



## SEVENTH ITEM ON THE AGENDA

**Reports of the Programme, Financial  
and Administrative Committee****First report: Financial questions****Contents**

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1. The Programme, Financial and Administrative Committee of the Governing Body met on 7 November 2001, chaired by Mr. A.L. Tou, Chairperson of the Governing Body. Mr. B. Botha (Employer spokesperson) was the Reporter.

## Programme and Budget for 2000-01 (First item on the agenda)

### Regular budget account and Working Capital Fund

2. The Committee had before it a paper<sup>1</sup> containing information on the 2000-01 regular budget account and the position of the Working Capital Fund as at 26 October 2001.
3. The representative of the Director-General (the Treasurer and Financial Comptroller) reported that since the preparation of the Office paper contributions had been received from the following member States:

Member State	Swiss francs
Argentina	225 000
Malawi	1 305
Papua New Guinea	22 855
Total	249 160

The amount received from Malawi was a payment against arrears of contributions; and of the amount from Papua New Guinea, 1,233 Swiss francs was a payment in advance for the year 2002. The remaining amount of 246,622 Swiss francs represented payments against current year contributions.

4. Mr. Blondel, speaking on behalf of the Worker members, congratulated Mr. Botha on his appointment as spokesperson for the Employers, and was sure that despite their sometimes divergent interests, the Employers and Workers would continue to collaborate closely in the work of this Committee. The document for consideration showed the usual information concerning budgetary income and expenditure as well as the contributions received and receivable from member States. It also included a list of member States which had lost the right to vote, and it was a matter of some concern to the Workers that 28 member States were now in this position.
5. Mr. Botha, speaking on behalf of the Employer members, observed that the Office paper showed an excess of income over expenditure at 26 October 2001 of \$31.3 million, but it would be useful to have some indication of the expected surplus at the end of the biennium and how the Office planned to deal with it. The paper showed that more member States had settled their contributions than at the same time last year, although for obvious reasons the financial amounts were lower, and the Employers would welcome some information about contributions still payable by the larger member States.

<sup>1</sup> GB.282/PFA/1.

6. The representative of the Government of the United States informed the Committee that a payment of just over 81 million Swiss francs towards contributions due had been authorized and was currently in transit to the ILO.
7. The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group of member States, said that as a general comment they again were concerned about the late release of PFAC papers, most notably the one now before the Committee and one concerning amendments to the Staff Regulations. The IMEC group appreciated the Office's efforts to provide up to date budgetary information but it was not easy to have discussions and prepare for meetings if key documents were not available in good time.
8. The Office paper showed an excess of income over expenditure of just over \$31.3 million as at 26 October 2001, but this did not include the payment of 81 million Swiss francs just notified by the United States representative. The Office would no doubt be making every effort to spend all of the approved budget by the end of the year but if a surplus still remained at that point IMEC would expect it to be refunded to member States as provided for in the Financial Regulations.
9. The representative of the Government of the Russian Federation associated himself with the statement made by the previous speaker.
10. The representative of the Government of Algeria, speaking on behalf of the African group, said that the late issue of the document meant that they had been unable to discuss fully this important question. They were vitally interested in the possibility of a cash surplus at the end of the biennium, how much it might be and how it might be used. Another matter of concern was the number of African countries which had lost the right to vote. The Office should examine whether it was possible for those countries to recover the right to vote and to pay their contributions by instalments.
11. The representative of the Government of Slovakia, on behalf of the member States of Eastern Europe, also expressed full support for the statement by the IMEC spokesperson.
12. Mr. Blondel said that news of contributions received was always welcome but the Workers were surprised that in the case of the major contributor there appeared to be no advance notification that such a large amount was on its way. One would hope that unannounced amounts of this size would not cause too much disruption to the Office, especially when one recalled the lengthy discussions that preceded the adoption of the budget. It seemed that the biennium would now finish with a cash surplus and this immediately posed the question of how it should be dealt with.
13. The representative of the Government of Japan also expressed support for the statement made on behalf of IMEC. At the moment the Japanese economy was going through a period of contraction, with unemployment now one of the largest social problems and the whole concept of decent work under threat. The Government was giving top priority to employment generation but funds were limited and budgetary contributions to the ILO was just one example of expenditure which reduced the resources available for domestic employment programmes. The same could well apply to other member States and the ILO should be aware of this when it drew up budgetary proposals. Any surplus for the current biennium should be reimbursed to member States in proportion to their contributions and it would be useful to have an estimate from the Office of what the surplus was likely to be.
14. The representative of the Government of Nigeria recalled that part of the 1998-99 surplus had been set aside to finance an Information Technology Systems Fund. In view of the demand for ILO activities the Office should use surpluses for programmes rather than return them to member States.

15. The representative of the Government of Algeria, speaking again on behalf of the African group, and referring to the possible surplus at the end of the biennium, pointed out that there were many priority programmes needing more funds and this is what it should be used for. The surplus could only have resulted in the first place from technical procedures rather than just the selection of which programmes should take precedence. Priority programmes in the ILO deserved every support and the surplus should be earmarked for that purpose. It would be useful to have from the Office an indication of programmes which would be the most suitable for this financing.
16. The Treasurer explained that it was impossible to say at the present time what the level of the cash surplus might be. The Office paper showed details of contributions collected and expenditure recorded to date. If arrears of contributions received were included, income received so far represented 89 per cent of total contributions due for the present biennium. About 83 per cent of the budget had been spent so far, but this figure was normally understated because of the delay in receiving information from more than 50 cost centres outside headquarters.
17. In reply to comments about the late issue of the Office paper the Treasurer explained that timing was entirely a matter for the Committee to decide. The former practice of issuing the document early brought criticism on the Office because the information and conclusions drawn from it were irrelevant by the time the Committee met, so it was decided that the paper should be issued closer to the meeting in order to give the latest possible information to members. But even then the usual statement of contributions received since the preparation of the Office paper could be overtaken by events. In the minutes since his earlier statement giving details of contributions received since the preparation of the Office paper, he had been advised that approximately 81 million Swiss francs had just been received from the major contributor. The receipt of this amount meant that the biennium would end with a cash surplus even if the biennial budget was fully spent. Some other major contributors had so far not paid their 2001 contributions in full, so it was impossible to forecast the size of the surplus at the moment. Advance planning for the disposition of a surplus would be premature before the biennial accounts were closed and final figures were available.
18. In reply to a comment by the representative of the Government of Japan, the Treasurer confirmed that article 18 of the Financial Regulations provided for the return of any surplus to member States, and the share of each individual member State was based on the scale of assessments. Once a surplus was established the Director-General would examine all the circumstances leading to the surplus and might make proposals for waivers to article 18 of the Financial Regulations.
19. It was true that a surplus would arise at the end of the 2000-01 biennium because of the payment just received from the major contributor. In the 1996-97 biennium when the major contributor had made just one annual payment instead of the normal two, the Governing Body had approved a reduction in programmes to compensate for the anticipated shortfall in income. In the current biennium the ILO had received the equivalent of three annual contributions from the major contributor, but one of them represented, in effect, resources for programmes of previous biennia which had been curtailed.
20. In response to a query from the spokesperson for the African group concerning some member States' difficulties in paying contributions, the Treasurer explained that there was no provision in the rules and procedures of the Organization by which contributions due by member States could be cancelled. To do so would require a special resolution of the Conference, an extremely rare event. Such action had last been taken by the Conference in June 1983 when arrears of \$1.6 million due by China were cancelled when it resumed

active participation in the work of the ILO. In 1971 the Government of the People's Republic of China was recognized by the Governing Body as the representative of China but it had not participated in the work of the Organization from 1971 to mid-1983 and had not derived any benefit from its membership during that period. This was a very exceptional case and the circumstances were different from those of member States that had fallen into arrears with their contributions.

21. The Constitution did, however, allow for member States in financial difficulty to apply for restoration of the right to vote. If a member State fell behind with its payments and lost the right to vote because of circumstances beyond its control, it could apply to the Conference for a special financial arrangement to pay off its arrears. The Conference had always been extremely understanding in these situations and usually allowed for arrears to be paid off over a number of years provided that current contributions due were paid on time. This was the mechanism provided by the Constitution. Over the years many member States in financial difficulties had availed themselves of this scheme and there had never been any proposal that arrears of contributions owing should be written off to surpluses.
22. Mr. Blondel remarked that refunding a surplus was not the proper course to take when in recent biennia the ILO had been forced to cut programmes when facing a budgetary deficit. Logic surely demanded that it should be used instead for priority programmes or perhaps increased allocations for vital services such as communications.
23. Mr. Botha expressed appreciation for the Treasurer's explanations and said that the Employers would look forward to further information in future.
24. *The Committee recommends that the Governing Body authorize the Director-General to submit proposals for any necessary transfers within the 2000-01 expenditure budget to the Chairperson for approval, in accordance with usual practice, prior to the closing of the 2000-01 accounts in January 2002 and subject to confirmation of such approval by the Governing Body at its 283rd Session (March 2002).*
25. The representative of the Government of France said that the Committee should make some request concerning the timing of the issue of documents. In his view the Committee would be better able to discuss documents if they were issued say 15 days before meeting, supplemented where necessary with up-to-date details at the time of the meeting.
26. Mr. Blondel said that in general the Workers would be pleased to have Committee documents 15 days before meetings but this should not be an inflexible procedure. Shortening the time for preparation of papers could disrupt workflows in the Office because on delicate subjects extended consultation was often necessary before papers could be finalized.
27. Mr. Botha said that the Employers also had problems with some of the bulkier documents but they too would prefer to see documents in general issued earlier.
28. The Treasurer explained that his comments referred to the paper on the regular budget account and Working Capital Fund issued under item 1 of the agenda. In view of the comments by members this document could in future be issued earlier, with updated information made available to the Committee at the time of its meetings. All other papers would continue to be issued as early as possible.
29. The Director-General agreed that in many cases detailed consultations were necessary before a document could be issued. As a general policy documents could be issued a

fortnight in advance, subject to the requirement that adequate time would be available for consultation before they were finalized.

## **Voluntary contributions and gifts** (Second item on the agenda)

30. The Committee had before it a paper<sup>2</sup> giving details of voluntary contributions and gifts accepted by the Director-General since November 1999.
31. Mr. Blondel observed that this document was submitted for information. He expressed the Workers' appreciation to those organizations which had made voluntary contributions and gifts to the ILO, but noted that the ILO/RENGO African Regional Seminar on Productivity, financed by a contribution of 4 million yen from the Japanese Government, had taken place in October 2001, not June/July as indicated in the Office paper.
32. Mr. Botha expressed the Employers' appreciation for the donations in aid of ILO operational programmes, and particularly to employers' associations in North America, Europe and Australia for their contributions to one of the meetings.
33. The representative of the Government of Portugal, referring to its contribution of \$30,000 towards the cost of a Regional Meeting in Budapest in June 2000, asked why this was considered as a gift rather than a contribution to technical cooperation activities.
34. The representative of the Government of Slovakia, on behalf of the member States of Eastern Europe, wished to record his appreciation for the contribution from Portugal towards the costs of the Budapest meeting.
35. The Treasurer, replying to the query from the representative of the Government of Portugal, said that ILO practice was to classify meetings as regular budget rather than technical cooperation activities.
36. The Committee took note of the Office paper.

## **Financial questions relating to the International Institute for Labour Studies** (Third item on the agenda)

37. The Committee had before it a paper<sup>3</sup> outlining the programme and budget proposals of the International Institute for Labour Studies for 2002-03, and a paper<sup>4</sup> describing the contributions and gifts received by the Institute.
38. The Chairperson stated that these papers were for the information of the Committee at this stage, and would be discussed once a paper was available from the Board of the Institute containing its recommendations on these matters.

<sup>2</sup> GB.282/PFA/2.

<sup>3</sup> GB.282/PFA/3/1.

<sup>4</sup> GB.282/PFA/3/2.

## International Training Centre of the ILO, Turin (Fourth item on the agenda)

39. The Committee had before it a paper<sup>5</sup> describing the documents submitted to the 63rd Session of the Board of the Centre, together with the report<sup>6</sup> of the session.
40. Mr. Blondel said that the Workers regretted that institutions such as the World Bank and UNDP were not more active in their support for the Turin Centre and efforts should be made to increase their participation while maintaining the Centre's independence. They regretted also the reduced participation by African countries in Turin Centre programmes but were pleased to see an increase in the number of women attending courses. Looking in more detail at the Centre's programmes, it was difficult not to think that business and management training was reserved exclusively for employers. Did not workers also contribute to good business management? This was not an argument for automatic sharing of all management responsibilities, only that there were some aspects of management training which would be of particular benefit to workers. The Workers also regretted the apparent disappearance of programmes on cooperatives because from an employment point of view they were a practical means of progress from the informal to the formal sector. For workers worldwide, work in the informal sector could not, by definition, constitute decent work.
41. Mr. Rampak, a Worker member, referred to some of the points he had raised during the meeting of the Board of the Turin Centre. These related mainly to a decline in the number of participants from the African region, the closer integration of the Centre's activities with the strategic objectives of the ILO, increasing bipartite and tripartite training, and improved communications between ILO headquarters and the Centre. He also welcomed the recommendations made by the External Auditor and suggested that since the Turin Centre Board met only once a year, some mechanism should be made available which would enable staff-related issues to be discussed during the course of the year.
42. Ms. Sasso-Mazzufferi, an Employer member, said that her group supported the very complete and detailed report which reflected the positions taken by all Employer members and the suggestions they had made. The Turin Centre would, it was hoped, take those suggestions into consideration. It should not only continue to maintain a balanced budget as well as take the necessary action recommended by the External Auditor, but also develop closer cooperation between itself and the ILO. She reiterated the Employers' appeals, repeated several times over the years, for the Centre's programmes for employers to be provided on an equal basis as for workers.
43. Referring to statements concerning the range of activities carried out at the Centre, it was important to note that in 2000 there were no programmes devoted exclusively to employers; in fact it was only in November 2000 that an Employer expert was appointed for this purpose. It was important not to confuse Enterprise activities – which benefited both employers and workers – with the programme specifically for employers' associations.
44. It would be interesting to promote a sound relationship between employers and workers within the framework of the Turin Centre so that the social partners could work meaningfully, both nationally and internationally, by following the same philosophy in

<sup>5</sup> GB.282/PFA/4/1.

<sup>6</sup> GB.282/PFA/4/2.

order to ensure improved economic and social policies within an overall framework of development and democracy. In order to achieve that common goal, it was essential that, besides ensuring that programmes were equally balanced to cater for the interests of both employers and workers, personnel involved in carrying out those programmes at the Centre were formally included in the regular budget so that they could perform their duties more effectively.

45. The representative of the Government of Algeria, speaking on behalf of the African group, associated himself with the views expressed by the Workers' group and was concerned at the 30 per cent reduction in the participation of Africa in the Turin Centre's activities. The Office should take immediate steps to reverse this situation in view of the urgent needs of African countries.
46. The representative of the Government of France expressed strong support for the activities of the Turin Centre and his comments would be confined to four points. First, the Centre should develop further its programmes concerning safety and health in the workplace and also social protection, because this was now more closely aligned with activities aimed at employment generation. Second, although programmes on training deserved full support, it was just as important to evaluate their effectiveness. Third, in all countries training activities demanded expensive new technology and the Centre could benefit from closer collaboration with countries using state-of-the-art equipment and methodology. Fourth, the Centre should develop closer links with ILO departments responsible for technical cooperation activities.
47. The representative of the Government of Italy stated that his Government strongly supported the Centre and was pleased with its steady development over the years. The increased integration of the work of the Centre with the ILO was to be welcomed, and the projects referred to in paragraph 6 of the report of the Board of the Centre would play an important part in its future activities. He wished to reassure the Committee that the Italian Government's financial support for the United Nations Staff College would, in no way, jeopardize its support and commitment to the Turin Centre.
48. The representative of the Government of Portugal wished to congratulate the Centre for its excellent work and he particularly welcomed the changes and improvements which were taking place. There were three specific areas which were of great interest: the closer alignment of the Centre's activities with the strategic objectives of the ILO, the increased involvement of the social partners in the activities of the Centre, and the introduction of low-cost distance learning, which added a new dimension to the training activities of the Centre. It was particularly important, however, that the Centre's activities continued to be developed through the use of ongoing evaluation and impact analysis. He expressed particular appreciation for the continued availability of training courses in Portuguese.
49. The representative of the Government of Slovakia, speaking on behalf of the Eastern European member States, expressed appreciation for the continued support by the Italian Government of the Centre's activities. As the Workers had mentioned the ILO should make more financial resources available to the Centre so it could organize activities not only for developing countries but also for others such as those in Eastern Europe which were going through a period of economic transition. With its highly trained staff and excellent equipment the Turin Centre was in a position to organize numerous activities which would be of great benefit to Eastern Europe, which in turn had much to offer in terms of experience. With regard to distance learning, for example, institutions within the region were prepared to act as an "annex" to the Centre and to help in dealing with specific regional activities.

- 50.** The representative of the Government of El Salvador wished to congratulate the Board of the Turin Centre for its positive report, which had been issued in good time, and was pleased to note that there had been a substantial increase in the number of participants from El Salvador involved in the Centre's activities.
- 51.** The representative of the Government of Namibia expressed his support for the statement made by the representative of the African group and also wished to thank the Italian Government for its continued support of the Centre. African countries' participation in the Centre's activities had declined because costs unfortunately were now too high. For example, a three-week course at the Centre was often more expensive than a full year course at a tertiary institution in South Africa. It was a most regrettable situation as the curricula which the Turin Centre offered were very relevant and ways would have to be found to ensure increased participation again in future.
- 52.** A representative of the Director-General (the Executive Director in Charge of the Regions and Technical Cooperation and Director of the Turin Centre) expressed his thanks for the Committee's support and referred to a number of questions that had been raised. As far as cooperatives were concerned, these would be included in the Centre's programme of activities for 2002. With regard to the participation of women in the Centre's activities, the year 2000 saw the highest percentage of women participants in the Centre's history (41 per cent). Moreover, the Centre ran a special programme specifically designed to promote the participation of women in its technical activities and the Centre would very much welcome an increase in the number of women participants, particularly from regions or groups where the number of women participants had been low in the past.
- 53.** As far as closer cooperation between the Centre and the ILO was concerned, there were now technical programmes at the Centre covering the whole range of ILO programmes and ILO officials therefore now had direct access to qualified specialists at the Centre. There was always room for improvement, however, and the suggestions made by the Workers would of course be taken into consideration. The post referred to by the Employers had been included in the budget for 2002 but the Centre's way of functioning required that each activity should be self-sustaining so the programme would have to expand. However, it was certainly hoped that with the Employers' support the activity concerned would develop sufficiently so as to ensure regular budget funding for the post.
- 54.** Reduced participation by countries of the African region in the Centre's activities during 2000 was a direct result of an overall reduction in the ILO's technical cooperation activities, which had been caused by difficulties being experienced in obtaining resources from donors for the region, and also because many countries in Africa were in crisis. However, figures for 2001 indicated that participation from the African region was on the increase and that special efforts made to increase that region's participation were having the desired effect.
- 55.** With regard to the development of new technologies the Development Plan for 2002-05, which had just been approved by the Board, included a number of projects designed to ensure that the Centre made full use of such advances. Moreover, thanks to the support of the Italian Government, local authorities, and private enterprises, much of the Centre's infrastructure would be renovated and modernized over the next few years.
- 56.** In general terms the Centre had to be self-financing to about 70 per cent of its total budget. It was therefore not in a position to offer any free activities and studies had shown that its fees were in line with those of similar institutions. In order to reduce costs even further, some 50 per cent of the Centre's activities had been decentralized to the countries concerned.

57. Finally, in response to comments concerning personnel issues, the office of the Board of the Turin Centre had been authorized to approve changes to the Staff Regulations during the course of the year, without having to wait for the next Board session.
58. The Committee took note of the two Office papers.

## **Proposed 2002-03 budgets for extra-budgetary accounts** (Fifth item on the agenda)

### **International Occupational Safety and Health Information Centre (CIS)**

59. The Committee had before it a paper <sup>7</sup> setting out the budgetary proposals for 2002-03 for this extra-budgetary account.
60. Mr. Botha, for the Employers, said that under this agenda item the Committee was asked to approve the 2002-03 budgetary proposals first for CIS and later for CINTERFOR. Presumably both these bodies were considered extra-budgetary because at some point in the past they were intended to become self-funding. The Governing Body was also presumably responsible for their governance, in contrast to the International Institute for Labour Studies and the Turin Centre, which had their own separate boards. It would be interesting to have information at some future date about all the other autonomous or semi-autonomous bodies, such as IPEC and ARLAC, affiliated to the ILO.
61. CIS played an important role in delivering occupational safety and health information, but in view of the “digital divide” problem described in the Office document it would be interesting to know how CIS planned to bring all its national counterparts into the Internet age.
62. In the past both CIS and CINTERFOR had used funds carried forward to finance part of their activities. As ILO contributions were reduced there would be less scope for this practice and both of these organizations would have to develop strategies to boost income from other sources. The Office could play a valuable part in these exercises by carrying out detailed evaluations of the activities of both organizations.
63. Mr. Blondel, speaking on behalf of the Worker members, agreed with the statement by the Employers asking for a list of other organs similar to CIS and CINTERFOR and which were partly financed by the ILO. The Workers recalled that at the time the budgetary proposals were discussed they were opposed to the reduction of 10 per cent for resources for SafeWork because they believed workers’ health and safety to be at the heart of the ILO’s mandate. As recent events in France showed, these issues had to be kept constantly in mind and CIS, which was an ILO shop window on matters of occupational safety and health, was ideally suited for this purpose. Created in 1959 with a worldwide remit, its objective was to collect and disseminate information on occupational sickness and the prevention of accidents at work. It had affiliations with 120 national organizations and acted as a unique source of information for the social partners and many professional

<sup>7</sup> GB.282/PFA/5/1.

organizations. Its general publications were available in several languages and the *Encyclopaedia of Occupational Health and Safety* was available in English and French.

64. Today CIS was faced with the problem of whether to distribute its publications in electronic form, in printed copy or both. For many countries hard copy was still the preferred means of communication, especially in the technical field, and the new technology should not be forced upon them. Moreover, the appeal of industrialized processes in developing countries showed the need for CIS's continued activities in the sphere of safety and health at work.
65. Mr. Blondel remarked that the CIS budget showed that extra-budgetary income from sales of publications and CD-ROMs for 2002-03 would be only 40 per cent of that for the current biennium. The reason was not a lack of marketing effort but because potential buyers regarded safety and health as less important. The demand for information had to begin from employers.
66. The Workers regretted the budgeted reduction in total income for CIS in 2002-03 as well as the reduced personnel resources, but were prepared to support the point for decision in the Office paper.
67. The representative of the Government of China stressed that occupational safety and health played an important role in the strategic objectives of the ILO because access to information about these activities was especially important to developing countries, and CIS was to be commended for its efforts to make this information available. Her own country had benefited from CIS expertise in recent years when it had collaborated with CIS in a number of programmes to improve the safety awareness of employers and workers throughout the country. She expressed full support for the point for decision in paragraph 8 but was concerned at the diminishing resources available to these activities. Safety and health information was vitally important to all member States and CIS deserved more financial support.
68. The representative of the Government of Namibia agreed that occupational safety and health was a priority for the ILO and the Committee should avoid giving the impression that it was not. During recent budget discussions many speakers had emphasized the importance of ILO programmes on HIV/AIDS. Certainly they had important implications for occupational safety and health and it was appropriate on that occasion that they were given a higher priority than CIS. He shared the concerns expressed by the Employers about the practice of carrying funds forward from one financial period to the next and the disruption it would cause to CIS when it ceased.
69. Many countries in the developing world were now finding CIS publications too expensive because their local currencies had continued to depreciate against the US dollar. Admittedly, these publications were available electronically but in the developing world facilities for electronic retrieval were limited, and for this reason CIS should continue to make its publications available both electronically and by hard copy.
70. The representative of the Government of France agreed that health and safety in the workplace was a high-priority activity. Workplace accidents had cost millions of lives and the need to improve occupational safety and health was one of the main reasons the ILO was created. He expressed full support for the suggestion by the Employers that the Office should carry out a detailed evaluation of CIS activities, not only to help it fulfil its responsibilities in general but also to respond to the concerns expressed by the previous speaker.

71. The Treasurer confirmed that Mr. Botha was quite correct to state that when CIS and CINTERFOR were established it was expected that over time they would become self-financing. This had not been achieved, however, and it had long been recognized that they would depend on the ILO for financial support. For historical reasons the Governing Body had always approved the programme and budget of both. As requested, the Office would submit a list of similar bodies to a future session of the PFAC so that it could consider the question of standardized budgetary procedures.
72. It was true that the ILO regular budget contribution to CIS in 2002-03 would be less than for the present biennium, but a large part of the difference was due to the strengthening of the US dollar against the Swiss franc. As the Office paper explained, the purpose of the ILO contribution was to subsidize a certain number of Professional and General Service work-years. Although the dollar amount of the contribution would be less in 2002-03, it would still finance 12 Professional work-years and eight General Service work-years, compared with 10.5 Professional work-years and 10 General Service work-years in the current biennium. Non-staff costs for 2002-03 were \$255,000, a reduction of \$111,000 from the current biennium; the net result was a reduction in the ILO's contribution of about \$64,000 in real terms compared with the present biennium.
73. A representative of the Director-General (the Officer in Charge of CIS) reassured both the Employers and Workers that CIS did not intend to discontinue its publications in hard copy. Large areas of the world had only limited access to information technology but even in the most modern industrial setting it could sometimes be easier to have a sheet of paper at hand rather than try to find access to a terminal. CIS would continue dialogue with its customers and would continue to make available hard copies of safety cards, database extracts, and the *Encyclopaedia of Occupational Health and Safety*.
74. CIS was concerned about the price of its products and was sensitive to the particular problems of developing countries which for several years had been granted substantial discounts under a two-tier pricing structure. Postage was expensive as well and efforts were being made to eliminate or at least reduce these charges so as to make its publications more affordable. CIS would also examine the prices of individual publications, although it had no influence on products of the ILO Publications Bureau, such as the *Encyclopaedia*, where prices were set in accordance with larger Office policy. In reply to requests for an evaluation of CIS activities, the evaluation of the SafeWork InFocus Programme would include an evaluation of CIS activities and these results would be available in that report.
- 75. *The Committee recommends that the Governing Body approve the proposed 2002-03 income and expenditure budget for the International Occupational Safety and Health Information Centre (CIS) extra-budgetary account.***

### **Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR)**

76. The Committee had before it a paper<sup>8</sup> containing budgetary proposals for 2002-03 for this extra-budgetary account.
77. Mr. Botha said that the Employers' comments on the previous agenda item applied equally to CINTERFOR and were prompted by their concern for the continuation of these bodies. Employer groups in the Latin American region strongly supported the activities of

<sup>8</sup> GB.282/PFA/5/2.

CINTERFOR and were grateful for the continued support from governments of the region, especially Uruguay.

78. Turning to the Office paper, he wondered whether the right to training referred to in paragraph 8 was linked to the Human Resources Development Convention, 1975 (No. 142), and also what precisely was meant by the reference to social entities in paragraph 11. It was not clear why the social partners were not mentioned in paragraph 14 but perhaps the Office could provide further information on this point.
79. The Employers believed that CINTERFOR too should be the subject of a detailed evaluation, with particular emphasis on the need for greater coordination between the ILO and the extra-budgetary institutions in order to avoid duplication and overlap, especially in view of the similarity of many programmes in CINTERFOR, the Turin Centre and the ILO itself.
80. Mr. Blondel said that the Workers supported the new institutional arrangements adopted by specialized organizations to integrate their activities into national training campaigns because it was necessary to avoid overlap and duplication. Although some centres for professional development already existed in developing regions, in view of the demand for CINTERFOR activities the ILO should consider establishing other centres similar to CINTERFOR in Asia or in Africa. The Workers solidly supported its work and expressed full support for the point for decision.
81. The representative of the Government of Brazil said that the activities described in paragraphs 3-18, and particularly paragraph 5, showed the valuable contribution that CINTERFOR made to Brazil and also to other countries in the region. She expressed full support for the point for decision in paragraph 25.
82. The representative of the Government of Cuba also expressed appreciation for the work of CINTERFOR. It deserved the fullest support not only from the ILO but also from countries in the region because it contributed so effectively to training and skills improvement programmes.
83. The representative of the Government of El Salvador said that CINTERFOR programmes had improved both the quantity and the quality of training activities in the Latin American region and she expressed full support for the point for decision.
84. The representative of the Government of Trinidad and Tobago also expressed support for the point for decision. It was self-evident that one could not achieve decent work unless one had work to start with, and vocational education and training were fundamental to the employability of the worker. It enhanced not only his or her ability to obtain work but enabled the individual to get work of a standard that established the conditions and the environment to achieve decent work. Vocational education and training were directly linked to the productivity and the enterprise, and by extension to the nation States; and in fact were probably the key link between decent work and economic development. The role of bodies like CINTERFOR in the Decent Work Agenda should not be underestimated and they deserved the strongest support. On behalf of her own country and others in the CARICOM subregion, she wished to place on record the appreciation for the excellent work being carried out by CINTERFOR. They hoped also for due recognition of the priority areas identified by the CARICOM subregion at the 35th Meeting of CINTERFOR's Technical Committee held in Brasilia last August.
85. The representative of the Government of Mexico expressed full support for CINTERFOR activities and for the point for decision in paragraph 25.

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86. The representative of the Government of Nigeria supported the Workers' call to establish an organization like CINTERFOR in Africa, particularly in view of the importance of vocational training and skills development and the role it could play in helping to achieve the goals of decent work.
87. A representative of the Director-General, the acting Regional Director of Field Programmes in the Americas, was grateful for the expressions of confidence from so many Committee members and would convey them to all CINTERFOR staff members. The Centre's programmes for 2002-03 were clearly set out in paragraphs 3, 4 and 5 of the Office paper, and showed the efforts it was making to adapt to the new conditions prevailing in Latin America and to involve not only governments and vocational training institutions but also employers and workers in its activities.
88. The 35th Session of CINTERFOR's Technical Committee held recently in Brasilia had been most productive. It had included a thorough evaluation of CINTERFOR activities, together with plans for future activities and their financial implications. CINTERFOR was conscious of the need to avoid duplication of work with ILO programmes and the Turin Centre; its activities were separate but complementary, and were broadly grouped into regional work in support of its own activities and support work for the various multidisciplinary technical teams in the regions. It was true that there was no specific mention in paragraph 14 of the social partners but in the document as a whole they were closely involved in all activities and were mentioned implicitly as beneficiaries of CINTERFOR programmes. The reference in paragraph 11 to public, private and social entities was intended to include governments, vocational training institutions, and also the support offered by employers' and workers' organizations concerned with vocational training. In conclusion, he welcomed the proposal for a detailed evaluation of CINTERFOR activities and was confident that it would confirm the results of the regional evaluation which had already taken place.
89. The representative of the Government of Chile associated himself with the views expressed in support of CINTERFOR activities and endorsed the point for decision. The Centre's activities were already in great demand and would come under increasing pressure in future. The recent Employment Forum had identified training – continuing, permanent training – as a fundamental tool to maintain employment in difficult economic times, and with the global economy on the verge of recession the value and relevance of CINTERFOR had never been greater. The ILO should ensure it was properly equipped to carry out its tasks.
90. *The Committee recommends that the Governing Body approve the income and expenditure estimates for 2002-03 of the Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) extra-budgetary account.*

## **Programme and Budget for 2002-03** (Sixth item on the agenda)

### **Technical meetings reserve**

91. The Committee had before it a paper<sup>9</sup> concerning technical meetings proposed for the 2002-03 biennium.
92. Mr. Botha, speaking on behalf of the Employer members, agreed that the proposed meetings deserved support although there was little choice involved, and in any case other important issues such as social security should be covered by technical meetings. He also noted that there was still a provision of \$316,000 for future meetings and the Committee should be consulted regarding the use of these funds.
93. Mr. Blondel observed that the total budget for technical meetings amounted to \$1,069,150 and that a balance of \$316,000 would be available for further meetings during the course of the next biennium. He expressed support for the point for decision but requested the Office to submit a paper to the March 2002 session of the Governing Body concerning the use of this amount for technical meetings in 2002-03.
94. A representative of the Director-General (Acting Director, Bureau of Programming and Management) assured the Committee that there would be a paper in March 2002 with a choice of further meetings from which the Governing Body could make a selection.
95. The Committee took note of the Office paper.

### **Other financial questions** (Seventh item on the agenda)

#### **Report of the Joint Inspection Unit of the United Nations on its activities for the year ended 31 December 2000**

96. The Committee took note of a paper<sup>10</sup> concerning JIU activities for the year ended 31 December 2000.

#### **Information Systems Technology Fund**

97. The Committee had before it a paper<sup>11</sup> containing information on progress to date on the upgrading of the ILO's financial systems.

<sup>9</sup> GB.282/PFA/6.

<sup>10</sup> GB.282/PFA/7/1.

<sup>11</sup> GB.282/PFA/7/2.

- 98.** Mr. Botha, speaking on behalf of the Employer members, said that the report before the Committee was very useful and concise. Consideration should however be given to the setting up of a subcommittee of the PFAC to oversee the project, given its substantial funding, in much the same way as the building subcommittee had overseen building projects with smaller financial commitments, because such a subcommittee could give valuable assistance and advice. On a related subject, and to help Governing Body members make more efficient use of their time, perhaps the Office could give some consideration to some sort of communications centre equipped with computer facilities, and possibly also the provision of power points for laptop computers in the Governing Body room.
- 99.** Mr. Blondel recalled that the Workers had supported the establishment of an Information Systems Technology Fund from the time it was first proposed because the Office needed up-to-date systems designed to meet its special needs. The Office paper was of particular interest because it followed on from the decision of the Conference in June 2000, describing how the modernization of ILO systems would take place, how the project team had been selected and the procedure for the choice of software package in the near future. The Workers were satisfied with the progress so far and thanked the Office for the paper.
- 100.** The representative of the Government of Germany agreed with Mr. Blondel and reminded the Committee that the Fund was not to be used to renew completely all of the ILO's computer equipment, but only to upgrade the financial, procurement and human resources computer systems. Nevertheless, more detailed information was required concerning how much of the Fund had been used and for what purposes, and it was hoped that future papers would provide more detailed financial information.
- 101.** Mr. Botha said that he had noted the comments that had been made, but in the light of the recent experience with the Turin Centre there should still be an element of oversight by the Committee.
- 102.** The Treasurer said that the Employers' proposal to set up a subcommittee of the PFAC to oversee the project would need further consultations since at this stage there did not seem to be a consensus within the Committee. He suggested that informal consultations with governments, workers and employers could be held to determine if an understanding could be reached.
- 103.** In answer to the question raised by the representative of the Government of Germany concerning the project's financial situation, the Treasurer explained that recruitment had taken longer than expected, but it was vital to ensure that the project was engaging the right people for the various positions. The delays meant that most of the original amount of \$25 million was still intact, but expenditure would commence early in 2002 and full financial information would be submitted to the Committee at future meetings. One benefit from the delay was that the project could now take advantage of a number of advances which had taken place in the IT environment in the intervening period, including particularly an increased awareness on the part of large software suppliers of the very specific needs and problems facing UN agencies. Many of them were now addressing similar problems in other United Nations organizations and the ILO would benefit from that work and the resources invested by those organizations. Another technological breakthrough had meant that it would now be possible to access the main computer systems in Geneva through the Internet, thus reducing the need for computer hardware and subsystems in the field.
- 104.** As part of the renewal process for the Geneva headquarters building, it had been decided to install ten personal computers in the ILO library to serve as a training centre. During Governing Body sessions those PCs could be reserved for Governing Body delegates, thus

facilitating their access to PCs and the Internet. The possibility of providing power points in the Governing Body room would be examined.

**105.** Mr. Durling, an Employer member, supported the creation of a subcommittee to oversee the \$25 million project. Such a subcommittee would serve as a platform for the exchange of ideas and would make it possible for the three groups to provide guidance during the life of the project. It was not only a question of controlling how the money was going to be spent. The new system would be providing vital information to the world and it was essential for it to be available quickly and accurately. It was also very important to ensure that the project was making use of the latest available technology.

**106.** Mr. Blondel said that the Workers were not convinced of the need for a technical subcommittee to oversee governance of the information technology project, and if a precedent was established there was a danger that subcommittees would proliferate without proper justification. It was not a request put forward by the Workers and in any case it was doubtful whether members of this technical Committee had the expertise to advise on the management of information technology projects. This work was more properly the responsibility of the Office.

**107.** Mr. Botha said that the Employers agreed with Mr. Blondel that a subcommittee should not concern itself directly with the technical aspects of information technology and these were matters best left to the Office's expert staff. What the Employers were proposing was some form of subcommittee to oversee the financial management of the project, which was within the remit of the PFAC. However, the Treasurer had suggested it might be better to have informal discussions between the groups and the Office before making a firm proposal and the Employers were happy to go along with that.

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

Geneva, 13 November 2001.

(Signed) B. Botha,  
Reporter.

*Points for decision:* Paragraph 24;  
Paragraph 75;  
Paragraph 90.