge base in such areas as —
- how to improve the design and management of labour market information systems;
 - how to better design training systems and improve their governance with the participation of the social partners;
 - how to develop better measures for assessing the quality of training;
 - how to improve the design of skill and competency standards.
68. This expanded knowledge base will provide the basis for a range of technical and advisory services. The programme will also enable the ILO to send a clear policy message. By demonstrating that investing in the skills of workers leads to better jobs and that better jobs

lead to more investment and higher productivity and profitability, a process of social dialogue can be stimulated to take advantage of the possibilities of win-win outcomes.

69. The programme will focus on three vulnerable groups: youth; workers with disabilities; and displaced workers. It will involve policy-oriented research on innovative school-to-work transition schemes to more effectively integrate young people into education and work. It will also examine broad policy approaches and workplace practices that are conducive to the mainstreaming of workers with disabilities into the labour market. For displaced workers, the emphasis will be on developing practical tools that can contribute to more effective policy advice and technical support services.
70. The programme will develop tools to improve the delivery of skills to the informal sector, and to link skills training to support services that could enable informal sector workers to break out of the low-income trap. This will involve targeted interventions in developing countries to strengthen the informal apprenticeship system; the provision of technical assistance to improve the access of informal sector women workers to training and support services; and making large enterprises aware of the benefits of investing in the knowledge and skills of their subcontractors.
71. The programme will assist ILO constituents in developing public employment services into competitive and user-oriented service agencies. The ILO will become an active partner with local authorities, social partners and private employment agencies.
72. The programme will be closely linked to other work within and outside the employment sector, including other InFocus programmes, the International Programme on More and Better Jobs for Women, and the Jobs for Africa programme. Gender, development and labour market information will be the main cross-cutting themes, with emphasis on the mainstreaming of these concerns in all facets of the programme. In close cooperation with the field, the programme will identify regional priorities and ongoing and planned field activities with which it can establish linkages. Partnerships will be established with the Turin Centre and CINTERFOR, as well as external partners.

Major outputs

73. The major outputs will be the following:
 - guidelines for the assessment of training systems and institutions;
 - advice to policy-makers, based on research on employability;
 - research on lifelong learning and skill recognition systems, leading to handbooks in the 2002-03 biennium;
 - dissemination of good human resource development practices in high performance work organizations;
 - a training package for education institutions and employment services on how to prepare school-leavers for entry into the labour market;
 - research on successful monitoring and evaluation techniques for youth employment policies and programmes, leading to a manual in the 2002-03 biennium;
 - policy manuals for employers and trade unions on promoting decent employment for young women and men;
 - a major tripartite conference on youth employment, planned for the 2002-03 biennium;

- the *Code of Practice on Disability Management in the Workplace* reviewed in a tripartite meeting of experts;
- GLADNET information base and Internet-based services extended and made more accessible;
- demonstration projects and a manual, as well as training modules on policy responses to worker displacement in countries undergoing restructuring and employment change;
- a survey on the skills needed and acquired in the informal sector;
- grass-roots level training delivery systems for informal sector workers;
- updated ILO training packages for self-employment in the informal sector;
- training modules for leaders and managers of informal sector organizations.

InFocus Programme on Boosting Employment through Small Enterprise Development

74. An urgent need exists to create many millions of jobs worldwide. The greatest potential for this scale of job creation lies with the small enterprise sector, broadly understood to include micro-, small and medium enterprises, homeworkers and the self-employed, in both the formal and informal sectors. However, few small enterprise development (SED) programmes have yet delivered demonstrable results to fulfil this potential.
75. In particular, much work remains to be done to ensure that the environment is conducive to small business growth and development. The regulatory environment can stifle enterprise growth, and the design of both regulations and services needs to take the situation of enterprises generally, and small enterprises in particular, into account if employment is to be created. There remains much potential for greater tripartite dialogue on concrete ways in which this can be achieved. Such an improved environment would also have important implications for larger enterprises, thus covering the full range of opportunities to boost employment in the private sector.
76. In addition, there is no clear leadership at the global level in developing and promoting effective methodologies in SED, despite the strong interest expressed by many ILO constituents and other stakeholders. The ILO is well-placed to provide leadership in this area, based on its long experience and track record. It will then be well-placed to promote its core values and principles, relating particularly to job quality, gender concerns and the ability of those in small enterprises to mobilize and represent their interests.

Goals

77. The programme has four major goals:
- to expand job opportunities in the small enterprise sector through enterprise creation and growth;
 - to improve the quality of jobs in small enterprises;
 - to ensure that gender concerns in small enterprise development are mainstreamed;
 - to promote business networking and representation in small enterprises.

Strategy

78. The programme will take a systematic approach to managing knowledge, particularly in the area of good practices in SED. At the outset, therefore, it will undertake a thorough analysis of existing knowledge of job creation in small enterprises. This review will enable the programme to set priorities for interventions to be developed during the biennium, particularly to expand job opportunities in the small enterprise sector. Priorities will be determined in consultation with the field and will reflect constituents' needs.
79. Pending that process, it is anticipated that the achievement of a policy and regulatory environment that encourages small enterprise growth will be a very high priority. This will be achieved through various measures, including tripartite dialogue and developing a compendium of success stories in this area. A range of legal and other support services will also be made available to accelerate the process of change. Other priorities will probably include increasing the demand for goods and services produced by small enterprises, and improving access to finance and to business development services.
80. Concerning the quality of jobs in small enterprises, the first priority will be in the area of advocacy, ensuring that the issue achieves wide exposure both within and outside the ILO. Strategic alliances with others working on specific aspects of this issue will be particularly important. Major gaps in knowledge will also need to be filled, and steps taken to ensure that both the policy environment and support services provided to small enterprises promote job quality in accordance with fundamental international labour standards. The programme will show that job quality and enterprise competitiveness can be mutually reinforcing.
81. With respect to gender, advocacy is also required to ensure that both the policy environment and support services provided to small enterprises mainstream gender concerns. Existing approaches and instruments will be reviewed to ensure that they are gender-sensitive, and new tools will be developed for the delivery of services that specifically address gender concerns.
82. In the area of business networking and representation, employers' and workers' organizations will be supported through services to extend their membership and services to small enterprises. Representative groups of small entrepreneurs and the self-employed will be supported to strengthen their capacity to lobby for a better policy environment and to develop entrepreneurial networks for business development.
83. The programme will involve staff throughout the Organization and build a cohesive and effective team. Building on the work started by ISEP, the ILO's International Small Enterprise Programme (which it will incorporate), will develop a systematic understanding of good practices in small enterprise development, disseminate that understanding among constituents and other clients, and mobilize resources for demonstration activities and pilot projects.
84. The programme will apply a consultative and participatory approach to planning and implementation. Programme activities will need to be implemented in close cooperation with the field. This will require the presence of a specialist in small enterprise development in each MDT. Regular consultations will take place between the programme staff, MDT specialists and outside experts on the core themes of the programme. The objectives of these consultations will be to exchange knowledge and ideas about good practices worldwide and to generate feedback on the programme's strategies. The consultations will also provide an opportunity for the planning of local activities.
85. Close collaboration is anticipated with the InFocus Programme on Investing in Skills, Knowledge and Employability, particularly with respect to training for informal sector enterprises. The programme will also provide input for interventions by the InFocus

Programme on Reconstruction and Employment-intensive Investment. The work on macro-level policies will benefit from inputs by the Employment strategies programme in the Employment Sector. In the area of job quality, the programme will cooperate with the InFocus programmes on safe work, child labour and socio-economic security. Activities in the area of business networking and representation will be undertaken in close cooperation with the bureaux for employers' and workers' organizations and with the cooperatives programme in the Employment Sector.

Major outputs

86. Major outputs in the area of expanding job opportunities will include landmark publications and policy guidelines on the role of the small enterprise sector in job creation and retention. They will also include training packages, advocacy materials and services to promote a supportive policy and regulatory environment, through tripartite dialogue and other means, and to build local capacity for a range of small enterprise support services. These materials will include a compendium of success stories on situations in which improvements in the regulatory environment have led to demonstrable increases in employment.
87. As regards improving job quality, major outputs will include major new reference materials on the topic and training packages to promote job quality. Training packages and advocacy materials will also be produced that mainstream gender issues in SED and promote an integrated approach to women entrepreneurship development. Finally, advocacy and training materials will be produced that enhance the independence of representative small enterprise organizations and strengthen their capacities (particularly through enhanced links with employers' and workers' organizations).

C. Social protection

Table 10: Social protection

	Profes- sional (work-years/months)	General Service (work-years/months)	Staff costs (in constant 1998-99 US\$)	Other costs (in constant 1998-99 US\$)	Total resources (in constant 1998-99 US\$)
Regular budget					
InFocus Programme on Socio-economic Security	15 / 6	4 / 0	2 656 122	391 300	3 047 422
Labour protection					
InFocus Programme on SafeWork	40 / 3	21 / 11	7 991 294	1 005 705	8 996 999
Conditions of work	18 / 2	8 / 4	3 438 398	569 188	4 007 586
International migration	8 / 0	3 / 10	1 528 758	98 800	1 627 558
Programme management	3 / 6	2 / 1	769 791	24 400	794 191
Social security	24 / 0	17 / 0	5 141 820	128 536	5 270 356
Executive Director's office and common services	6 / 0	4 / 0	1 376 789	1 295 500	2 672 289
2000-01 total	115 / 5	61 / 2	22 902 972	3 513 429	26 416 401
1998-99 total	105 / 3	64 / 10	21 567 062	3 140 171	24 707 233
Other sources					
2000-01 total	5 / 0	0 / 7	793 719	13 940 000	14 733 719
1998-99 total	2 / 4	0 / 8	405 604	17 350 388	17 755 992

Structure of the sector

88. The sector will consist of the following four major units:

- The *InFocus Programme on Socio-Economic Security*, described in detail below.
- The *Labour Protection Department*. The Labour Protection Department comprises three programmes. The InFocus Programme on SafeWork is described in detail below. The Conditions of work programme will focus on the nature and future of work, working time and work organization, workers' dignity and equality, maternity protection, and improvement of the conditions of work and employment of unprotected workers. Its activities are directed at encouraging ILO constituents to adopt policies and practices aimed at the progressive improvement of conditions of work and employment and respect for workers' dignity, combating, for example, sexual harassment at the workplace. The International labour migration programme will be restored as a separate branch. Its aim is the development of effective national policies and programmes to promote and guarantee equality of treatment and opportunity and the protection of migrant workers and to forge international consensus on how best to manage labour migration in an era of globalization.
- The *Social Security Department*. The objectives of this department are to improve the governance, management and efficiency of social protection programmes, both in terms of contingencies and benefits, and their extension, and the development of new policy instruments and programme designs that achieve these goals while enhancing economic performance and individual initiative. Work on the extension of social protection to achieve the widest possible coverage, including extension to the informal sector and the working poor, will include a substantial contribution to the InFocus Programme on Socio-Economic Security described below. In order to serve its clients the programme maintains a wide range of competencies spanning from administrative, managerial, legal and qualitative research skills to the full range of skills for quantitative governance and research.
- A *common services unit* will ensure that sectoral policies and strategies are coherent and compatible with the Office's strategic and Operational Objectives, and promote gender mainstreaming. This unit will support the Executive Director in –
 - the coordination of research and policy issues;
 - programming and finance;
 - the coordination of country activities, external relations and resource mobilization.

The Executive Director will establish task forces in particular on the coordination of cross-cutting themes such as gender, standards and data and information.

Table 11: Strategic Objective No. 3 – Enhance the coverage of effectiveness and social protection for all

Operational Objectives	Performance indicators	Targets
<p><i>3a. International labour standards</i></p> <p>International labour standards related to working and employment conditions and social security are widely ratified and effectively applied</p>	<p>The number of ratifications of ILO Conventions on working and employment conditions and social security</p> <p>The number of member States applying ILO codes of practice and guidelines related to working and employment conditions and social security</p>	<p>To be defined</p> <p>Additional work will be needed to obtain baseline information. Initial targets will be stated in terms of a limited number of countries and a specific group of guidelines and codes of practice</p>
<p><i>3b. Action against hazardous conditions</i></p> <p>ILO constituents target and take effective action against hazardous conditions in and around the workplace</p>	<p>The fields and sectors covered by appropriate safety and health statistics</p> <p>Effectiveness and volume of ILO technical cooperation on occupational safety and health</p>	<p>Ten countries will improve the coverage of their statistics</p> <p>20 per cent increase in the delivery of relevant technical cooperation. Baseline on effectiveness developed using external evaluation data</p>
<p><i>3c. Improved working and employment conditions for vulnerable groups</i></p> <p>Policies and programmes of action on working and employment conditions and social security are implemented for the most difficult-to-reach sectors and the most vulnerable and exploited groups, while voluntary measures are implemented to reach workers who are insufficiently protected by existing systems</p>	<p>The number of people covered by specific legislative frameworks for their protection following ILO intervention</p> <p>Effectiveness and volume of ILO technical cooperation related to working and employment conditions and social security for workers insufficiently protected by existing systems</p>	<p>Increase in the number of people covered by specific legislative frameworks for their protection following ILO intervention</p> <p>To be defined based on the increase in the number of people covered by specific legislative frameworks following ILO intervention</p>
<p><i>3d. Scope of social security systems</i></p> <p>Member States broaden the scope and the instrument of social security systems (including the informal sector and the working poor), improve and diversify benefits, strengthen governance and management, and develop policies to overcome financial constraints</p>	<p>Reduction in the level of aggregate budget deficits of schemes to which ILO assistance has been provided</p> <p>Effectiveness and volume of ILO technical cooperation related to the extension of social security schemes, the governance of the schemes and the diversification of benefits</p> <p>The coverage of benefits of social security schemes where ILO assistance has been provided</p>	<p>To be defined</p> <p>20 per cent increase in delivery of relevant technical cooperation. Baseline on effectiveness developed using external evaluation data</p> <p>To be defined after development of baseline data</p>

Operational Objectives	Performance indicators	Targets
3e. <i>Economic and social insecurity</i> ILO constituents are able to analyse the different aspects of economic and social insecurity and are able to formulate policies to combat the adverse effects of insecurity	Results of the ILO's original research are widely cited and used by policy-makers Data generated are used to help form policies	To be defined after development of baseline data To be defined after development of baseline data

InFocus Programme on SafeWork

89. Around the world, millions of men and women work in poor and hazardous conditions:

- Every year, more than 1.2 million people die of work-related accidents and diseases;
- More than 160 million workers fall ill each year due to workplace hazards.
- The poorest, least protected — often women, children and migrants — are also among the most affected.
- Micro- and small enterprises account for over 90 per cent of enterprises where conditions are often very poor and the workers in them are often excluded from all labour protection.

90. Human suffering has no measurable cost, unlike economic losses. Estimates from, for example, the United States, the United Kingdom, Germany and Norway put the direct cost of accidents in billions of dollars. In many developing countries, death rates among workers are five to six times those in industrialized countries. Yet the phenomenon is still largely undocumented and there is insufficient political will to address the problem. Global competition, growing labour market fragmentation and rapid change in all aspects of work creates a mounting challenge for labour protection, especially in developing countries. Workers in rural areas and the urban informal sector are often ignored or difficult to reach.

Goals

91. The programme has four major goals:

- preventive policies and programmes are developed to protect workers in hazardous occupations and sectors;
- effective protection is extended to vulnerable groups of workers falling outside the scope of traditional protective measures;
- governments and employers' and workers' organizations are better equipped to address problems of workers' well-being, occupational health care and the quality of working life;
- the social and economic impact of improving workers' protection is documented and recognized by policy- and decision-makers.

Strategy

92. *SafeWork* aims to create worldwide awareness of the dimensions and consequences of work-related accidents, injuries and diseases; to place the health and safety of all workers on the international agenda; and to stimulate and support practical action at all levels. With this in mind, the programme will launch ground-breaking research, statistical work and

media-related activities, and will support national action through a global programme of technical assistance. Human suffering and the cost to society, as well as the potential benefits of protection, such as enhanced productivity, quality and cost savings, will be better documented and publicized. *SafeWork* will promote, as a policy and operational tool, the primacy of prevention as an efficient and cost-effective way of providing safety and health protection to all workers.

93. *SafeWork* will do first things first. It will focus on *hazardous work* and give primary attention to workers in especially hazardous occupations in sectors where the risks to life and safety are manifestly high, such as agriculture, mining and construction, workers in the informal sector, and those occupationally exposed to abuse and exploitation, such as women, children and migrants.
94. *SafeWork* will adopt an integrated approach, including non-traditional aspects of workers' health and safety such as drugs and alcohol, stress and HIV-AIDS. The programme will also make extensive use of gender analysis and planning. There will be strong links within the social protection sector and links with other sectors, InFocus programmes and the field. A key component of *SafeWork* is its *global technical cooperation programme*. Partnerships with donors will be strengthened to mobilize additional external resources.
95. Specific strategies are elaborated below for each of the four goals, and include advocacy, building of the knowledge base, capacity building for constituents and support for direct action programmes.
96. *Showing that protection pays*. The prevention of accidents, improvement of working conditions and enforcement of standards are often seen as a cost to business. Little is known about the costs of *not* preventing accidents or poor working conditions, or of the benefits of improvements for productivity and competitiveness. Better information and analytical tools can help increase firms' and governments' willingness to invest in prevention. This strategy will have two main thrusts: extending the knowledge base through a major drive for comprehensive, reliable and sustainable data, and new research on the economics of labour protection. The programme will foster the development of a safety culture worldwide. It will thus demonstrate that prevention policies and programmes benefit all ILO constituents.
97. *Protecting workers in hazardous conditions*. Priority must be given to workers in the most hazardous occupations and sectors, such as mining, construction or agriculture, or where working relationships or conditions create particular risks, such as very long working hours, exposure to hazardous chemicals, work in isolation and work by migrants, etc. The ILO will make use of its extensive experience in the development of standards, codes of practice and technical guides in exploiting the world's information resources, and in developing means of practical action. Member States will be encouraged to set objectives and targets for the protection of workers in hazardous conditions. Particular attention will be given to strengthening the advisory and enforcement capacity of labour inspectorates.
98. *Extending protection*. The large majority of workers whose conditions are most in need of improvement are excluded from the scope of existing legislation and other protective measures. Existing policies and programmes need to be reviewed to extend their coverage. This will go hand in hand with action to strengthen labour inspectorates' capacity to develop broad prevention policies and programmes and to promote the protection of vulnerable workers, particularly women workers. Alliances and networks will be extended to include ministries of health, industry, local government, education, and social services, as well as local community groups. Emphasis will also be placed on achieving tangible results through practical action and exchanges of information on good practices.

99. *Promoting workers' health and well-being.* The strategy to promote workers' health and well-being will involve the establishment of a data bank on policies, programmes and good enterprise-level practices so as to improve constituents' capacity to identify workers' protection issues and to provide guidance on new approaches. Governments' capacity for prevention, protection, and the application and enforcement of key labour protection instruments will be strengthened.

Major outputs

100. The major outputs will be the following.

- Protecting workers in hazardous jobs:
 - a *World Report on Life and Death at Work*, presenting the world situation regarding risks, accidents and diseases, policies and experience, and guidance for future action;
 - a *film on safety and health*, focusing on manifestly hazardous conditions;
 - new standards on safety and health in agriculture established through tripartite agreement;
 - a review of standards on occupational safety and health to determine the action needed to update and possibly consolidate them, and to translate them into practical policy and programmatic tools such as codes of practice and guidelines;
 - tools and guidance for member States to facilitate the ratification and implementation of ILO standards;
 - harmonized chemical labelling systems, safety data sheets and hazard communication methods;
 - guidelines for radiation protection and the classification of radiographs of pneumoconiosis;
 - a *rapid response capacity*, especially on chemical safety and health issues, including readily accessible networks and timely information.
- Extending protection to all workers.
- Training programmes and tools for SME owners to promote labour protection and improve productivity:
 - strengthening the effectiveness, efficiency and coverage of labour inspection systems;
 - guidelines for the extension of labour protection to informal sector workers;
 - partnerships with community organizations and others to develop and implement approaches for reaching out to hard-to-reach groups of workers.
- Promoting workers' health and well-being:
 - a data bank on policies, programmes and good enterprise-level practices;
 - training methodologies and diagnostic tools;
 - guidelines on occupational health care for all;
 - programmes to prevent and deal with the effects of workplace problems, including drugs, alcohol and stress.
- Showing that protection pays:
 - a statistical programme to develop new survey tools, carry out national surveys;
 - better national and global estimates of occupational fatalities and injuries;

- report on the economics of accidents and preventive measures;
- tools for inspection services to promote the benefits of prevention;
- guides on occupational safety and health management systems and safety culture;
- tools to reduce work-related environmental damage.
- Promoting national and industry-based action:
 - a global technical cooperation programme on safety, health and the environment;
 - national and industry-level programmes of action to tackle priority issues.

InFocus Programme on Socio-Economic Security

- 101.** While always widespread, especially in developing countries, socio-economic insecurity seems to be growing. Some of the anxiety reflects economic trends, including changes due to globalization and new technologies; some is related to labour market developments, including the spread of more flexible and informal forms of labour; and some results from the inadequacy of social protection systems, including the fact that a growing majority of the world's population is excluded from coverage by statutory social security schemes, notably most of those in informal production and employment. The persistent and deep-rooted expression of extreme poverty, structural unemployment and social exclusion are systemic sources of insecurity.
- 102.** These trends and policy failures make it urgent to seek new ways of promoting socio-economic security as the basis of social justice and economic dynamism. Basic security for all is essential for decent work and decent societies, and for sustainable development. Creating basic security is advantageous for employers, who can secure more cooperation and efficiency; vital for workers, because it is a dimension of human dignity and self-worth; and essential for governments, which can thereby achieve a better balance between competing policy objectives.
- 103.** This InFocus programme represents an initiative to extend the capabilities of the ILO and its constituents in this crucial field. It represents a new, integrated response to the exhortation in the Declaration of Philadelphia to seek ways of creating conditions of "freedom and dignity, of economic security and equal opportunity", in which "all human beings, irrespective of race, creed or sex, can pursue both their material well-being and their spiritual development".

Goals

- 104.** The new programme has the following goals:
- help develop policies and institutions that provide a growing proportion of the world's population with social and economic security, so that they can obtain and retain decent work, develop their skills and competencies, and have an opportunity to live in economic stability;
 - identify ways in which the poor and economically insecure can obtain minimal income security most effectively;
 - identify cost-effective and equitable ways in which social protection can be extended to all groups currently excluded from mainstream statutory social security schemes, including the extension of such schemes, the development of new approaches, and stronger linkages between statutory and other means of social protection;

- ensure that policy-makers are assisted in introducing schemes to promote social and economic security, and are advised on the advantages and disadvantages of alternative policy options;
- promote the income and labour market security of the unemployed, consistent with the encouragement of jobseeking and assurance of support to engage in socially useful activities;
- reduce differences between groups with regard to socio-economic security, notably gender differences, and to promote policies to deal with forms of insecurity affecting particular groups, such as workers with disabilities.

Strategy

- 105.** Socio-economic security is multi-dimensional. The programme will bring together the following aspects of the issue in an integrated manner: income security, employment security, job security, labour market security, workplace security, skills development and representation. In doing so, trade-offs and linkages between forms of security will be considered: for example, the need for employment security and the means of providing it are closely related to issues of income security. Moreover, men and women are affected by different forms and levels of insecurity. Women's insecurity has often been neglected; the programme will give considerable attention to gender differences and the specific needs of women workers.
- 106.** As this is a new programme, it will be essential to begin by building up a sophisticated knowledge base. The development of a worldwide statistical database will receive high priority. This work, which will be undertaken in collaboration with other ILO statistical activities, will include the generation, collation, processing and analysis of statistical information on different aspects of security from across the world. Innovative surveys will be conducted in selected countries to assist in the identification of patterns of security and insecurity, both at the individual level and in the workplace.
- 107.** In view of the critical importance of the exclusion of many people from coverage by statutory social security schemes, a special component of the InFocus programme will aim at the extension of social protection to as large a proportion as possible of the population. It will develop an integrated set of activities around the following aims:
- to improve the knowledge base on the extent, structure and reasons for exclusion from social protection coverage;
 - to assess the effectiveness of existing ways and means to extend social protection, and develop new ways of improving coverage, both of conventional social security schemes and of innovative community-based and other schemes;
 - to develop and disseminate elements for new policy options to extend social protection, and to promote their implementation.
- 108.** This work will be used to reinforce the ILO's operational capacity to deliver technical cooperation and other services aimed at extending the coverage of social protection. It will also strengthen the Organization's advocacy role in the field of income security.
- 109.** The InFocus programme will select a number of spheres of social protection for detailed assessment. Thus, it will examine reforms in unemployment benefit systems so as to determine best practice schemes for different types of economies and labour markets. It will make an objective assessment of experience with "workfare" and "welfare-to-work" schemes, to consider to what extent they offer labour market and income security for marginalized and disadvantaged groups. There will be an international analysis of care

work, an issue of concern to women everywhere. The programme will examine what governments have been doing to compensate and legitimize care work.

- 110.** Close collaboration will be established with other ILO programmes with a bearing on socio-economic security, such as the *SafeWork* InFocus programme in connection with the search for methods of improving work security in workplaces and in labour markets, and the InFocus Programme on Strengthening Social Dialogue in relation to security of representation and the participation of workers' and employers' organizations in strategies to extend security.
- 111.** Through all its activities and outputs, the programme will aim to increase public knowledge of levels, trends and causes of insecurity, will advocate improvements in socio-economic security, and will develop the expertise needed to advise and assist the ILO's constituents in introducing policies and practices enhancing socio-economic security.

Outputs

112. The main outputs anticipated for 2000-01 include:

- a report examining the implications of alternative forms of policy "targeting" and selectivity as compared with more universalistic schemes of social protection;
- reviews of innovative ways of extending social protection and economic security in three areas: statutory social security systems, micro-insurance schemes and the linkages between them, and a website providing information on the effectiveness of different approaches;
- technical cooperation projects aimed at the extension of social protection;
- major reports and symposia on a number of aspects of socio-economic security, including unemployment benefit systems; policies linking "welfare to work"; means of providing protection for carers; schemes to ensure "lifetime" flexibility with economic security, with particular attention to the growing number of older workers; and "stakeholderism" and income-sharing schemes as ways to spread economic security, highlighting schemes that could appeal to both employers and workers;
- an international data bank based on enterprise labour flexibility and security surveys, designed to assist member countries in developing the capacity to identify good practices;
- detailed studies in selected countries on statistical trends in social protection and public expenditure;
- a series of policy manuals on security policies for specific groups, for use by policy-makers, employers' organizations and trade unions, the first two being on women workers and on workers with disabilities;
- the development of a set of statistical indexes of socio-economic security.

D. Social dialogue

Table 12: Social dialogue

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total Resources
	(in constant 1998-99 US\$)				
Regular budget					
Employers' activities	18 / 4	7 / 0	3 408 832	2 367 434	5 776 266
Workers' activities	42 / 3	18 / 4	7 967 871	6 543 398	14 511 269
InFocus Programme on Strengthening Social Dialogue	18 / 0	10 / 0	3 627 120	681 260	4 308 380
Sectoral activities	39 / 6	12 / 0	7 098 026	2 618 720	9 716 746
Government, labour law and administration	14 / 4	8 / 0	2 840 044	846 000	3 686 044
Executive Director's office and common services	6 / 0	10 / 0	1 912 253	1 293 600	3 205 853
2000-01 total	138 / 5	65 / 4	26 854 146	14 350 412	41 204 558
1998-99 total	144 / 3	74 / 0	28 363 043	13 761 073	42 124 116
Other sources					
2000-01 total	8 / 0	2 / 0	1 390 144	25 457 635	26 847 779
1998-99 total	2 / 11	3 / 9	797 300	31 796 425	32 593 725

Structure of the sector

113. The structure of the sector is as follows:

- (a) *The Bureau for Employers' Activities.* Employers' activities strengthen employers' participation in and support for the ILO, and thereby enhance tripartism within the Organization. Employers' activities also strengthen employers' organizations in order to improve enterprise performance and to strengthen tripartism in member States. First, employers' activities act as the interface between the ILO and employers through the latter's respective organizations as they address social issues. This role involves bringing employers' views, concerns and priorities to the attention of the Office; keeping employers' organizations informed of ILO policies and activities; and facilitating the participation of employers' organizations in ILO activities. Secondly, employers' activities bring to employers' organizations technical cooperation to strengthen their capacity to influence the policy and legal environments to make them more conducive to enterprise growth and development, to provide direct services to their members in order to enhance enterprise performance and competitiveness, to participate effectively in tripartite and bipartite dialogue, and generally help them to improve the management of their organizations. Thirdly, in order to support its technical cooperation activities, the Bureau will engage in donor development activities, mobilizing external resources to strengthen employers' organizations.
- (b) *The Bureau for Workers' Activities.* The overall objective of the Bureau is to strengthen representative, independent and democratic trade unions in all countries, to enable them to play their role effectively in protecting workers' rights and interests and in providing effective services to their members at national and international levels, and to promote the ratification and implementation of ILO Conventions. In order to achieve these overall objectives, the Bureau has two major recurrent activities, namely support of the Workers' group of the Governing Body, relations and institution building; and general workers' education. Thus, activities will be carried out that safeguard full awareness of trade union priorities and policies in all ILO activities, and ensure that trade unions are familiar with and continue to support ILO objectives, and that Workers' delegates to ILO meetings are assisted so that they can effectively represent workers' interests. Secondly, the Bureau promotes and assists the

development of institutions of workers' education and the delivery of coherent and sustained workers' education programmes within the structure of trade union organizations at the international, regional and national levels. During the 2000-01 biennium, the Bureau will also cooperate and help workers' organizations to strengthen their capacity to deal particularly with the following specific issues: trade union perspectives on economic and social policies in the context of globalization; the promotion of standards and follow-up on the ILO Declaration of Fundamental Principles and Rights at Work; child labour; and workers in the informal sector.

- (c) The *InFocus Programme on Strengthening Social Dialogue*, described in detail below.
- (d) *The Sectoral Activities Department*. Through the use of different ILO means of action, continuing attention will be given by the Sectoral Activities Department to social and labour issues in 22 sectors of economic activity. They will refer to employment, labour relations, human resources development, training and training needs, working conditions, safety and health, etc., but also to the social and labour effects of globalization, structural adjustment and privatization. These issues and problems will be identified through research and information gathering among ILO constituents and other organizations active in each of the sectors. Among the means of action are 12 sectoral meetings, which will have to be prepared and organized. The issues they will address are relevant to one or more of the Strategic Objectives, but each reflects a unique sectoral perspective. Emphasis will be placed on follow-up on the output of recent meetings, linking them also with the strategic and Operational Objectives of other sectors. Sectoral activities will be more integrated into the ILO's overall programme, with close linkages to the different InFocus programmes, to the other sectors and to the field structure. The full range of sectoral activities will also target opportunities to promote social dialogue at the sectoral level. Technical cooperation activities will continue to be developed with a view to mobilizing increased extra-budgetary funding. A paper will be submitted to the Governing Body in March 2000 reviewing the Sectoral activities programme, bearing in mind the Operational Objectives under Strategic Objective No. 4 and the need to provide more efficient servicing and focusing of sectoral activities and other sectoral meetings in the context of the ILO's Strategic Objectives. These activities help to strengthen the ILO's relationships with international trade secretariats and employers' sectoral organizations.
- (e) *The Government and Labour Law and Administration Department*. This new unit is an important innovation. In parallel with the Employers' Activities Branch and the Workers' Activities Branch, it will provide a unique concentration of services to build the capacity of labour ministries and other relevant government agencies to participate in social dialogue as well as to facilitate the process of social dialogue. This includes the traditional functions of support for government and labour law and administration, but it is intended to cut across all of the support needs of labour ministries and related units of government to influence economic and social policy. Special attention will be given to the demands of structural adjustment and the problems posed by public sector reform, as well as the need for competent and effective public services. The concerns of employers' and workers' organizations in relation to labour law and labour administration will also be addressed. The unit will also launch an inter-sectoral programme for the strengthening of the overall management and structure of labour administration, including labour inspection and employment services. Attention will also be given to the process of labour law reform as a central component of the promotion of tripartism and social dialogue.
- (f) *A common services unit* will provide support services for the sector as a whole, including consolidation, development and maintenance of information services (websites, LAN services, documentation): coordination of the cross-cutting issues of gender and development, including support to the Social Dialogue Sector's Gender

Task Force; and servicing of meetings. It is expected that this will provide new opportunities to improve the efficiency and quality of such services, as well as to facilitate a more cohesive approach to the development and implementation of programmes and activities within the sector.

Table 13: Strategic Objective No. 4 - Strengthen tripartism and social dialogue

Operational Objectives	Performance indicators	Targets
<p><i>4a. Recognition of social dialogue</i></p> <p>To promote social dialogue so that its fundamental role as an instrument of democracy and rights at work, negotiations for consensus building and economic and social development is better understood and more widely accepted and used</p>	The number of policy initiatives taken by ILO member States to promote social dialogue	To be defined after development of baseline data
	The extent to which the results of ILO meetings, ILO publications and information products and ILO advice are used in collective bargaining and other forms of social dialogue at the (a) national level, (b) enterprise level, (c) regional and international levels; and (d) sectoral level	To be defined after development of baseline data
<p><i>4b. Institutions of social dialogue</i></p> <p>To strengthen institutions, machinery and processes of social dialogue in ILO member States</p>	Effectiveness and volume of ILO technical cooperation that supports collective bargaining, tripartite consultation and other mechanisms and processes of social dialogue	20 per cent increase in delivery of relevant technical cooperation. Baseline developed on effectiveness using external evaluation data
	The number of member States that establish new tripartite advisory bodies or tripartite governance of labour-related institutions	At least five major initiatives receiving ILO support
	The number of ratifications of Convention No. 144 and the effectiveness of subsequent tripartite consultation on the ratification of ILO standards	10 ratifications. Baseline developed on effectiveness
<p><i>4c. Stronger social partners</i></p> <p>To strengthen the representation, capacity and services of the parties to social dialogue</p>	The number of employers' and workers' organizations that have established new services for their members or have significantly strengthened their capacity to provide such services	To be defined after the development of baseline data
	The number of employers' and workers' organizations that have instituted policies or specific initiatives to extend the representation of their organizations, for example as regards enhanced gender representation, links with the informal sector and small enterprises	To be defined after development of baseline data
	The number of governments that have improved the effectiveness of their labour administrations or legislative frameworks on social dialogue	To be defined after the development of baseline data
	Effectiveness and volume of ILO technical cooperation that strengthens employers' and workers' organizations and labour administrations	20 per cent increase in delivery of relevant technical cooperation. Baseline developed on effectiveness using external evaluation data

InFocus programme descriptions

InFocus Programme on Strengthening Social Dialogue

- 114.** Social dialogue is one of the most critical factors influencing the achievement of the ILO's overarching objective of social justice through decent work in stable and democratic societies. It plays a pivotal role in identifying the important labour and social concerns of ILO constituents and thereby defines the programme of work of the ILO. Social dialogue is understood to include all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.
- 115.** Increasingly, constituents are also interacting with specific interest and advocacy groups active in civil society. Business is concerned with stakeholders' attitudes and goals. Trade unions are reaching beyond organized labour for partnerships on specific issues. Governments are engaging more widely in policy consultations. International organizations are themselves reaching out and responding to different expressions of opinion in their fields of competence. The ILO must understand, monitor and benefit from this evolution to ensure that its tripartite analysis and policy proposals both express and are shared by as wide a public as possible.
- 116.** The ILO's standards, fundamental principles and rights at work, and particularly the right to associate and to bargain collectively are prerequisites for effective social dialogue. These rights cannot be realized, however, if governments and the social partners do not have the capacity to exercise their rights, or without an institutional framework to facilitate social dialogue on specific substantive issues. Social dialogue plays a key role in promoting the effective participation of the social partners in setting and achieving sustainable development objectives, especially those arising from the Social Summit and *Agenda 21*.
- 117.** Despite the ILO's past efforts and the efforts of the ILO's constituents, there remains a widespread lack of recognition, understanding and support for the important role of social dialogue, especially in involving workers' and employers' representatives and ministries of labour and employment in the design and implementation of critical economic and social policies. Too many important social and economic decisions affecting the work and lives of many different groups of people are taken without consulting those most concerned. Examples of decisions rejected or ignored because they were taken without the involvement or support of the very groups that the decisions affected abound throughout the world. Social dialogue between tripartite or bipartite partners interacting as necessary with other groups, which leads to decisions that are fully understood and supported by civil society and public opinion at large, is of key importance to balanced and fair economic and social development. Consensus-building on difficult issues contributes to social harmony and political stability.

Goals

- 118.** The InFocus Programme on Strengthening Social Dialogue is designed to promote the benefits of social dialogue, both as an end in itself, and as a means of action essential for the success of all the ILO's Strategic Objectives. It aims to promote the use of social dialogue at all levels by the ILO's constituents and others as appropriate. Simply stated, the task of the InFocus programme is to rapidly move social dialogue to the top of the economic and social development agenda, where it belongs. It will generate innovative approaches to enhancing and widening understanding, acceptance and the use of social dialogue in the twenty-first century.

Strategy

119. The programme will support all three of the Operational Objectives of the Social Dialogue Sector, namely:

- promoting social dialogue;
- strengthening the institutions of social dialogue;
- strengthening the parties to social dialogue.

120. During the first stage (the 2000-01 biennium), the programme will give priority to the first and most basic of these objectives, promoting social dialogue as such, with a combination of knowledge accumulation, technical service and a substantial advocacy campaign:

- Knowledge
 - demonstrate the effectiveness of social dialogue through an applied and practical research programme, starting with selected countries and selected sectors;
 - analyse the benefits and costs of social dialogue;
 - progressively build a good practice database;
- Service
 - mobilize the technical and institutional support necessary to promote and facilitate the use of social dialogue at all levels, acknowledging national, regional and developmental differences in needs;
 - serve as an ILO and global clearing-house mechanism on information related to social dialogue;
- Advocacy
 - build public confidence and trust in the institutions and mechanisms of social dialogue;
 - implement an advocacy campaign to promote social dialogue.

121. Although the emphasis in 2000-01 will be on promoting the very concept of social dialogue as a Strategic Objective, all three Operational Objectives are linked and interdependent. Therefore, during the next biennium and in support of Operational Objective 2, the InFocus programme will develop and launch an action plan to strengthen the institutions, machinery and processes of social dialogue in ILO member States, as well as in regional groupings and international organizations. This will include diagnosis of existing institutions for social dialogue to assess their strengths and weaknesses, identifying innovative and effective institutions and processes for replication in other settings, and launching a programme of technical support for establishing or revamping institutions in selected countries. For Operational Objective 3 during the next biennium, the InFocus programme will support the work of the ILO's Bureau for Employers' Activities and the Bureau for Workers' Activities on strengthening the capacities of the parties to engage in and contribute to social dialogue, as well as contributing to new activities on the strengthening of governments for social dialogue.

122. The advocacy campaign of the InFocus programme will be directed primarily to national efforts, but there is also an opportunity to promote dialogue at other levels. At the community, enterprise and sectoral levels, for example, the InFocus programme will assist ILO constituents who wish to better exploit the potential benefits of interactive alliances and partnerships with community-based groups, women's organizations, NGOs and other groups in civil society. The Sectoral activities programme will provide substantial support

to the InFocus Programme on Strengthening Social Dialogue through tripartite sectoral meetings and other activities at the international, regional and national levels. Attention will also be given to the strengthening of social dialogue at the subregional, regional and international levels, including the involvement of employers' and workers' organizations and ministries of labour in dialogue with the Bretton Woods institutions and the regional development banks.

- 123.** In addition, the InFocus Programme on Strengthening Social Dialogue will ensure the conscious and proactive integration of the cross-cutting themes of gender and development in the advancement of the three Operational Objectives. The interaction between these two cross-cutting themes is especially important for the promotion of social dialogue, since sustainable development cannot be achieved without the full integration of women and men into the process. Social dialogue is an important tool making full integration possible. Many of the InFocus programme's activities will be built around collaboration with other InFocus programmes in technical fields that are themselves the subject of dialogue.

Major outputs

- 124.** The following are some of the most important outputs planned for the biennium. All materials will be widely distributed within and beyond the tripartite constituency:

- promoting social dialogue:
 - case studies of best practices for social dialogue and research on its role, benefits and costs;
 - information and training materials on ways and means of promoting the use of social dialogue;
 - guidelines on how to address gender inequalities and to improve the gender balance among ILO constituents and social dialogue institutions;
 - information and training materials on the use of social dialogue to deal with key issues in the world of work, for example, SafeWork, employment, skills development and the promotion of the ILO Declaration;
 - pilot projects and programmes in all ILO regions to promote and support social dialogue;
- strengthening social dialogue institutions:
 - development of a methodology for the diagnosis of institutions and machinery for social dialogue, applied to case studies of successful social dialogue;
 - information and training programmes on creating and strengthening social dialogue institutions, and on the legal framework and basic standards for social dialogue;
 - new partnerships and alliances between the ILO and other international and regional institutions in this field;
- strengthening the representation, capacity and services of the parties to social dialogue:
 - employers' and workers' organizations and labour administration officials have significantly strengthened capacity in the techniques of social dialogue and on the substantive issues that are the subject of social dialogue;
 - employers' and workers' organizations have instituted policies or specific initiatives to extend their representation, for example, to enhance their gender balance and links with the informal sector;

- more effective coordination and implementation of ILO activities at headquarters and in the field related to social dialogue; improved ILO capacity to respond quickly to requests for support from its constituents.

E. Cross-sectoral programmes

International Training Centre of the ILO, Turin

125. The ILO Turin Centre is an important instrument for the delivery of ILO training programmes in the areas of employment, labour rights, social protection and development management. Its activities are being reviewed in the light of the overall Strategic Objectives proposed for the ILO. The potential contribution of the Turin Centre will be systematically taken into account in ILO programming when establishing workplans to implement the four Strategic Objectives, whether at headquarters or in the field, through technical cooperation programmes and projects. As regards ILO technical cooperation in general, the Centre should help in the areas of resource mobilization, project management and evaluation and the optimum utilization of administrative services for technical activities. The Centre should become an important instrument providing training programmes for ILO officials. Within the United Nations family, the ILO will support the role of the Centre and the Staff College as the main training institution for all agencies of the system. There should be greater collaboration between the Turin Centre and the Institute in all these areas. The Turin Centre will be fully used as a conduit for communications and the dissemination of information for the ILO. In future, the Centre should systematically incorporate ILO products into its courses and training material, such as the Declaration, studies by the Institute and operational guidelines developed by technical departments. In this way the ILO could extend its outreach to its constituents, to the UN system at large and to major regional and national institutions. The ILO Turin Centre will receive the same level of regular budget resources as in 1998-99.

International Institute for Labour Studies

126. The programme and budget proposals of the Institute will be submitted to the Governing Body through its Board. These proposals reflect the new strategic orientation of the ILO, while preserving the Institute's autonomy and flexibility of action. The Institute has traditionally performed three functions for the ILO: to act as a catalyst for future ILO programme development; to be a forum for informal dialogue; and to provide educational programmes for the ILO's constituents. These functions will be further strengthened, but placed within a new programme context. The primary goal would be to elaborate in the longer term the paradigm of decent work with the ultimate aim of helping to create a framework for economic and social policy-making. This will involve research to explore the inter-relationships and interfaces between the four Strategic Objectives, and to identify complementarities and potential trade-offs. This will complement the work of the technical sectors and help ensure greater coherence in the pursuit of the ILO's Strategic Objectives. It will also help to identify the macroeconomic policies necessary to achieve decent work in particular national settings, together with the social aspects of good governance. The Institute will also contribute, through its research programmes, to the development of global policies integrating social and economic goals, and so provide in-depth support to the work of the International Policy Group described in the following section. A second programme will develop the Institute's role as a forum for policy dialogue, learning and interaction between the ILO, its constituents, the academic community and other policy-makers. The Institute will work closely with the strategic sectors and with Office units, and will be supported by a consultative panel of distinguished academics. It will also work

closely with the Bureau of Programming and Management in the process of strategic planning and research policy development for the Office as a whole.

International Policy Group

127. This is a new unit that will provide the backstopping for the ILO's dialogue with the international economic and financial community and the international system as a whole. It will articulate and promote the ILO's mandate for a social dimension of development, including the responsibility to promote full employment and decent work while respecting fundamental principles and rights at work. The specific functions of the International Policy Group will be —

- to develop an integrated framework for economic and social policy at the international level, in conjunction with other organizations of the UN system and the international system as a whole, on the basis of contributions from all sectors of the ILO;
- to monitor major economic and social developments of relevance to the ILO's work, with a view to identifying situations where ILO expertise and values need to be deployed;
- to prepare ILO policy statements on international economic policy issues, in support of ILO participation in relevant international meetings.

128. Much of this work involves bringing together in a consistent framework the results of research undertaken within different sectors of the ILO. To manage the integration and coordination of these different activities, the work of the unit will be supported by a cross-sectoral committee. The unit will take advantage of and extend past work, notably the country studies on globalization carried out for the Governing Body's Working Party on the Social Dimensions of the Liberalization of International Trade, and contributions to international policy development in the wake of the Asian financial crisis, in the G8 and in other forums. Given the innovative nature of this unit, regular information on its work will be supplied to the Governing Body.

Gender equality

129. In accordance with his undertaking in the Strategic Budget proposals, which he has frequently reiterated since he took office, the Director-General has pledged his full support to advance gender equality and lead efforts to promote a strong consensus on this goal within the Organization. To meet this aim, in addition to activities already outlined in the earlier programme and budget proposals that were designed to promote gender equality in the world of work, additional emphasis will be placed on gender analysis, planning and action to promote gender equality under each Strategic Objective. In addition, the Director-General proposes a very substantial increase in resources from \$1,118,250 to \$2,103,300 (in constant dollars). In order to reflect the new functions, the name of the programme will be changed to Gender equality. The Bureau for Gender Equality reports to the Director-General and replaces the Office of the Adviser on Women Workers' Questions. Its main planned additional activities are the following:

- Support for the full implementation of a *gender mainstreaming strategy* in all aspects of the ILO's work at headquarters and in the field. This will include capacity-building of constituents and ILO staff, the development of tools, indicators and guidelines for gender mainstreaming and the sharing of experiences and lessons learned. Office-wide mechanisms will be put in place to ensure the effective mainstreaming of gender in ILO work at all levels. Within each sector, gender focal points will be replaced by

at least one or two full-time staff members responsible for overall gender mainstreaming. They will participate in a cross-sector task force to enhance the complementarities and synergies between the ILO programmes in relation to gender equality.

- An improved *knowledge base* on gender equality issues. The ILO collection of statistical data and other gender-related information and communication will be strengthened.
- Increased *visibility* of the ILO's contribution to gender equality. A range of information products will help to ensure that the ILO's work is well known, especially at the follow-up conferences planned on the Fourth World Conference on Women and the World Summit for Social Development.

Statistics

130. The ILO will continue its essential functions in support of the collection and development of labour statistics by member States, as described in the Strategic Budget. Work will be continued on statistics of hours of work and of productivity as part of the ground work for the next International Conference of Labour Statisticians, to be held possibly in 2003. In addition, a number of new statistical activities will support several of the InFocus programmes, in particular *SafeWork*, Child Labour and Socio-Economic Security. There will also be a new investment in statistics on conditions of employment and other parameters of the quality of employment in support of the basic message of the Director-General's Report to the 1999 Conference, *Decent work*. The new opportunities that have emerged for ready access to existing statistical data and indicators require a new Office-wide strategy for the statistics to be collected, managed and disseminated by the ILO, so as to enhance their capacity to serve as key instruments for ILO action. The needs range from good macro-level social and labour data to methods of measuring skills or participation in social dialogue. There are also major new technological opportunities emerging that may be used to enhance the possibilities for data collection, management and dissemination at the national and international levels. There will therefore be an in-depth strategic review, based on expertise both within and outside the Office, to map out the key elements of a new statistical strategy for the years ahead.

Technical cooperation

131. In its discussion of the Programme and Budget proposals for 2000-01 in March 1999, the Governing Body requested information on the contribution of technical cooperation to the Strategic Objectives. The Conclusions concerning the role of the ILO in technical cooperation adopted by the International Labour Conference in June refer to the Declaration on Fundamental Principles and Rights at Work and the Strategic Objectives as the programming framework for technical cooperation. This will be achieved progressively. Constraints arise from the fact that current projects were negotiated before the objectives were approved, and project objectives inevitably reflect donors' and recipients' priorities in addition to those of the ILO. Despite these limitations, based on current approvals and projects under negotiation, it is possible to project the levels of extra-budgetary technical cooperation for 2000-01 that may be expected to fall broadly within the scope of each Strategic Objective. The following table shows this. The figures in the table are estimates, and do not take into account the potential results of resource mobilization following the Conference discussion earlier this year, in particular for follow-up on the Declaration.

Table 14: Estimates of expenditure on technical cooperation funded from extra-budgetary sources

	Estimates for 2000-01 (in US\$)	
Standards, Fundamental Principles and Rights At Work		43,086,000
Child labour	43,086,000	
Employment		133,826,000
Employment and training	39,496,000	
Vocational rehabilitation	2,894,000	
Enterprise development	4,058,000	
Entrepreneurship and management development	27,672,000	
Cooperatives	22,600,000	
Employment-intensive works, more and better jobs for women and poverty alleviation	37,106,000	
Social Protection		13,882,000
Occupational safety and health, drugs and alcohol	9,210,000	
Working conditions and international migration	908,000	
Social security	3,764,000	
Social Dialogue		24,832,000
Employers' activities	3,334,000	
Workers' activities	10,162,000	
Sectoral activities	2,416,000	
Labour law and labour administration	8,920,000	
Total		215,626,000

132. The table shows that more than three-fifths of extra-budgetary technical cooperation relates to employment. Another one-fifth concerns child labour. The regular budget partially offsets this concentration on two topics. RBTC and regular budget advisory services (especially the MDTs) place greater emphasis in particular on services to employers' and workers' organizations. The InFocus programmes, which have ambitious goals for the mobilization of extra-budgetary funds, should help to ensure the development of a solid technical cooperation programme under each Strategic Objective.

IV. Governance, Support and Management

A. Policy-making organs

Table 15: Policy organs

	Profes- sional (work-years/months)	General Service (work-years/months)	Staff costs (in constant 1998-99 US\$)	Other costs (in constant 1998-99 US\$)	Total resources (in constant 1998-99 US\$)
Regular budget					
International Labour Conference	2 / 1	0 / 0	6 585 767	3 454 740	10 040 507
Governing Body	0 / 0	0 / 0	0	2 161 778	2 161 778
Major Regional Meetings	0 / 0	0 / 0	264 900	302 100	567 000
Legal services	12 / 10	6 / 0	2 558 386	64 614	2 623 000
Relations, meetings and document services	127 / 6	224 / 0	43 865 779	4 389 844	48 255 623
2000-01 total	142 / 5	230 / 0	53 274 832	10 373 076	63 647 908
1998-99 total	144 / 1	241 / 0	54 222 439	11 413 947	65 636 386
Other sources					
2000-01 total	1 / 0	0 / 0	148 332	0	148 332
1998-99 total	1 / 0	0 / 0	148 332	0	148 332

133. The resources available within the policy-making organs envelope have been reduced by \$1,988,478 or 3 per cent in comparison to 1998-99. The reduction of some \$290,000 from the International Labour Conference is explained in paragraph 17 above. Recent experience shows that it is possible to save some \$100,000 under the Governing Body, as some members are unable to attend the sessions for their full duration. A reduction of some \$244,000 under Major regional meetings is possible, as the next European Regional Meeting will be held in Geneva, which is less costly than holding meetings outside Geneva. These reductions of some \$81,000 and \$1,274,000 under Legal services and Relations, meetings and document services are the result of efficiency measures.

B. Management Services

Table 16: Management Services

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources
	(in constant 1998-99 US\$)				
Regular budget					
General management	19 / 4	20 / 0	5 179 965	1 301 997	6 481 962
Personnel	41 / 1	60 / 6	11 971 916	3 663 149	15 635 065
Financial services					
Executive Director's office	2 / 0	2 / 0	603 216	9 497	612 713
Financial services	30 / 0	70 / 2	11 053 497	411 955	11 465 452
Programming and management	26 / 5	8 / 0	4 720 400	255 181	4 975 581
	2000-01 total	118 / 10	33 528 994	5 641 779	39 170 773
	1998-99 total	121 / 6	36 065 344	4 866 023	40 931 367
Other sources					
	2000-01 total	9 / 7	6 255 565	1 082 237	7 337 802
	1998-99 total	8 / 4	5 319 013	1 025 430	6 344 443

134. The reduction under general management of some \$1,356,000 is described in paragraph 17. A reduction amounting to \$229,000 is made under Personnel, which does not affect the level of resources devoted to staff training or maternity leave. Efficiency gains, amounting to some \$25,500 and \$150,000, are made under Financial services and Programming and management respectively. It should be noted, as indicated in earlier submissions, that these levels of resources do not permit investment in new financial systems for the Office and that the further development of PERSIS will also be constrained.

C. Support services

Table 17: Support services

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources
	(in constant 1998-99 US\$)				
Regular budget					
External relations and partnerships	16 / 0	18 / 0	3 680 592	947 608	4 628 200
ILO library	21 / 10	31 / 6	6 067 878	1 394 122	7 462 000
Information technology and communications	48 / 0	32 / 0	9 996 204	2 132 256	12 128 460
Internal administration	14 / 0	178 / 0	19 125 588	13 287 412	32 413 000
Publications	23 / 0	14 / 0	4 729 337	890 663	5 620 000
Public information	17 / 0	11 / 0	3 503 328	2 319 199	5 822 527
	2000-01 total	139 / 10	47 102 927	20 971 260	68 074 187
	1998-99 total	132 / 0	46 376 442	23 106 508	69 482 950
Other sources					
	2000-01 total	11 / 0	4 196 968	2 133 032	6 330 000
	1998-99 total	10 / 0	4 783 645	1 963 450	6 747 095

135. Paragraph 17 above describes the budgetary changes introduced within this sector. The main changes relating to the new Bureau for External Relations and Partnerships (formerly International Relations) are described below.

136. The scenario of international relations has changed dramatically. Globalization and its consequences require the construction of an integrated framework for coherent international policies, based on concerted action by the various actors in the international community, while respecting the mandate of each institution. This requires enhanced, continued, targeted and substantive dialogue and partnerships among the increasing number of players on the global scene. The ILO is called upon to play a significant role in the international community. The current concern about the social impact of globalization and the growing awareness of the centrality of workers' rights, employment, social protection and social dialogue, have put the ILO in a more visible position vis-à-vis other international organizations. The ILO's normative base, in-depth technical knowledge and tripartite constituency provide it with a unique institutional strength and solid potential for a leadership role in, and effective partnership with, the international community. In particular, the ILO is well-placed to ensure that inputs from the business community and trade unions are brought to the attention of the UN and other multilateral bodies. To respond to these demands and opportunities, resources for External relations and partnerships have been increased. The additional resources will be used:

- to identify and exploit further opportunities to heighten the profile of the ILO and assert its distinctive position in matters of concern to it within the UN intergovernmental bodies and inter-agency mechanisms in the UN system, and taking into consideration the new demands imposed by the reform of the UN, (ECOSOC and its functional commissions, the General Assembly and the ACC etc.);
- to coordinate and provide Office-wide substantive contributions to follow-up on global conferences, and in particular, to the Special Sessions of the UN General Assembly on Copenhagen +5 and, in coordination with the Bureau for Gender Equality, on Beijing +5, as well as to the UN Millennium Assembly and Millennium Summit, to be held in 2000;
- to develop and strengthen targeted partnerships with entities of the multilateral system as a whole, and to explore and consolidate influential relations and partnerships with international groupings (G8, G15, G77, OECD) and regional trade and socio-economic cooperation networks (EU, APEC, ASEAN, OAU, NAFTA, MERCOSUR) in areas of special interest for the ILO.

Application of strategic budgeting to service and support services

137. Work has begun on the application of the techniques of strategic budgeting to programmes in the management and support services envelopes. These objectives and indicators are intentionally grouped for both sectors. Although each of them will be assigned to specific units for the purposes of accountability, the aim is to foster collective responsibility for the overall objective and the three performance indicators.

138. The overall objective is that the support and administrative services needed for the ILO to achieve its Strategic Objectives are delivered in an efficient and effective manner to constituents, stakeholders and staff.

Performance indicators

139. The indicators involved are:

- resources are allocated in accordance with the Organization's priorities;
- the sound management of resources and smooth running of the Organization;
- an increased level of credibility and influence in matters related to the world of work and strengthened status in the international community.

140. Under each indicator, key outcomes, outputs and activities are listed below. More precise measurement of achievements and the setting of targets are premature at this stage, but work will continue so that reporting on performance in 2000-01 will take place within a results-based framework.

Resources are allocated in accordance with the Organization's priorities

Expected key outputs and outcomes

141. These key outputs and outcomes are:

- strategic planning and budgeting approach implemented;
- continuous improvement of performance based on feedback (results, independent and self-evaluation, internal and external audits, client survey ratings, etc.);
- credible, relevant reporting of plans and results-based performance information.

Key activities

142. The key activities are:

- to monitor progress made under all key activities and report the findings to ILO management with recommendations for corrective action;
- to implement a strategic planning approach that will promote greater staff engagement in the planning of activities, risk management and accountability;
- to develop and implement an accountability framework, supporting measurement strategy and data collection systems;
- to implement an internal communications strategy to ensure organizational interaction and coherence, and to promote greater dialogue and integration of activities within the ILO;
- to improve knowledge management and its ready availability for both internal and external clients;
- to implement evaluations of ILO programmes on schedule;
- to take action on all relevant findings of internal and external audits.

Sound management of resources

Expected key outputs and outcomes

143. The expected key outputs and outcomes are:

- improved efficiency, effectiveness and productivity;
- client-focused internal services;

- a capable, motivated, representative workforce aligned to meet the ILO's needs;
- internal administrative rules adapted to the requirements of strategic budgeting.

Key activities

144. The key activities are:

- implement a comprehensive human resource development strategy with career development, enhanced staff capabilities, recognition and incentives for competence as top priorities for both Professional and General Service staff;
- develop service standards on accessibility, timeliness, speed, and quality of services in consultation with customers and staff ;
- provide regular management reports;
- rationalize and document financial policies and procedures;
- initiate action on the development of the successor financial system;
- complete the decentralization of financial responsibility and accountability;
- complete the implementation of the UN accounting standards, including accrual accounting;
- continue to implement the ILO's IT strategy;
- develop and apply a monitoring system and an evaluation strategy.

Positive image and strengthened status in the international community

Expected key outputs/outcomes

145. The expected key outputs/outcomes are:

- ILO seen as a focal point of expertise on international labour issues and related economic questions;
- increased clarity and perception of ILO issues, its role and initiatives in the media and communication outlets;
- ILO conferences and meetings managed to ILO constituents' satisfaction.

Key activities

146. The key activities are:

- develop and implement information and communication strategies and supporting marketing and press/media approaches;
- produce and distribute quality media material (video, press releases, photographs) on all major ILO studies and reports;
- develop and implement a print-on-demand capacity for documents not published;
- produce 15 to 20 high-quality topical new sales publications;
- in cooperation with the Turin Centre, assess training needs and develop and implement training and guidelines for technical cooperation design and resource mobilization, etc.;

- ILO actively participates in activities of the UN system and other international bodies on issues relevant to its mandate;
- develop external partnerships to enhance ILO understanding of issues and identify common policy, advocacy and communications interests;
- develop a communication, promotion and public relations campaign for technical cooperation;
- take the necessary steps to ensure the timely production and distribution of material for meetings and conferences;
- improve the accessibility and make more uniform the ILO's public website on the Internet.

D. The regions and technical cooperation

Table 18: The regions

	Profes- sional (work-years/months)	General Service	Staff costs	Other costs	Total resources
	(in constant 1998-99 US\$)				
Regular budget					
Development cooperation					
Executive Director's office	2 / 0	2 / 0	603 216	9 497	612 713
Development cooperation	13 / 1	6 / 0	2 476 141	91 407	2 567 548
Field programmes in Africa	143 / 0	322 / 0	27 978 143	12 472 555	40 450 698
Field programmes in the Americas	114 / 4	185 / 0	25 784 725	11 009 222	36 793 947
Field programmes in Arab States	29 / 1	44 / 0	5 646 297	2 439 456	8 085 753
Field programmes in Asia and the Pacific	128 / 6	284 / 0	28 644 735	11 175 933	39 820 668
Field programmes in Europe and Central Asia	41 / 0	58 / 0	8 835 730	3 742 816	12 578 546
2000-01 total	471 / 0	901 / 0	99 968 987	40 940 886	140 909 873
1998-99 total	474 / 6	900 / 3	100 746 206	38 578 667	139 324 873
Other sources					
2000-01 total	26 / 8	162 / 10	7 991 436	3 305 575	11 297 011
1998-99 total	22 / 10	129 / 6	6 732 208	2 620 753	9 352 961

147. There is no change under the envelope of the regional programmes in comparison to the Strategic Budget approved by the International Labour Conference in June 1999. The name of the Bureau for the Promotion of Active Partnership and Technical Cooperation has been changed to the Development Cooperation Department. A review of the field structures will be carried out in 2000, and the Conclusions concerning the role of the ILO in technical cooperation adopted by the Conference in 1999 will receive follow-up.

V. Further development of strategic budgeting

The Strategic Plan

- 148.** Considerable progress has been made in the last few months on strategic budgeting. There is agreement on four Strategic Objectives. Operational Objectives have been identified that will permit the development of a more focused and results-based management system. The internal structures of the Office have been aligned to the Strategic Objectives. InFocus programmes have been prepared that represent a considerable proportion of the technical work of the Organization. New strategies are in preparation to strengthen our external communications capacity and to develop new partnerships within and outside the UN system. Work has begun on the complex issues of identifying appropriate and measurable indicators and targets, a task that will continue through the next biennium.
- 149.** However, in order for strategic budgeting to become a full management tool, biennial budgets should be an expression of a longer-term plan. Important achievements usually require more time than that permitted by the short-term horizon of a budget. For 2000-01, circumstances made necessary the preparation of a Strategic Budget without this longer-term plan, but the need for it is still present. The Director-General proposes to prepare a Strategic Plan, work on which will begin after the present session of the Governing Body, and to present the Strategic Plan to the Governing Body at its session in November 2000.
- 150.** This process of change must encompass a deeper analysis of the external environment and of the Organization itself. There is a need to identify the issues facing us, to appraise them and to determine the appropriate courses of action for our future work. This analysis must also assess the ILO's competitive situation in the fields in which it works. The changes introduced thus far must cascade downwards to an analysis of operations and activities at lower levels of the structure so as to review their effectiveness and continued relevance and to align them to a common system of management. Most importantly, this must be done in a coherent manner embracing all of the ILO's programmes, and not in a piecemeal fashion. The Director-General has announced his intention to review regional operations. The Office's statistics function is to be reviewed and better integrated into the four Strategic Objectives. There are a number of follow-up activities to be undertaken on the Conclusions on the role of the ILO in technical cooperation adopted by the Conference in June. A new human resources strategy is to be put in place. Gender mainstreaming will be strengthened. A new role and functions are planned for the International Institute for Labour Studies. These initiatives and the resource requirements that they may occasion have to fit in with other priorities and with ongoing operations. Thus, an overall plan integrating these initiatives within the totality of operations, technical and administrative, is necessary.
- 151.** Work on the plan would proceed along two paths simultaneously. One would be an examination of the external environment to assess those factors that are changing in the world of work and on the international scene. A key issue is what our constituents in the broadest sense expect of us. The second would begin with an analysis of our internal strengths and weaknesses and of activities we can do more efficiently or do without. Strategies for achieving objectives would be reconsidered. This would also be the occasion for testing and developing the information bases for the indicators and targets selected for technical and support activities. The International Institute for Labour Studies will be closely associated with the preparation of the Strategic Plan.

152. The preparation of the Strategic Plan will involve wide consultations, beginning with the views of the staff of the Office. External expertise in the fields of work of the ILO will be solicited. Constituents in government, employer and worker circles will provide feedback on how they value present services and what other services they wish to have. The Governing Body will receive the Plan, discuss it and, if appropriate, adjust it. However, it is essential that the views of the Governing Body form part of the consultations for the preparation of the Plan. This can be done informally following practices already under way.
153. It is also proposed in March 2000 to submit to the Governing Body a progress report on the Plan, including the guidance sought from the Governing Body.
154. It is proposed that the Plan cover the period 2002-05, or two budgetary periods. It will contain, therefore, preliminary information on the Director-General's Programme and Budget proposals for 2002-03. In view of the work to be done on the Plan over the next ten months, the progress report to be presented in March next year and the information on the 2002-03 budget to be incorporated in the Plan, the Director-General proposes that there be no preliminary consultation paper on the next budget at the March 2000 session of the Governing Body. It is assumed that the Plan would be regularly reviewed by the Governing Body. Tentatively, the first occasion could be foreseen in November 2002.

Monitoring and reporting

155. As with many management ideas and techniques, terminology is bedevilling. In the ILO we refer to strategic budgeting while others refer to results-based budgeting or to performance management systems. They are inherently the same things. Perhaps the best definition is the one developed by an international group of public finance experts in a working paper, "Performance Management and Financial Management", issued by the OECD this year. Strategic budgeting (to use the ILO's term) involves:
- setting objectives, performance indicators and targets for programmes;
 - giving managers responsible for each programme the freedom to implement processes to achieve these objectives and targets;
 - measuring and reporting the actual level of performance against these objectives and targets;
 - feeding information about performance level into decisions on future programme funding, changes to programme content or design;
 - providing information from bodies that review ILO programmes and activities such as the Governing Body and the External Auditor into the decisions referred to above.
156. The general approach is to shift attention from resource inputs and controls on processes to outputs, outcome measurements and **ex post** controls. This has important implications for management systems. It implies greater delegation of authority to programme managers. Rules and practices governing the use of resources must become more flexible, but not at the expense of financial probity. Human resources management must be more clearly linked to objective measures of performance. Information systems to track performance must be developed. Changes in current systems will be introduced gradually and with care.
157. One immediate need is to have agreement on the nature and frequency with which the Director-General will report to the Governing Body on programme implementation. The essential principle would appear to be that reporting be on the basis of outcomes, and more particularly on progress in meeting objectives and targets. Major outputs would have to be

reported. Analytical information would be given on problems encountered in meeting objectives and targets, and on measures being taken to change strategies and resource levels to overcome planning errors or obstacles. What would not be reported unless specific requests were made would be listings of all the activities undertaken. Financial data should be integrated into these reports, although the limitations of the Office's financial systems would make such integration largely subjective.

158. It is proposed that there be reports to the Governing Body on programme implementation each year and that they be presented to the March sessions. A first report would be presented in March 2001, covering the year 2000. A report covering the whole biennium would be presented in March 2002. March would be preferable to November, as a report for November in the first year of the biennium would only cover seven or eight months of the year, and in the second year it would cover at best twenty months of the biennium. If this is agreed, then the cycle for reporting on programme and budget matters for the 2000-01 biennium would be as follows:

- March 2000: Progress report on the preparation of a Strategic Plan for 2002-05;
- November 2000: The Strategic Plan, with a preview of the Programme and Budget proposals for 2002-03;
- March 2001: Report on programme implementation in 2000;
- March 2001: Programme and Budget proposals for 2002-03;
- March 2002: A report on programme implementation for the biennium.

159. For subsequent biennia it may be best to await experience with the Strategic Plan before fixing a programme of reports to the Governing Body. Consideration will have to be given to whether the Strategic Plan should be updated, and if so, how frequently and whether a prior discussion on the future programme and budget remains necessary if the Strategic Plan is considered to be largely valid for the second biennium of the plan period. It is anticipated that a full revision of the Strategic Plan may be necessary in 2003.

160. There will need to be a lower level of objectives and targets for the purposes of internal management, linked to the objectives, indicators and targets described in this document. This lower-level system would have to be adapted to the characteristics of programmes, but would follow the principle of focusing on outcomes. A system now used in the Office — MERS (Monitoring, Evaluation and Reporting System) — is now under review to determine if it can be adapted for this purpose.

Evaluation

161. Past and current evaluation work in the Office has emphasized the need for good design, mainly of projects and of subprogrammes. Without good design, evaluation becomes almost impossible. Thus, projects and programmes must be coherent with higher-level objectives, they must be relevant to constituents' needs, and objectives must be clear and verifiable.

162. In respect of technical cooperation projects, established procedures provide that all projects be the subject of an annual self-evaluation; that all projects of a value of more than \$250,000 be subject to an independent evaluation at least once in the project's life; and that all phases of a project be subject to an evaluation (self or independent) before the start of a new phase. In 1998, 41 projects were subject to evaluation, of which 22 were independent evaluations and 19 self-evaluations. In addition, the Governing Body receives thematic evaluations of technical cooperation activities, a recent example being that on ILO projects

and programmes concerning occupational safety and health. A thematic evaluation will be presented to the next session of the Governing Body on the urban informal sector, covering regular budget and extra-budgetary resources. The Committee on Employment and Social Policy has recently reviewed evaluations of employment-intensive programmes and of job creation through enterprise and cooperative development. Evaluations have also been submitted of the child labour programme and of the Organization's vocational rehabilitation programme.

163. The task now is to integrate evaluation into the strategic budgeting process and to systematize it. Evaluation is important as a means of "feeding information about performance level into decisions about future programme funding and changes in programme content and design". It must therefore be linked to the budgetary process. It is also important that it be extended more than previously to programmes. It is proposed to continue with self-evaluation, for this is key to learning and improving performance. Independent evaluation is important when it is considered necessary to provide a new perspective to a programme or to improve transparency. It is also vital in assessing whether to discontinue programmes, although the experience of national administrations is that an evaluation per se is not a determining factor in these cases. Rather, the evaluation serves as one element in a dialogue between the evaluator, the programme and the political decision-making body.

164. In order to strengthen the evaluation function and to make it more visible and transparent to the Governing Body, a number of measures are necessary. Performing evaluations will be the responsibility of each of the sectors of the Office structure. Each sector of the Office must develop expertise in evaluation methodology, for which training will be necessary. The role of the central evaluation unit in the Bureau of Programming and Management will be to coordinate evaluation strategy, provide training and extend expertise and quality assurance and participate in selected major evaluations. It will also, in consultation with the sectors, draw up a biennial evaluation plan with the objectives and methodology defined, including those to be the subject of independent evaluation. This plan will be presented to the Governing Body, as will the results of major evaluations. The intention is to arrive at a cycle of evaluations that would cover all programmes within a prescribed time-frame. In addition, management audits, a form of evaluation, will be done for support units in the Office. The External Auditor has agreed to undertake a number of them in the coming biennium.

Personnel implications of the programme and budget

Table 19: Summary of Professional and General Service work-years in the 2000-01 Operational Budget

	Regular Budget		Other sources		Total	
	Professional	General Service	Professional	General Service	Professional	General Service
Headquarters						
1998-99	944/00	1018/03	50/01	105/06	994/01	1123/09
2000-01	955/04	974/09	66/01	115/10	1021/05	1090/07
Regions						
1998-99	474/06	900/03	22/10	129/06	497/04	1029/09
2000-01	471/00	901/00	26/08	162/10	497/08	1063/10
Total						
1998-99	1418/06	1918/06	72/11	235/00	1491/05	2153/06
2000-01	1426/04	1875/09	92/09	278/08	1519/01	2154/05

165. A comparison of overall staff resources from all sources of funds between 1998-99 and 2000-01 shows an increase of 27/08 Professional work-years in 2000-01 and 0/11 General Service work-years. Headquarters and the regions are affected differently within these totals. The regions show an overall increase of 0/04 Professional and 34/01 General Service work-years as compared with headquarters, which shows an increase of 27/04 Professional work-years and a decrease of 33/02 General Service work-years. This latter reduction can be dealt with by normal retirement, attrition and internal transfers. The effect of strategic budgeting will require enhanced capacities and competencies in a number of areas. The emphasis on outcomes rather than effort will affect working methods. The importance given to advocacy will call for a high level of personal skills in internal and external communications. There is to be a renewed emphasis on technical cooperation. Managing activities between headquarters and the regions where the two are bound by common objectives and targets will become more complex. All of this will require that staff be given opportunities to upgrade skills and acquire new ones. For this reason the Office's human resources strategy (on which a paper is before the Governing Body at its present session) is so important for the success of these new approaches to management in the ILO.

166. *The Committee may wish to recommend to the Governing Body that, in accordance with paragraph (b) of the resolution adopted by the International Labour Conference at its 87th Session (1999) relating to the Programme and Budget for 2000-01 and having regard to the provisions of article 15 of the Financial Regulations, it approve the detailed budget of expenditure by item for the biennium 2000-01 contained in table 2 of the present document.*

167. *The Committee may wish to recommend to the Governing Body that it endorse the planning, monitoring and reporting arrangements described in paragraph 158 above.*

Geneva, 8 October 1999.

Points for decision: Paragraph 166;
Paragraph 167.