



EIGHTH 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 9 and 10 November 2005, chaired on an alternate basis by Mr. D. Funes de Rioja and Sir Leroy Trotman, Vice-Chairpersons of the Governing Body. Mr. Blondel, Worker representative, was elected as Reporter.
2. The Vice-Chairpersons and spokespersons of the groups were as follows: Employer Vice-Chairperson and spokesperson: Mr. M. Barde, Worker Vice-Chairperson and spokesperson: Mr. M. Blondel.
3. The Director-General made a statement introducing the major policy papers before the Committee. The statement is attached to this report. Before making his comments on the policy issues, the Director-General referred to the devastation caused by the earthquakes that hit Pakistan and India and expressed full solidarity with them. He hoped that it would be possible in the course of the Governing Body to explain what the ILO has been doing in this connection and to generate a common space of accompaniment to the countries that have suffered this terrible devastation.

Programme and Budget for 2004-05: Regular budget account and Working Capital Fund (First item on the agenda)

4. The Committee had before it two papers¹ on the regular budget account and Working Capital Fund.
5. The representative of the Director-General (Mr. Johnson, Treasurer and Financial Comptroller) reported that contributions received since 4 November 2005 were as follows:

Member State	Swiss francs
Kenya	31 854
Burundi	10 767
Panama	3 524

The total contributions received to date amounted to 204,845,964 Swiss francs, comprising 180,676,811 Swiss francs for 2005 and 24,169,153 Swiss francs in arrears. The total balance due was therefore 256,488,153 Swiss francs.

6. Mr. Blondel, speaking on behalf of the Workers' group, thanked the governments which had paid their contributions in time, whilst noting that the amounts received corresponded to 49.6 per cent of assessed contributions as opposed to 68.9 per cent on the same date in 2004.
7. The Workers were concerned to note that 32 of the Organization's member States were not up to date with the payment of their contributions and regretted the fact that certain countries made very late payments or, so as not to find themselves in an irregular situation, made only partial payments. Such an attitude was incompatible with their commitments to the ILO.
8. The speaker requested information on the situation of Belarus and The former Yugoslav Republic of Macedonia.

¹ GB.294/PFA/1 and GB.294/PFA/1(Add.).

9. Mr. Barde, speaking on behalf of the Employers' group, wished to join in thanking the governments which had settled their contributions and encouraged those which had not to do so as expeditiously as possible.
10. The representative of the Government of Mexico, referring to table 2B in the appendix, announced that her country had paid the remainder of its 2005 contribution of 3,134,647 Swiss francs.
11. The representative of the Government of South Africa, speaking on behalf of the Africa group, noted that nine African member States had already made contributions for 2006. He supported the point for decision.
12. The representative of the Government of Kenya requested special arrangements for staggered payments for eight of the 15 African member States which were in default and had lost their right to vote. She asked the Office to review the difficult circumstances of the countries in question.
13. The representative of the Government of Nigeria appealed to all non-paying governments to make an effort to pay their contributions.
14. The Treasurer and Financial Comptroller, responding to a question concerning Belarus, explained that the International Labour Conference had approved financial arrangements in 1997 and that Belarus was up to date with the terms of the arrangement. Arrears were scheduled to be cleared by 2017. With regard to the former Yugoslavia, he stated that the ILO recorded income on a cash basis and that the balance owed was only a balance on paper. The ILO followed United Nations General Assembly decisions on write-offs of arrears and the question of the former Yugoslavia's arrears was being discussed in New York.
15. The representative of the Government of the Russian Federation requested an amendment to the wording of paragraph 11, the point for decision. The words "usual practice" should be replaced by a reference to the Financial Regulations. He also requested information on the type and amount of transfers to be made by the end of 2005.
16. The Treasurer and Financial Comptroller explained that the volume of transfers was as yet unclear as the Office would not know until all expenditure had been recorded at the end of the year. Indications had been received of higher costs in respect of United Nations joint activities but these amounts would be small in total (between US\$100,000 and 200,000).
17. The point for decision was approved with the modified text.
18. ***The Committee recommends to the Governing Body that it delegate its authority under article 16 of the Financial Regulations by requesting the Director-General to submit proposals for any necessary transfers within the 2004-05 expenditure budget to the Chairperson for his approval, prior to the closing of the biennial accounts, subject to confirmation of such approval by the Governing Body at its 295th Session (March 2006).***

Voluntary contributions and gifts

(Second item on the agenda)

19. The Committee had before it a paper² on gifts made in aid of ILO operational programmes.
20. Mr. Barde, speaking on behalf of the Employers' group, thanked the various donating entities (including the Chamber of Commerce and Industry of Jeddah) and countries which covered, partially or totally, the costs of the ILO offices situated in their territories. He requested that ACT/EMP should be informed of the gifts made by enterprises.
21. Mr. Blondel, speaking on behalf of the Workers' group, welcomed the voluntary contributions and gifts in aid of the Organization and recalled that such contributions and gifts did not involve any financial liability for the Members of the Organization and were not to be used for any purposes inconsistent with the Organization's objectives. He thanked, in particular, the Japanese Trade Union Confederation for its contribution, and the governments of France and Luxembourg for the financial support given to the Preparatory Technical Maritime Conference and the European Regional Meeting, respectively.
22. The representative of the Government of Nigeria expressed gratitude for such monies and encouraged further donations.
23. *The Committee took note of the Office paper.*

Financial questions relating to the International Institute for Labour Studies

(Third item on the agenda)

24. The Committee had before it a paper³ on this item.
25. Mr. Anand, an Employer member, raised the issue of cooperation and integration between the Turin Centre and the ILO, noting that no initiative had been mentioned in the report. He asked for information on when this issue would be addressed.
26. *The Committee recommends that the Governing Body endorse the programme and approve the budget for the International Institute for Labour Studies for 2006-07 as set out in the earlier paper submitted to the Committee.*

² GB.294/PFA/2.

³ GB.294/PFA/3/3.

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

**(a) Documents submitted to the 67th Session
of the Board of the Centre**
(Turin, 3-4 November 2005)

**(b) Report of the 67th Session of
the Board of the Centre**

27. The Committee had before it two papers⁴ on the International Training Centre of the ILO, Turin.

28. Ms. Sasso-Mazzufferi (Employer member and Vice-Chairperson of the Board of the International Training Centre of the ILO) congratulated the Director of the Centre on the work carried out and thanked the Italian Government, the City of Turin, the Piedmont Region, the French Government and the Walloon area of Belgium for the support they had given to the Centre. She recalled the main priorities of her group, i.e. the balanced use of the renovated campus facilities and greater use of the Centre by the ILO for its own personnel training needs and for technical cooperation projects, increased participation by women in training activities, enterprise development programmes that gave pride of place to women's entrepreneurship, better coordination between the Centre and other organizations that operated in the context of the Stability Pact for South-East Europe and ACP European Commission Programmes for Social Partners, a better balance between the activities of the programme for employers and that for workers and greater consultation of the International Organisation of Employers and the employers' organizations in the field so as better to target activities. The Employers' group approved the Centre's budget for 2006 and the new programmes on discrimination and corporate social responsibility, and stressed the need to involve and inform employers' organizations at all levels. Finally, the Employers emphasized that the Centre was a tool of the ILO and reminded the meeting that they had asked the Office to draw up a document setting forth the guidelines it intended to propose for the future of the Centre and for its integration into the ILO.

29. Mr. Blondel, speaking on behalf of the Workers' group, stressed the need to integrate the Turin Centre into the ILO. As regards financing, the ILO's contribution should correspond to that of the Italian Government. However, care must be taken to ensure that the Centre and the ILO were not competing for donor funding. With regard to policy, it was necessary to maintain the international and universal nature of the Centre, at which most ILO training was carried out. The Centre must become the operational arm of the ILO as regards the implementation of the Decent Work Agenda, and the training provided there should focus on the Organization's four strategic objectives. The Workers endorsed the Employers' proposal concerning a Governing Body discussion on the role of the Turin Centre. Finally, with regard to staff, the integration of the Centre into the ILO presupposed the elimination of the divide between the two entities and hence reciprocity in respect of the movement of staff from one to the other.

30. The representative of the Government of Italy was pleased to see the results achieved by the Turin Centre: more than 10,000 students had benefited from its services. He added that, despite budget constraints, the Italian authorities, both national and local, were making considerable efforts to support the Turin Centre and enhance its capacities. The Winter

⁴ GB.294/PFA/4/1 and GB.294/PFA/4/2.

Olympic Games had provided an opportunity for enlarging the premises and, in addition, local authorities would contribute 17 million euros for refurbishment.

- 31.** Referring to the issue of the relationship between headquarters and the Turin Centre, Italy welcomed the work of the task force set up by the Director-General and hoped that its recommendations were followed up to ensure the Centre's proper involvement in the ILO's activities. He noted that Italy was funding the vast majority of the programmes, but there was growing interest from other international institutions in the Centre, and Italy welcomed in particular the partnership with the European Commission and the World Bank. Italy encouraged the Centre to strengthen its relationship with these and other partners. However, it also wanted to see greater ILO involvement as a provider of activities.
- 32.** The representative of the Government of Kenya, speaking on behalf of the Africa group, noted the expansion of the accommodation and related facilities, which would form a useful addition to the Centre's capacity. The Africa group was satisfied to see that the Centre was implementing programmes that contributed to good governance with wider participation in the formulation of economic policies. The growing collaboration between the Centre and other institutions of higher learning, especially the University of Turin, was commendable. The delegates from the African region expressed, however, the need for stronger ties with institutions on that continent. The Africa group regretted that, while the report showed a general increase in the number of participants and courses offered, there had been a sharp decline both in number of participants and programmes involving the African region. There was a need to provide a more reasonable distribution of programme activities for 2006. The African region recommended that a training committee for Government members be established to cater for their interests in tandem with workers' and employers' training committees. The Africa group appealed for timely distribution of documents.
- 33.** The representative of the Government of Nigeria supported the Africa group statement and thanked the Centre and the Executive Director for the well-conducted Board meeting.
- 34.** The representative of the Government of Germany was very satisfied with the work delivered by the Turin Centre. She welcomed the increase in the number of participants, particularly women. Regarding the increase in accommodation capacity, the Centre would have to ensure that activities were expanded accordingly. On the issue of training costs in Turin, their significance perhaps explained why activities were increasingly held away from Turin. Training costs in Turin needed to be examined. Although the ILO did not conduct many activities in Turin, these were very closely related to the four ILO strategic objectives, and it was to the credit of the Centre that it remained committed to these objectives.
- 35.** She also requested that the following changes be made to her statement in GB.294/PFA/4/2, paragraph 26. The sixth sentence should be replaced with the following: "She hoped that increased resources would be spent on promotion of tripartite activities and on improving the access of social partners to training courses." The eighth sentence should read: "She hoped nevertheless that these new facilities would not lead to an increase in the costs of training and a drop in the number of participants using the Centre's facilities." The next sentence should read: "Regarding the rapid increase in distance learning activities, she asked the Director for clarification of the Centre's strategy for maximizing use of its campus facilities." The 12th sentence should read: "She emphasized the importance of recommendation 8, on the use of non-utilized resources, and recommendation 18, on managing the running costs of the Centre, which she thought seemed to be too high and which should be carefully analysed." In the penultimate sentence, the pronoun "its" should be replaced by "the ILO's strategic" before

“objectives”. In paragraph 55, the representative of the Government of Germany requested that the fourth sentence read as follows: “She added that youth employment was a point often referred to at the ILO, and recommended the use of networks dedicated to youth employment, such as the YEN.”

36. The representative of the Government of Spain, referring to paragraph 70, asked that the text be amended to read “the loan of workers ‘can be’ a crime” and that the word “loan” itself be replaced by “exchange”, as featured in the title of the document. He also hoped that the Centre would take advantage of the forthcoming Winter Olympics to promote its activities.
37. Mr. Anand (Employer member, India) reminded the meeting that the Centre had been in existence for 40 years and said that the PFAC and the Governing Body must reflect on its future. The Turin Centre should be a springboard for raising awareness of ILO culture and activities around the world; it should be at the centre of a network of subregional institutions. Mr. Anand regretted the fact that the Centre’s limited resources prevented its manuals and tools from being published in local languages. Finally, he expressed his concern regarding the small share given to activities for employers in the Centre’s programmes.
38. The Employer and Worker spokespersons reiterated their request to the Office to present a paper to the March session of the Governing Body on the future of the Turin Centre and its relationship with the ILO.
39. *The Committee took note of the Office papers.*

Proposed 2006-07 budgets for extra-budgetary accounts (Fifth item on the agenda)

(a) International Occupational Safety and Health Information Centre (CIS)

40. The Committee had before it a paper⁵ on the CIS, presenting estimated income and expenditure in 2006-07.
41. Mr. Blondel, speaking on behalf of the Workers’ group, highlighted the role of the CIS in providing information on occupational safety and health and urged it to move closer to trade union organizations. CIS publications played an important role in the monitoring and prevention of occupational diseases and accidents, and the *Encyclopaedia of Occupational Health and Safety* in particular was a universal instrument that should be translated into Chinese and Arabic, in particular. The issue of occupational safety and health was one of the Workers’ main concerns, and Mr. Blondel supported the point for decision. Finally, he requested that the Internet did not become a reason for forgetting other means of communication.
42. Mr. Barde, speaking on behalf of the Employers’ group, stressed that occupational safety and health was also a priority for the Employers. He requested information on the technical and financial links between the CIS and the WHO which covered the same subject. Whilst

⁵ GB.294/PFA/5/1.

welcoming the news that access to the CIS site was now free of charge, he wanted to know how such a reduction in revenue would be compensated for.

43. The representative of the Government of Nigeria expressed her appreciation for the work of the CIS. Nigeria had benefited greatly from the work of the CIS in improving its knowledge base in occupational safety and health issues. The CIS had a key role to play in assisting many member States to ensure that occupational safety and health were incorporated into national development strategies. She supported the point for decision as presented in paragraph 7.
44. The representative of the Director-General (Mr. Takala, Director, SAFEWORK) expressed his gratitude for the supportive comments received. He explained that a lack of resources at headquarters was preventing the translation of the Encyclopaedia into more languages. To date, only versions in English, French, Spanish, Russian, Chinese, Japanese and some parts in Korean and Portuguese were available. CIS would rely on national centres and national resources for translation into other languages. Apart from the lack of financial resources, an added difficulty was finding the right local partners to ensure quality translation. Mr. Takala underlined the excellent links with other organizations, and especially with the WHO. For example, the international chemical safety cards, developed with the WHO and UNEP and available on the Internet, were receiving 1 million hits per month – a strong indication of their success. The CIS also enjoyed good collaboration with the occupational health unit of the WHO. Regarding the 2004 balance carried forward, which had been questioned by Mr. Barde, this was not the result of a decision taken by the CIS but rather of an ILO decision to channel funds into other activities in this sector. Mr. Takala reiterated the commitment of the CIS to disseminate information free of charge. The use of the Internet was part of that strategy. However, in some remote parts of the world, it was sometimes difficult and expensive to gain access to the Web and so the CIS was relying on other means such as CD-ROMs to distribute its publications.
45. *The Committee recommends that the Governing Body approve the proposed 2006-07 income and expenditure budget for the International Occupational Safety and Health Information Centre extra-budgetary account, as set out in detail in the appendix to document GB.294/PFA/5/1.*

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

46. The Committee had before it a paper⁶ on CINTERFOR containing estimates for the establishment of the extra-budgetary account.
47. Mr. Barde, speaking on behalf of the Employers' group, reminded the meeting that CINTERFOR was a training centre of considerable importance in Latin America and said that it should benefit from greater financial support. The Employers supported the point for decision but were concerned about the amount of the CINTERFOR budget given over to operating and staff costs to the detriment of the activities that were the very purpose of the Centre.
48. Mr. Arbeloa (Employer member) stressed that CINTERFOR could play a very important role in Latin America in training workers and employers and therefore hoped that it would have the resources necessary to carry out its work. He wished to know what kind of

⁶ GB.294/PFA/5/2.

support the Centre received from countries in the region and what the Employers could do to help it to integrate tripartism into training activities.

49. Mr. Blondel, speaking on behalf of the Workers' group, highlighted the role of vocational training in attaining the ILO's objectives. He endorsed the goals of the 2006-07 CINTERFOR programme, while emphasizing that employability and competitiveness should not be pursued at the expense of workers' rights. Mr. Blondel requested further information on CINTERFOR's activities for workers and asked whether similar structures existed in Asia and Africa. Finally, he expressed his concern regarding a possible dismantling of vocational training in Latin America, which made CINTERFOR all the more essential, and supported the point for decision.
50. The representative of the Government of Cuba expressed her gratitude for the work of CINTERFOR and welcomed the three subprogrammes proposed for the 2006-07 biennium. She supported the point for decision but expressed concern that the ILO contribution for the 2006-07 biennium was slightly lower than for the current biennium. She urged the ILO to provide greater financial support to CINTERFOR.
51. The representative of the Government of Kenya called upon the ILO to seek ways of disseminating the findings and knowledge of CINTERFOR to regions outside Latin America. There was clearly a need to draw on CINTERFOR's experience and replicate its success in Africa.
52. The representative of the Government of Nigeria commended CINTERFOR for concentrating its 2006-07 agenda on promoting human resource development to achieve decent work for all. She highlighted the need for similar initiatives in Africa.
53. The representative of the Government of Honduras, speaking on behalf of GRULAC, congratulated CINTERFOR for its programmes and stressed the importance of vocational training. She hoped that CINTERFOR's budget would be increased in the future.
54. Mr. Anand (Employer member) fully supported CINTERFOR in its role as a training centre. He advocated setting up a worldwide network monitored by the Turin Centre, with regional secondary centres such as CINTERFOR.
55. The representative of the Director-General (Mr. Martínez, Regional Director a.i. for the Americas) shared the concerns expressed by the Employers' group for bringing down operating costs and increasing spending on core activities. The proposed expenditures for the 2006-07 biennium as presented in Appendix II of GB.294/PFA/5/2 did not feature the US\$140,000 for technical cooperation, provided by the Regional Office. When this was added to the contribution of the ILO, total contributions had actually increased for the 2006-07 biennium. In a recent and highly successful meeting held in the Dominican Republic, governments had pledged to pay their arrears and had given their support for the activities of CINTERFOR. As contributions were currently on schedule, CINTERFOR could count on a balanced budget. Furthermore, it would be able to increase its capacity as arrears were paid.
56. The representative of the Director-General (Ms. O'Donovan, Executive Director, Management and Administration Sector) explained that the Office would examine whether there were opportunities for learning from the CINTERFOR experience. This matter would be explored with the Regional Directors.
57. *The Committee recommends that the Governing Body approve the income and expenditure estimates for 2006-07 of the Inter-American Research and*

Documentation Centre on Vocational Training (CINTERFOR) extra-budgetary account, as set out in Appendix I to document GB.294/PFA/5/2.

Report of the Building Subcommittee (Sixth item on the agenda)

58. The representative of the Government of Brazil, speaking as Chairperson of the Building Subcommittee, presented the work of the Building Subcommittee. He reported that the Santiago de Chile Office had been completed on schedule and within budget, and that staff had begun working in August 2005. The Dar es Salaam Office construction was on schedule and would be completed in summer 2006. Regarding follow-up to the ILO accommodation strategy, the Subcommittee was satisfied with the information provided, which, together with the compendium on practices and policies that the Office would finalize in 2006, would constitute a framework for decision-making. The major policy issues arising would be discussed in the PFA or the Governing Body. Finally, the Subcommittee had taken note of the reasons for the delay in the call for tenders to carry out an independent study on the need for renovation of the headquarters building. He urged the Office to communicate the results of the study as soon as possible.
59. Mr. Khurshid Ahmed (Worker member and Vice-Chairperson of the Building Subcommittee) welcomed the progress concerning the offices in Santiago, Dar es Salaam and Port-of-Spain. As regards the follow-up to the accommodation strategy, the document prepared by the Office showed that there were considerable differences regarding rents, and the Office must continue its efforts to reduce this item of expenditure. He urged the Office to request the governments concerned to provide free rental accommodation as others had done. The Building and Accommodation Fund must be increased, and the Workers supported the proposal made by the Office to include, in the next programme and budget, a provision for an annual contribution of 1 per cent of the total value of ILO property. The Workers' group requested the Office to provide details of the costs of the headquarters building and of field office buildings for the information of the Committee. They also supported the security measures, while recalling that the ILO must remain open to the outside world. Financing the renovation of the headquarters building was a real problem, and the speaker suggested that the Office send a high-level mission to the Geneva authorities with a view to obtaining a loan for renovation work. Lastly, the Workers considered that, even for broader issues for which the PFAC was mainly responsible, the Building Subcommittee should be consulted.
60. Mr. Lima Godoy (Employer member and Vice-Chairperson of the Building Subcommittee) was also very pleased with the way in which the project for the Santiago Office had been conducted, respecting schedule and budget. Discussions within the Subcommittee had shown that a clear accommodation strategy was required. The information that had been provided by the Office at the request of the Subcommittee was very useful and should be provided at each session of the Governing Body. Similarly, the Employers hoped that the compendium of policies and practices implemented by the Office with respect to accommodation matters would be available at the March session. The issue of the renovation of the headquarters building was a matter of utmost concern; the various needs had to be assessed and limited to problems having an impact on functionality and security, avoiding too much expensive architectonic solutions (conceptions). In his opinion, it was hard to accept that such huge renovation needs had not been previewed with appropriate budgetary provisions. The speaker supported the proposal for a contribution to the Building and Accommodation Fund of 1 per cent of the total value of ILO property. The Employers' group did not agree with the proposal of charging technical cooperation activities with rental costs, when these activities take place in ILO premises. With regard

to the premises in various countries, before making any decisions, it would be necessary to have an ILO model to prevent excessive variations from one country to the next.

61. The representative of the Government of Kenya, speaking as a member of the Building Subcommittee and on behalf of the Africa group, expressed appreciation that the compendium would be available on the Internet in 2006, but requested a definite time frame for completion. She stressed the need to address the issues related to an accommodation strategy for technical cooperation projects, with uniform application of arrangements in all offices, and for a long-term strategy for headquarters and field offices maintenance and renovation work. She also pointed out that security measures for field offices should be identical to those in headquarters and supported the Subcommittee request for headquarters renovation work. Finally, she reported that the Africa group was satisfied with progress on the Dar es Salaam project.
62. The representative of the Government of the United Kingdom, referring to paragraph 21 of the report, in which the United Kingdom had insisted upon a strategic direction for the Subcommittee, reiterated that the Subcommittee should not continue to take ad hoc decisions without such a strategy. The Building Subcommittee should recommend that the PFAC request the Office to prepare proposals for a full review of ILO representation in all regions for the March 2006 session of the Governing Body, to contribute to a draft accommodation strategy.
63. The representative of the Government of Japan supported the comment made by the representative of the Government of the United Kingdom, and noted that results-based management comprised many aspects, including an accommodation strategy. It was regrettable that no strategy existed, and he encouraged the submission of such a strategy to the March 2006 session of the Governing Body. He also asked that the Building and Accommodation Fund, which was at a low level, be replenished.
64. The representative of the Government of the United States supported the statement by the representative of the Government of the United Kingdom.
65. Mr. Blondel, speaking on behalf of the Workers' group, thanked the Office for the document listing ILO premises throughout the world; he regretted that the Turin Centre had not been included. The Building Subcommittee should have access to all available information on accommodation matters. The statement that certain broader issues were the responsibility of the PFAC, rather than the Building Subcommittee, merited discussion. As regards health issues, the Workers requested, once again, that all premises used by ILO staff be tested for asbestos. Finally, with regard to maintenance of the headquarters building, the speaker stressed the need for the Office to send a high-level delegation to request assistance from the Swiss authorities. He supported the proposal for a contribution of 1 per cent of the total value of ILO property to the Building and Accommodation Fund.
66. *The Committee took note of the Office paper.*

Report of the Information and Communications Subcommittee (Seventh item on the agenda)

67. The Committee had before it a paper⁷ on this item.

⁷ GB.294/PFA/7.

68. Mr. Nakajima, Worker Vice-Chairperson of the ICTS Subcommittee, noted that the Subcommittee had not been able to consult in depth due to the heavy agenda of the PFAC. He observed that savings had been achieved through IRIS and that further improvement of business processes was planned. He thought the date of end-2007 for implementation in the field was optimistic and hoped that field staff would be well trained and that IRIS would not place too great a burden on field offices where staff numbers were limited. He urged the Office to prepare a report for the March 2006 Governing Body to respond to requests from the ICTS.
69. Mr. Blondel insisted that an overspend situation must not happen with IRIS. He asked what the ICTS's powers were and when it should next meet. He thought that it would be preferable for it to meet before the PFAC, and perhaps should even meet twice a year, not just in November, as there was a need for regular information. He also asked whether the ICTS was an information channel or a tool to determine aims and objectives.
70. Mr. Finlay, Employer Vice-Chairperson of the ICTS, found the Subcommittee meeting useful for better understanding of IRIS process and goals. There had been a consensus that the ICTS meetings should take place before the PFAC and that two meetings a year should be considered. He looked forward to the informal March 2006 meeting and to the formal November 2006 meeting, at which the IRIS audit results would be presented.
71. The representative of the Government of Honduras, speaking on behalf of GRULAC, urged that savings made as a result of the IRIS implementation be set aside for technical cooperation projects in the region.
72. *The Committee took note of the ICTS's report.*

Evaluation

(Eighth item on the agenda)

(a) Independent evaluation of the InFocus Programme on Social Dialogue, Labour Law and Labour Administration (IFP/Dialogue)
(GB.294/PFA/8/1)

73. Mr. Blondel, speaking on behalf of the Workers' group, considered that the subject of evaluations was an unusual one. Provided that it did not lead to technocracy, the evaluation exercise would provide a basis for deciding on further action. Attaching importance to the notion of social dialogue, the Workers wished to know why the word "social" had disappeared from the department's name. With regard to merging SECTOR and DIALOGUE, they wished to know whether the D1 position that was soon to be filled would be maintained under the new structure; that must be decided after the necessary consultations.
74. With regard to the wording of paragraph 15, the Workers considered that the ILO must be responsible for defining and commenting on labour codes, and that engagement with the World Bank or regional development banks in that respect was not essential. They welcomed the efforts made by the Office to promote the ratification of Convention No. 144 and encouraged the Office to continue such efforts, given that the ratification of that Convention did not involve any financial commitments and could lead to ratification of Conventions Nos. 87 and 98.

75. The Workers were concerned that research capacities in the area of labour law had declined. They hoped that the ILO would find a way to maintain social dialogue even in countries at war, given that they believed the terms “social dialogue” and “tripartism” to be synonymous with peace. They disapproved of the indelicate wording of paragraph 33 of the document, according to which the lack of social dialogue at national level was due to the lagging capacities of workers and employers, whereas it was the result of failure to acknowledge the existence of the social partners.
76. As regards paragraphs 39 and 47, the Workers appreciated the courageous stance adopted by the evaluator, and had requested that officials at headquarters and in the field be duly trained on the notions of tripartism and social dialogue and encouraged to be activists in that respect.
77. The French term “*validité internationale*” (international relevance) was not a very good choice. Other, and more inspiring, terms should be found. The speaker also hoped that decompartmentalization efforts would be continued in the Office. Lastly, the Workers supported the recommendation contained in paragraph 53(c).
78. Mr. Barde, speaking on behalf of the Employers’ group, would have liked to have found in the four documents on evaluation a better defined identity and increased visibility, in the interests of the credibility of the exercise. As regards the independent evaluations of the two InFocus Programmes, the Employers had asked whether it was the complete evaluation, or a summary, and whether the author was an external evaluator or the Office.
79. With regard to the first paper, social dialogue was an important subject for employers, given that labour administrations were their partners. They would have preferred to have seen the positions they had expressed during the consultations better reflected. IFP/DIALOGUE was one of the few units that had cooperated well with ACT/EMP. That example must be followed, and the unit, as well as ACT/EMP and ACTRAV, should be at the heart of the ILO’s work on labour relations. The structure of the department was going to evolve. Logically, it would need to centralize all of its administration activities, which included labour inspection in cooperation with SAFEWORK, and create synergies with ACT/EMP and ACTRAV. The Employers supported all the recommendations, particularly recommendation 53(c), which should be implemented in collaboration with and under the leadership of MULTI and ACT/EMP, and recommendation 54(e), which advocated involvement of the social partners. They also wished to know more about the department’s future projects. They supported the point for decision.
80. The representative of the Government of Spain asked the Office to view social dialogue as an instrument for achieving decent work, and tripartite discussions, which varied in nature and in quality, as a means and not an end in itself. He noted the importance of labour inspection but emphasized that the issues it addressed were broader than occupational safety and health (such as wages, gender equality, maternity protection, etc.), and should be part of labour administration. He saw recommendation 54(f) as a real opportunity to redress this issue.
81. The representative of the Government of South Africa, speaking on behalf of the Africa group, expressed the group’s concerns about the challenges arising from the international financial institutions in the field of labour law reform, despite the ILO’s mandate and expertise in comparative industrial relations, labour administration and labour law. He called for renewed capacities in comparative labour law research. He also called for improved internal cooperation between SAFEWORK and IFP/DIALOGUE, but expressed the Africa group’s disagreement with separating labour inspection from the Social Protection Sector. The Africa group was also concerned about the programme’s dependence on extra-budgetary resources.

82. The representative of the Government of Germany questioned the added value in moving labour inspection from one unit to another, noting the organizational disruption introduced by restructuring.
83. The representative of the Government of Nigeria expressed caution concerning engagement with the international financial institutions on labour codes and noted that Nigeria's Labour Codes, revised with ILO support, were not popular with the World Bank. She endorsed mainstreaming of tripartism and social protection in the Office, and encouraged integrated support to constituents for inspection services.
84. The representative of the Government of Mexico found the evaluation rather general and lacking in indicators against which achievements were measured. She also regretted that the document did not contain enough budgetary information and clear figures on future resource levels by source.
85. The representative of the Government of the Islamic Republic of Iran noted that labour inspection was one of the most effective tools to promote occupational safety and health. He stated that the expansion and development of integrated labour inspection systems was the best tool for improving working conditions and occupational safety and health at the workplace. He said that efficient labour inspection mechanisms were the solution to many other critical issues such as forced labour, working time, wages, child labour, HIV/AIDS and others. He expressed concerns about transferring labour inspection to IFP/DIALOGUE.
86. The representative of the Government of the United States highlighted the need to enhance the research capacities in labour law and industrial relations and improve cooperation inside the Office, while noting that IFP/DIALOGUE generally had good relations with other departments. She also observed that IFP/DIALOGUE had met or surpassed its planned performance targets. She commended IFP/DIALOGUE for its good management practices and endorsed the recommendation that these be adopted as good practice by other departments. The representative strongly supported the reintegration of labour inspection into labour administration as this was crucial for offering integrated services to constituents.
87. The representative of the Government of Australia expressed caution over integrating labour inspection with labour administration, given the high demand for labour inspection in occupational safety and health. She warned that a restructuring could dilute existing services.
88. The representative of the Government of Japan strongly agreed with the analysis that social dialogue and industrial relations were closely linked to globalization and that social dialogue should play a key role in the globalization process. He also noted the lagging capacities of the social partners and encouraged IFP/DIALOGUE to continue strengthening the parties to social dialogue, including through action programmes and decent work country programmes (DWCPs). He observed that it was crucial to protect workers from dangerous working conditions and pointed out the important role of labour inspection. He was of the opinion that labour inspection should not be separated from occupational safety and health.
89. The representative of the Government of Italy agreed that occupational safety and health was a priority but that other areas of labour inspection remained underserved. He therefore supported labour inspection being directly integrated with labour administration.
90. The representative of the Government of China also stressed the importance of tripartism in the context of globalization, with social dialogue playing an increasing role, and said the

ILO should be prepared to meet the challenges. He added that his Government welcomed the recommendations. He supported the findings that corporate social responsibility and labour inspection needed to be further strengthened.

- 91.** Responding to the discussion, the Director-General agreed that the ILO's mission differed from those of the World Bank and International Monetary Fund. He perceived developments moving in the ILO's favour as countries today were more aware of the difficulties that unilateral liberalization – including in the area of labour codes – entailed. Nowadays, countries better understood the issues and the ILO's position. He also reassured constituents that in the DWCPs the ILO would address these difficulties and assert its mandate and expertise at the country level. He stated that the ILO would work through dialogue with the World Bank to share our knowledge and influence their thinking. The ILO would of course respect the wishes of each country. On the issue of labour inspection and labour administration, he noted that the question was complex but emphasized that the critical issue was to provide better services in support of labour inspection in response to demands of the constituents. He noted that the internal administrative arrangements should be organized to ensure this.
- 92.** The Executive-Director of the Social Dialogue Sector welcomed the evaluation and the comments from the Governing Body. She noted that, during a recent staff retreat, they had addressed the findings of the evaluation and were adjusting their programme accordingly, including research, labour law and sustainability. Regarding paragraphs 14 and 15 of the report, she reasserted that the comparative advantage of the Office was its knowledge in labour law, international labour standards and tripartism and that this comparative advantage remained even if other organizations also provided these services.
- 93.** In response to Mr. Blondel's questions and remarks, she confirmed that the original meaning and definition of social dialogue remained unchanged, and that the Director-General had decided to fill the D1 position in SECTOR. She noted that Convention No. 144 was a very important instrument, requiring more ratifications, but its implementation was as crucial and IFP/DIALOGUE was increasingly focused on promoting improved implementation. Concerning the issue of labour inspection, she noted that the Office needed to improve the quality of services to constituents, irrespective of how it was internally organized. She added that, although occupational safety and health issues were often predominant within labour inspection, broader and structural issues, such as how to actually organize a labour inspectorate, could be better addressed in a more comprehensive approach within labour administration. She confirmed that, in order to serve all best, the approach of the Office had to be flexible. Precisely for that reason one single entry point would better serve the constituents.
- 94.** The Director of the Evaluation Unit, in response to the remarks concerning the preparation of the evaluation, assured the Governing Body that the Unit had guaranteed the quality, integrity and independence of the evaluation process. He confirmed that the report and the summary had been produced by the independent evaluator without interference from the Office. Governing Body documents were actually summary versions of the full reports. The full reports were available on the Intranet or upon request.
- 95.** Mr. Blondel, who was not sure whether he had understood the decision made concerning labour inspection, suggested that a survey be held at the International Labour Conference, or that the issue be put on hold until the next session.
- 96.** The representative of the Government of Spain reiterated the importance his Government accorded to an integrated labour inspection service within labour administration, and noted that he perceived considerable agreement that labour inspection should be integrated with labour administration.

97. *The Committee recommends to the Governing Body that it request the Director-General to take into consideration the findings and recommendations contained in the evaluation of the InFocus Programme on Social Dialogue, Labour Law and Labour Administration, as well as the above deliberations, in future work on social dialogue, including programming and budgeting decisions.*

(b) Independent evaluation of the InFocus Programme on Socio-Economic Security (IFP/SES)
(GB.294/PFA/8/2(&Corr.))

98. Mr. Blondel, speaking on behalf of the Workers' group, was pleased with the decision made by the Director-General to re-establish the Social Security Department, as well as with the reallocation of financial resources. The IFP/SES had had a low impact, but those responsible for the new structure had already established some very interesting contacts. The Workers supported the point for decision.

99. Mr. Barde, speaking on behalf of the Employers' group, stated that the Employers had their reservations concerning the independence and objectivity of the document, which they regarded as a justification for a programme which they had never supported, since they did not consider it to be appropriate in terms of time and money. In view of the lack of concrete results, they believed the allocation of US\$13 million to be excessive for outcomes in only five countries. They knew nothing about the International Advisory Board, and neither employers nor ACT/EMP had been involved in the work of the unit. Despite the serious reservations of the Governing Body and the International Conference of Labour Statisticians, the unit had continued its work ranking countries by subjective indicators without the agreement of the constituents. An isolated and marginalized unit had no place in the global and strategic vision of the Organization. Paragraph 19 of the document mentioned refereed articles, and the Employers would like information on the content of the review, as well as on referees. They could not support the recommendations since they considered that the amount spent on intellectual research which was unrelated to the world of work would have been more useful had it been used to create jobs and improve conditions of work. They regretted the fact that the Office had given priority to the work of that unit through extra-budgetary funds at the expense of the global campaign to promote the extension of social security. Therefore, they did not support the point for decision.

100. The representative of the Government of Canada noted that IFP/SES was found to have done good research, but added that this research needed to be incorporated into the ILO's mainstream programmes and activities. She also called for more rationalization of research, statistics and data collection as recommended in the report, and asked for clarification about the organizational set-up of the new department. She further noted that systems were necessary to ensure that proper monitoring, documentation and auditing took place. She asked for further clarification in regard to the reference in paragraph 37 to a new mechanism at senior management level for follow-up of innovative work, including links to DWCPs. She expressed some disappointment that the Office did not respond directly to the report's call for strengthened supervision, oversight and monitoring.

101. The representative of the Government of Nigeria was satisfied with the evaluation report's review of the IFP/SES programme's performance since its creation. She requested information on whether anything had changed since the beginning of the programme, and asked that programme findings be more widely disseminated.

102. The representative of the Government of the United States welcomed the evaluation report and expressed her support for the intervention made by the representative of the Government of Canada, emphasizing the importance of monitoring and oversight. She found that the report gave a frank assessment of management and the products generated by the IFP/SES but felt it did not give a sense of the quality of those outputs or whether it has achieved the objectives set out in 2000-01. She found that the evaluation started from the premise that the programme should be continued, without assessing its continued relevance. She highlighted paragraphs 17 and 18 as examples of the lack of assessment of the objectives and usefulness of the products produced in the programme, and also asked whether media coverage had always been favourable. Finally, she expressed ongoing concern regarding the methodology used in the programme's flagship research report, noting that there were serious flaws in the methodology which could be avoided by better coordinating future research as envisaged in the Programme and Budget for 2006-07.
103. Responding to the debate, the Executive Director of the Social Protection Sector pointed to the problem inherent in carrying out research on a complex social subject. It was necessary to collect data and analyse and produce publications at the international level which had some level of validation in order for it to be used to support policies. He further stated that, although five years may seem to be a long time for carrying out research, the nature of the research and the need for validation of that research meant that five years was not long enough. He explained the dilemma inherent in the fact that the results obtained by data collection and research could not constitute a basis for policy until they had been validated by the Office.
104. Regarding the issue of establishing closer contact with the social partners, the Executive Director of the Social Protection Sector regretted that contacts with ACT/EMP had not been considered adequate. On the issue of the quality of the outputs, IFP/SES reports were widely available to be examined for quality and relevance, and he observed that some countries used these reports as possible basis for policy. He also noted that, through the exercise of data gathering and compilation, the Office was able to identify deficits of information in the field of social security. He also informed the Committee that the new Social Security Department envisaged in its Organigram a Research and Statistics Unit which could provide the necessary follow-up of some IFP/SES activities. He considered that the Office had done what was possible to monitor the research work and emphasized that internal monitoring was used to focus and streamline the research as was intended.
105. Referring to the point for decision, the Chairperson stressed that the reservations and observations made by the Committee members would be duly taken into consideration by the Director-General.
106. *The Committee recommends to the Governing Body that it request the Director-General to take into consideration the findings and recommendations contained in the evaluation of the InFocus Programme on Socio-Economic Security, as well as the above deliberations, in further work on socio-economic security.*

(c) External review of the ILO's implementation of strategic budgeting within a results-based management framework
(GB.294/PFA/8/3)

107. Mr. Barde, speaking on behalf of the Employers' group, welcomed the report and thanked the Joint Inspection Unit (JIU) for work of direct interest to constituents. He regretted that the report was shortened and that only two Employer members of the Governing Body had been consulted during the preparation of the report of the JIU. He also regretted that no

detail was presented concerning the roles of directors and that it did not emphasize that, more than a development organization, the ILO was the organization competent to deal with issues relating to the world of work. Concerning the first section, the Employers approved the JIU's analysis and supported the first two recommendations, while they requested an Office document to inform them of the amounts actually spent by department and strategy. Concerning the second section, they expressed doubts as to the proposal for a framework covering eight or 12 years, and requested that the workplans referred to in paragraph 42 be communicated to the members of the Governing Body. They wished to have explanations concerning recommendation 3 and supported recommendation 4 and requested information about the implementation of DWCPs. They were in favour of the decentralization proposed in recommendation 5, provided that it was not carried out to the detriment of expertise at headquarters. Concerning the third section, the Employers supported recommendation 6, recalling that the social partners should be closely involved in resource mobilization. With regard to the fourth section, the Employers hoped the Office would take their comments on the indicators, which were shared by the JIU, into account, and supported recommendation 7, while calling for a discussion on the strategy referred to. They shared the concerns expressed by the JIU in the fifth section, and wished to see recommendation 8(a), (b) and (c) applied. Concerning recommendation 8(d) and (e), they disagreed with the Office and awaited its proposals along the lines of setting up a committee on the model of the pensions subcommittee rather than a Governing Body subcommittee. They supported recommendation 9, although they had reservations with regard to the costs entailed. The sixth section raised concerns and needed clarification since it indicated internal problems. The Employers requested the Office to inform the Committee of the implementation of all the recommendations except those in the second section.

- 108.** Mr. Blondel, speaking on behalf of the Workers' group, expressed some doubts as to whether it had been appropriate to request this evaluation from the JIU, which had not taken the ILO's unique nature into account during the exercise.
- 109.** Concerning the first section, and recommendation 1 in particular, the Workers wished every member of staff of the ILO to be not only an expert in his or her area of competence, but also an activist in the service of the Organization's principles and values. Concerning recommendation 2, they wondered why the Office failed to mention periodic surveys in its comments. Concerning the second section, and recommendation 3 in particular, the Office comments were relevant, although it was not realistic to plan to achieve measurable goals over a 12-year period. The Workers had always stressed the need for common strategic budgeting of regular budget and extra-budgetary resources to attain the Organization's objectives. With regard to recommendation 4, ACTRAV and ACT/EMP should lead the participatory process mentioned. The ILO should make DWCPs (DWCPs) the starting point of its long-term strategy and avoid their fragmentation. The Workers were especially in favour of subparagraph (d) of the recommendation. They supported recommendation 5, recalling that the success of DWCPs depended on whether the Organization respected fundamental labour standards and consensus among the constituents when it applied results-based management (RBM) in a given country. With regard to recommendation 6, the Workers called for full involvement of the tripartite constituents in resource mobilization, including the Committee on Technical Cooperation.
- 110.** Concerning the fourth section, they supported recommendation 7, which emphasized the need for targeting in the framework of the DWCPs. The speaker recalled that considerable resources had been invested in IRIS, which had yet to prove useful in practice, and whose performance, as the JIU report pointed out, was rated unsatisfactory by 73 per cent of people questioned. As regards the fifth section, and recommendations 8, 9 and 10 in particular, the Workers supported the Office's comments and approach.

- 111.** The representative of the Government of the Netherlands, speaking on behalf of IMEC, noted its general agreement that results-based management was fundamental to the ILO and was a continuous process. He was pleased that the JIU report remarked on progress made by the Organization. However, he was concerned by the Office's somewhat ambivalent reaction to the recommendations. IMEC was of the opinion that RBM was not limited to strategic budgeting. He was concerned that the JIU found ILO's monitoring of results weak, noting that many managers did not regularly use performance measures and targets. He asked the Office to provide more details of the JIU staff survey. IMEC found that the ILO objectives functioned in a top-down way and were not measurable. In addition, feedback was not institutionalized. IMEC noted that DWCPs were a potentially powerful tool to help develop a long-term strategy that must combine bottom-up and top-down approaches. The strategy should be based on the four strategic objectives, together with DWCPs, serving as the primary vehicle for national planning and delivery that would translate those objectives into reality at the country level.
- 112.** IMEC agreed with the need to identify priorities for follow-up to report recommendations and suggested the following: (1) a clear conceptual framework: a strategy for recommendation 1 should be presented to the Governing Body in November 2006; (2) RBM-related training should be an important component and used to create ownership among staff, but effective application of RBM should be part of individual assessment, especially for managers; (3) the 12-year plan might be overambitious, but the ILO should review and propose a long-term strategic planning instrument to the Governing Body for consideration; (4) IMEC placed great importance on implementation of recommendation 5 for decentralization, and this required an early review of the field structure.
- 113.** IMEC asked the Director-General to review the Office's system for delegation of authority and related accountability in line with the JIU RBM framework. Prompt access to IRIS was important to the field, and it was vital to determine whether it was meeting the needs of the field. IMEC also requested a small plan to create an oversight body using available resources to be presented to the Governing Body in March 2006. The Director-General was also asked to develop a strategy for knowledge management. Finally, IMEC requested that plans for specific follow-up to the JIU recommendations, indicating priorities and costs, be presented to the Governing Body in March 2006.
- 114.** The representative of the Government of South Africa, speaking on behalf of the Africa group, noted the importance of DWCPs as a means of identifying national priorities. He stated that the Office comments on the recommendations did move things forward, noting agreement with the Office's position on recommendation 1 and the need to prioritize follow-up. He said that separate discussions were needed to look into costs and extra-budgetary support, and that more prioritization was required.
- 115.** The representative of the Government of Honduras, speaking on behalf of GRULAC, stressed the importance of the work carried out by the JIU as an independent supervisory body of the UN system, to which the UN General Assembly had given a mandate to carry out evaluations on improved management methods and to ensure the best use of available resources.
- 116.** The representative of the Government of Nigeria asked for immediate action on recommendations 5, 6, 7 and 9 for implementation.
- 117.** The representative of the Government of the Russian Federation noted that the framework in recommendation 1 was essential and should be considered by the Office. He was unclear as to why the Office objected to a 12-year plan. He supported recommendation 4 as an ongoing process of improvement. He added that the nature of ILO's work would make it difficult to measure higher level ILO results, although he did not consider this impossible.

118. The representative of the Government of Australia expressed their approval for the JIU's conduct of the external review. Although much progress had been made by the Office in implementing RBM, much work still remained. She agreed with the Office's view of DWCPs as integral to implementation of results-based management. She added that the JIU's proposals should be seen as serious proposals for organizational improvement and called for an assurance that the Office's management reform efforts would be made with existing resources and would not be contingent on external funding.
119. The representative of the Government of Mexico requested the Office to give priority to recommendation 4(a), which her delegation considered could be implemented, and recommendation 8(c), indicating the importance of an oversight unit.
120. The representative of the Government of Japan emphasized the importance of recommendation 5 on decentralization to the regions and the importance of country programmes that included constituents in building consensus about priorities. He asked the Office to address lingering issues related to field structure roles and responsibilities. He encouraged training of field managers in results-based management. He closed by noting that the ILO's objectives would benefit from a bottom-up approach based on national and regional common interests.
121. The representative of the JIU, called by the Chairperson to respond to comments, expressed the JIU's strong conviction of a global approach to results-based management. He also urged the Committee to note that other United Nations agencies were adopting longer term planning frameworks, but appreciated that the exact period for the ILO would depend on particulars of the agency. He explained that the setting up of an oversight committee was not intended to translate into a new supervisory body, but could be done by the Director-General. He also urged the Office to articulate an implementation strategy that took into account practicalities of current capacities and resources.
122. The Director of the Bureau of Programming and Management noted with satisfaction the strong interest and commitment of the Governing Body to its needs regarding results-based management. He noted that, although expectations for rapid progress likely outstripped available capacities, the Office would move forward expeditiously. He suggested that the Office submit to the Governing Body in March 2006 a short paper indicating the elements of the ILO's future work on results-based management. The subsequent discussion would clarify the parameters for a more detailed strategy to be presented with the preview of the Programme and Budget proposals for 2008-09. Despite the short time frame for a March submission, he indicated that consultations would be held to the extent possible.
123. After confirming agreement from the groups, the Chairperson noted the Office's responsibility for implementing the measures discussed and reporting back on progress.
124. *The Committee recommends to the Governing Body that it request the Director-General to take into consideration the findings and recommendations contained in the review of the ILO's implementation of strategic budgeting within a results-based management framework, as well as the above deliberations, in future decisions on strategic budgeting and results-based management.*

**(d) A new policy and strategic framework
for evaluation at the ILO**
(GB.294/PFA/8/4)

- 125.** Mr. Barde, speaking on behalf of the Employers' group, commended the Office for having put in place a mechanism for project evaluation, but considered that there were gaps in the system with regard to financial evaluation, which would have to be filled. Despite the objectivity and transparency of the evaluations described in the paper, the Employers wished to have some clarifications before supporting the point for decision. Given the ambitious scale of the programme and the small size of the unit that was to implement it, they would welcome information on the human and financial resources that would be necessary. Even if the tripartite nature of the ILO was mentioned, he regretted that the document referred to the role of constituents only for DWCPs. The constituents should also be involved in any form of evaluation, including at headquarters. Concerning paragraph 38, the Employers supported the establishment of an advisory subcommittee composed of Governing Body members, which would be involved in the evaluation process. Its role would be to receive evaluations and not to evaluate. The independence of evaluation was critical and, to ensure the application of the principles set forth in paragraph 12, the evaluation unit should be placed under the control of the internal auditor, as proposed by the JIU. For financial reasons, it would also be advisable to encourage self-evaluations, under supervision. The Employers wished to have more information on the concept of decentralization of responsibilities, as they felt they should mainly be located at headquarters. Not all priorities were defined at regional level and each objective had its own priorities. For instance, ACT/EMP had to coordinate employers' priorities. Project evaluation should continue to be the responsibility of the Committee on Technical Cooperation. Other evaluations could be done by the committee proposed above.
- 126.** Mr. Blondel, speaking on behalf of the Workers' group, felt it necessary to recall that it was the Director-General who was responsible for the functioning of the Organization, and not the JIU. Concerning document GB.294/PFA/8/4, the Workers had noted with satisfaction that a number of elements of the strategy they had advocated in 2002 had been applied, including the submission to the Governing Body of annual reports on the implementation of regular budget programmes and the evaluation of technical cooperation projects, as well as consultation of the Governing Body groups. The document also created a new framework for evaluation of the Organization, in the context of increasingly active involvement of the tripartite participants, thus guaranteeing transparency of governance and efficient and democratic management. The Workers commended the creation in March 2005 of a central evaluation unit reporting to the Director-General, and welcomed the fact that the Office would carry out independent evaluations on which it would report to the Governing Body at regular intervals. They welcomed the document's emphasis on the importance of tripartism, in particular in paragraphs 12 and 17. Evaluation should strengthen the effective participation of the ILO's constituents in resource allocation. The Workers approved the measures envisaged in paragraphs 31 and 32. The Turin Centre should play a key role in training issues. The Workers wished to see tripartism and social dialogue treated as a cross-cutting strategic objective under the Decent Work Agenda, in line with the proposal put forward some years before in document GB.285/7/1. They supported the proposal contained in paragraph 40. However, they considered that a period of five years was excessive when it came to assessing the impact of the new evaluation policy and strategy on the Office's work and performance.
- 127.** The representative of the Government of the Netherlands, speaking on behalf of IMEC, noted the group's appreciation for the new policy and strategic framework for evaluation at the ILO, and that it built upon progress already made with the previous strategy. He emphasized the importance of evaluation as part of a results-based management system

and requested that the Director-General ensure the newly formed evaluation unit's independence and professionalism.

- 128.** IMEC further noted that the resources allocated for the strategy were relatively small and invited the Office to propose a reallocation of resources within the first year of the next biennium. The spokesperson also signalled IMEC's support to further strengthening the organizational capacity of the unit. He called for greater independence and encouraged more fully external evaluations. He asked how the Office would separate evaluation from line management functions, who would commission decentralized evaluations, how topics would be determined, and whether governments would be able to make proposals.
- 129.** IMEC was unclear as to how a focus on results at various levels of evaluation would be ensured, and how the Office would guarantee quality and results orientation at these different levels. IMEC requested further clarification on the setting up of evaluation advisory committees, as to how the evaluation functions would be decentralized, and how the quality of self-evaluations would be checked. The speaker noted the importance of systematic feedback into future planning, programming and budgeting, and asked the Office to ensure systematic follow-up to evaluations. He endorsed the idea of an annual evaluation report to the Committee and asked for a fully external evaluation of the function in five years. IMEC encouraged the Office to implement the new evaluation policy expeditiously and to present an implementation schedule in this respect.
- 130.** The representative of the Government of Hungary also emphasized the importance of independence and a centralized unit to strengthen the function.
- 131.** The representative of the Government of France commented on the challenges facing the Office in changing its organizational culture to embrace evaluation as a management tool, and in developing the tools and methodologies to make evaluation a useful exercise in highly complex situations. She pledged strong support to the Office's evaluation efforts.
- 132.** The representative of the Government of South Africa, speaking on behalf of the Africa group, noted its endorsement of the new policy.
- 133.** The representative of the Government of Nigeria also expressed support for the new policy.
- 134.** The representative of the Government of Australia, speaking on behalf of the Asia-Pacific group, also welcomed the new framework and evaluation unit, but emphasized the need for staff training, including the involvement of the Turin Centre and internal cooperation in the effort, to be funded from existing training resources. He agreed with regular evaluation of DWCPs with constituent participation, and asked the Office to move forward within existing resources.
- 135.** The speaker highlighted the importance of transparency, accountability and independence in the evaluation process, as well as the need to synchronize evaluations with programming and budgeting cycles. The spokesperson requested details on the evaluation schedules and a plan for reporting impact to the Governing Body.
- 136.** The representative of the Government of Japan added to IMEC's statement by emphasizing the importance of a central evaluation unit being independent of other parts of the Office. After noting the potential of evaluation as a means of improving management, he requested more details on criteria and procedures for ensuring independence. He indicated that the criteria proposed in paragraph 17 needed further elaboration. He also asked about the plans for establishing evaluation advisory committees and for deciding on strategy and policy evaluations.

137. The representative of the Government of the Russian Federation found the evaluation policy comprehensive and welcomed the central evaluation unit. He wondered if the Office had assessed costs of the new strategy against the current allocations.
138. Mr. Anand (Employer member) noted that the proposed evaluation policy and strategy placed accountability at the level of the Director-General. He invited the Office to consider having several missions by Governing Body members to randomly check the validity of evaluations against experience on the ground.
139. The Director of the Evaluation Unit expressed his appreciation for the general support and favourable comments regarding the proposed policy and strategy and assured the Committee that these would be taken into consideration when implementing the policy. He emphasized his unit's strong commitment to independence and accountability and assured the Committee of the unit's functional autonomy. He reconfirmed the Office's commitment to consulting with constituents on evaluations, specifying in more detail the modalities for decentralizing evaluation functions, and ensuring that the annual report to the Committee included the reporting of progress on follow-up to evaluations, as specified in paragraph 38. He emphasized that this would be followed by an external evaluation of the function in five years. He pointed to the table in the report specifying internal roles and responsibilities for various types of evaluations, and promised to add more detail in the annual evaluation report.
140. The Committee Chairperson added the observation that paragraph 40 of the report indicated that the annual report would be a means of monitoring the evaluation function.
141. Mr. Blondel welcomed the reference to an annual report on the evaluation function to be submitted to the Committee and supported the point for decision.
142. Mr. Barde referred to the possibility of participation by the constituents in thematic and project evaluations and requested the Office to prepare a table of evaluations for the following session of the Governing Body.
143. *The Committee recommends to the Governing Body that the Director-General apply the new evaluation policy proposed by the Office, account being taken of the comments and observations made by the Committee.*

Use of the 2000-01 surplus (Ninth item on the agenda)

144. The Committee had before it a paper⁸ concerning use of the 2000-01 surplus.
145. Mr. Blondel welcomed the allocation of 95.2 per cent of the available resources. He requested additional information on the items "investments in management capacities" and "regional services" in Appendix 1. Concerning Appendix 2, he considered that the allocation for Myanmar should be continued in 2006, and that the Office should provide support to the victims of the earthquake in Pakistan. He also wondered about the follow-up to the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa and advocated the establishment of permanent institutions for social dialogue.
146. Mr. Barde noted that the activities financed by the 2000-01 surplus did not concern the social partners very much, and the employers in particular. He welcomed the work done to

⁸ GB.294/PFA/9.

help the victims of the December 2004 tsunami, in particular in Aceh Province in Indonesia. He also thanked the Office for its rapid response in aid of the victims of the earthquake in Pakistan. He wished to see an evaluation of projects and requested additional information on the reallocation of funds for the Solomon Islands. With regard to activities on statistics, he highlighted once again the need for the Office to consult the Governing Body on the development and publication of statistical indicators on decent work. Mr. Barde recalled his group's opposition to Office publications presenting statistical indicators classifying countries for purposes of comparison.

147. The representative of the Government of the Philippines, speaking on behalf of the Asia-Pacific group, wished to draw the attention of the international community to the jobs lost as a result of the earthquake in Pakistan. She endorsed Pakistan's appeal for relief and reconstruction assistance, in particular for the creation of employment opportunities.
148. The representative of the Government of South Africa, speaking on behalf of the Africa group, welcomed the document and the allocations and milestones to be achieved. He indicated that the African Union was to produce a first report in April 2006 on the follow-up to the Extraordinary Summit of 2004. The ILO had played a critical role in preparing reporting guidelines and formats. He particularly thanked the ILO and its field offices for their support to the follow-up activities.
149. The representative of the Government of Nigeria thanked the ILO for its support to the African Union. She stressed that many follow-up initiatives were taking place with tripartite involvement. She also supported the call for assistance to earthquake victims in Pakistan and India.
150. The representative of the Government of Pakistan thanked the various speakers for their expressions of support concerning the tragedy that had devastated his country. He called for ILO assistance in meeting the needs of reconstruction and rehabilitation.
151. The Director of the Bureau of Programming and Management referred various speakers to the report on programme implementation to be submitted in March 2006, which would detail the achievements of the Office, including under the 2000-01 surplus. He recalled that a large allocation of surplus funds had been made for tripartite activities. He indicated that the forthcoming biennium would be financially very tight, as the 2000-01 surplus funds came to an end. He pledged a swift examination of additional support for Pakistan's earthquake victims.

Programme and Budget for 2006-07: Technical meetings reserve (Tenth item on the agenda)

152. In introducing the paper⁹ before the Committee, the Director of the Bureau of Programming and Management informed the Committee of the results of the consultations the Office had undertaken in order to arrive at a consensus on the selection of technical meetings. Traditionally, two meetings were reserved for the Employers' group and the Workers' group. In this case proposals (e) and (f) in Appendix 1 of the document were supported by these two groups. Western and Eastern Europe, and more generally IMEC, gave their first priority to the International Forum on Corporate Social Responsibility and the World of Work (option (b)), whereas the Africa group gave preference to the Interregional Symposium on the Informal Economy (option (c)) and to the Symposium on

⁹ GB.294/PFA/10.

Labour and Social Issues in Regional Economic Integration (option (d)). The Latin America and Caribbean group opted for the following order of preferences: option (c), option (b), option (d) and option (a), Tripartite Meeting of Experts on Equal Remuneration for Men and Women Workers.

- 153.** Mr. Blondel, speaking on behalf of the Workers' group, considered that the proposals for technical meetings submitted by the Employers' group and the Workers' group, respectively, had already been accepted under an agreement that had been reached. He pointed out that, in view of the high interpretation costs envisaged for the meeting proposed by the Workers' group (option (f)), ACTRAV was prepared to revise the estimate downwards. He expressed his group's support for options (a) and (b).
- 154.** Mr. Barde, speaking on behalf of the Employers' group, agreed with the Workers that a decision on options (e) and (f) proposed by the two groups could be taken as agreed. He suggested that it might be advisable to defer a decision on whether to hold the technical meeting in option (b) until the end of the meeting of the Subcommittee on Multinational Enterprises. Apart from the two meetings already mentioned, his group preferred option (c).
- 155.** The representative of the Government of South Africa, speaking on behalf of the Africa group and supported by the representatives of the governments of Kenya and Nigeria, gave its first priority to option (c), deemed relevant to the region and the follow-up to the African Union Extraordinary Summit. His second priority went to option (d), for which he hoped that there could be adequate representation of government delegates from the African region.
- 156.** The representative of the Government of Honduras, speaking on behalf of GRULAC, supported options (c), (b), (d) and (a).
- 157.** The representative of the Government of Japan supported options (d) and also (b), supported by IMEC. He also suggested that the former meeting (option (d)) should clearly be distinguished from the one suggested as the Global Policy Forum.
- 158.** The representative of the Government of Canada raised a question on whether a technical meeting proposal suggested in another Committee (LILS) would have to be funded from the technical meetings reserve.
- 159.** The representative of the Government of Germany requested clarification on the selection of languages in the event of lower funding for interpretation.
- 160.** The Director of the Bureau of Programming and Management responded that, if the meeting being considered in LILS were retained, it would have to be funded by the technical meetings reserve. The interpretation issue concerned the number of parallel sessions in a meeting, not the number of languages. There seemed to be consensus on the proposals intended (e) and (f), respectively for the Employers' and the Workers' groups, but that no other proposal had received a large backing. The matter of the other proposals therefore would have to be reconsidered at the Committee's session in March 2006.

Matters relating to the Joint Inspection Unit (Eleventh item on the agenda)

(a) Reports of the Joint Inspection Unit (GB.294/PFA/11/1)

- 161.** Mr. Blondel, speaking on behalf of the Workers' group, stated that he did not have much to say about the document. He was, however, surprised to see recommendation 2 in paragraph 7 suggesting the granting of work permits for children.
- 162.** Mr. Barde, speaking on behalf of the Employers' group, recalled that in 2003 his group had requested a review of the relationship between the ILO and the JIU. The subject had been deferred in November 2003 in view of the reforms under way. It was now moot, since there was no question of discontinuing the relationship with the JIU. The latter had produced an evaluation at the request of the Office, and had prepared better documents that were more directly relevant to the Office. He wished to see more frequent reports on the ILO by the JIU, to be prepared entirely independently from the ILO. Mr. Barde requested further information on the impact, in particular in financial terms, of the recommendations put forward in the document (in particular recommendation 5).

(b) Review of the ILO's collaboration with the Joint Inspection Unit: Update (GB.294/PFA/11/2)

- 163.** Mr. Barde, speaking on behalf of the Employers' group, observed that his group suggested that all of the JIU's reports be integrally submitted to the Governing Body when they related directly to the ILO. He proposed an amendment to this effect to subparagraph (b)(ii) of the point for decision.
- 164.** Mr. Blondel, speaking on behalf of the Workers' group, recalled the amount of the ILO's direct contribution to the JIU referred to in paragraph 9 of the document. He observed that paragraph 14 of the document reflected his own views. Lastly, he proposed that paragraph 15(b)(i) be amended by adding the words "taking account of the tripartite nature of the Institution".
- 165.** The representative of the Government of Japan fully supported the Office's intention to reaffirm its relationship with the JIU. The system-wide knowledge of the JIU could only benefit the ILO. He suggested that the Governing Body receive a full copy of all JIU documents and take a stand on each recommendation, rather than these being submitted for information only.
- 166.** The representative of the Government of the Russian Federation supported cooperation with the JIU. While recognizing that the ILO was special, he was of the view that, on administrative and budgetary matters, the ILO could benefit from lessons learned in other organizations and from the knowledge of the JIU.
- 167.** The representative of the Government of Peru endorsed the statements of Japan and the Russian Federation. She supported a strong relationship between the ILO and the JIU which would benefit the ILO.

168. *The Committee recommends to the Governing Body:*

(a) that it reaffirm the ILO's relationship with the JIU;

(b) that it request the Director-General:

(i) to ensure that the Office collaborates with the JIU to develop a strong programme and satisfactory methods of work, taking into account the tripartite nature of the institution; and

(ii) to continue to submit to it on a yearly basis a summary of the reports and recommendations of the JIU following the receipt of comments from the CEB, it being understood that where the reports relate specifically to the ILO they should be submitted in full.

Other financial questions

(Twelfth item on the agenda)

Major repairs to the water mains at the ILO headquarters

169. The Committee had before it a paper¹⁰ on the cost of repairs to the water mains.

170. Mr. Blondel, speaking on behalf of the Workers' group, considered that the repairs were mandatory and that there was no choice but to support the point for decision. He was surprised that the matter had not been referred to the Building Subcommittee.

171. Mr. Barde, speaking on behalf of the Employers' group, pointed out that this matter was part of the broader issue of building maintenance and supported the point for decision.

172. The representative of the Government of Japan expressed his surprise that this paper had not been submitted to the Building Subcommittee, which had met two days earlier. Despite the urgency of the subject, without a clear explanation, it would be difficult for him to endorse the point for decision.

173. The Treasurer and Financial Comptroller explained that the Building Subcommittee mandate had traditionally been to oversee major ongoing building projects. Initial funding decisions had always been the responsibility of the Programme, Finance and Administrative Committee and then, where appropriate, projects had been referred to the Subcommittee, which would monitor them through to completion. The smaller, discrete expenditure items which needed to be carried out urgently were, following financial approval by the PFAC, undertaken directly by the Office.

¹⁰ GB.294/PFA/12/1.

174. *The Committee recommends that the Governing Body agree that the cost of urgent repairs to the water mains, estimated at 250,000 Swiss francs, be charged to the Building and Accommodation Fund.*

Geneva, 14 November 2005.

(Signed) M. Blondel,
Reporter.

Points for decision: Paragraph 18;
Paragraph 26;
Paragraph 45;
Paragraph 57;
Paragraph 97;
Paragraph 106;
Paragraph 124;
Paragraph 143;
Paragraph 168;
Paragraph 174.

Appendix

Address by the Director-General to the Programme, Financial and Administrative Committee (Geneva, 9 November 2005)

Señor Presidente,

Porte-paroles des groupes des employeurs et des travailleurs,

Members of the Governing Body,

Dear friends,

Your Committee is faced with a very heavy agenda covering 19 points and some 25 documents, not counting the Building Subcommittee and the Information and Communications Technology Subcommittee.

I should like to take a few moments of your precious time to share our thinking on a number of key policies submitted for your consideration.

I have in mind especially the Human Resources Strategy, the implementation of results-based management and the proposed evaluation framework. These are further steps in our continuing quest to perform more effectively and efficiently.

These policies go to the heart of the functioning of the Office.

Each document proposes a particular policy orientation for your analysis. They also build on concerns you have expressed on earlier occasions.

Your frank and straightforward assessments on these policy orientations will help us move forward. I welcome a thorough discussion in order to continue progressing in the right direction.

While each of these documents deserves to be discussed on its own merits, when viewed as a whole, they distinctly define a strategy of systematic change and renewal.

They are part of a series of significant incremental steps underpinning reforms in our Organization since we adopted strategic budgeting and results-based management in 1999.

I should like to place these in the broader international policy context in which they need to be considered.

Two recent conferences of Heads of State, namely the African Union Summit in 2004 and the Summit of the Americas held last week, have adopted a regional platform placing decent work and productive employment at the centre of economic and social policies.

At the World Summit, held last September in New York, more than 150 Heads of State and Government adopted an outcome document pertaining to the implementation and follow-up to major United Nations conferences and summits in economic, social and related fields. That document includes the following statement. Allow me to read it:

We strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals. [...] We also resolve to ensure full respect for the fundamental principles and rights at work.

Our Organization is honoured and reinforced by such a strong endorsement of our values, principles and strategies.

Decent work has, in fact, become a stated global and regional goal. This is complemented by the priority we have given to decent work country programmes in the Programme and Budget for 2006-07.

Very practical implications flow from this.

The ILO is, and will be, called upon to assist in transforming these major pronouncements into workable policies and programmes. So will other international organizations, in their own field of competence.

Demands on ILO knowledge, advice, expertise and services will increase.

This is a unique opportunity we must seize. Obviously, we cannot do everything, everywhere.

Our resources, those you entrust to us, are limited.

The squaring of the circle, so to speak, a situation this Committee knows well, can only be resolved with a strategy of change that places a premium on efficient and effective performance.

As we look onwards to the forthcoming biennium, we must remind ourselves of this context: a formidable opportunity on the one hand, a full commitment to deliver on the other. Given the international support for our agenda, it would not be unreasonable to aspire to greater development cooperation funding to implement decent work country programmes.

As you have heard me state before, the ILO is respected for its unique mandate and the values and principles it stands for. These are absolutely fundamental; they define our identity.

But this identity is as much shaped by what we do as by what we stand for. And what we do as an Organization must convince all – our constituents in the first place – that we are an efficient and effective organization.

The best way to uphold our mandate, its values and principles, is to continue to show how it can be used to craft policies and programmes that solve concrete problems of the world of work.

We must tackle, efficiently and effectively, rights, employment, social protection, representation and dialogue in the workplace, for women and men in formal and informal enterprises, in low-, medium- and high-income countries, within the specificity of each national reality.

The more concrete our assistance, the more people will be convinced that the ILO has practical solutions to offer, drawn from our values and our knowledge base, zeroed in on the problems of today, but also looking ahead and discerning emerging issues.

Our capacity to deliver depends on a number of internal policies and processes.

The ILO must nurture highly skilled and motivated staff who are held to the highest standards of performance, conduct and accountability. We need staff who can creatively combine specialization with a global view and multicultural understanding.

As highlighted in the Human Resources Strategy paper before you, competence must be the paramount consideration when recruiting staff, within an overall geographical and gender balance.

The Office needs the full support of the PFAC, the Governing Body and individual constituents in fulfilling our responsibility to uphold this principle.

We need a culture of transparent evaluation in parallel to the culture of results that we are pursuing through the results-based management system that has been put in place. This is reflected in the policy and strategic framework for evaluation before you.

Evaluations should be applied widely. Objectives, methods of implementation and results should be openly discussed in order to learn and apply lessons to improve future performance.

The evaluation carried out at the ILO's request by the Joint Inspection Unit on strategic budgeting is one example of such openness. I am most interested to hear how you think the inspectors' in-depth knowledge of results-based management in the United Nations can be applied in the ILO.

Decent work country programmes will give us a better understanding of national priorities, which will prove useful in conducting the review of field structures that you have requested for the coming biennium.

Measures have already been taken in the European region, such as moving the Branch Office in London to smaller and less costly premises, and the reallocation of resources for national correspondents to countries in Central Asia in great need of ILO assistance. This shows how a flexible approach in the deployment of our resources can lead to a more effective and efficient provision of services.

I remain committed to finding ways of meeting the resource challenges that result from the reductions to the budgetary proposals for 2006-07. Let me recall that provisions in Part IV of the budget were slashed by some US\$16 million, including provisions to meet building and accommodation needs and for security.

We will have to take the necessary human resource measures to realize the US\$2 million of savings built into the budget based on grade reductions. We will have to generate additional savings to absorb the provision for staff turnover of some US\$5 million, and we must also absorb some US\$6 million of cost increases removed from my initial programme and budget proposals. Additional savings will be difficult to find, but I am committed to resolute efforts in all areas of spending.

I fully realize that in some areas the proposals before you must be further developed. Top-quality line management is perhaps the most important need we have, together with continued strengthening of its authority and accountability. We have already made a good start on this through the Management Leadership and Development Programme.

We will continue to develop our management performance system. We are committed to doing this so that we can set and track specific targets in line with the programme and budget and with results identified in decent work country programmes. We need to be able to assess the performance of each manager in achieving the outcomes identified in programming documents. That is our goal.

The Strategic Management Module of IRIS that is being used to plan the ILO-wide implementation of the Programme and Budget for 2006-07 is an illustration of how we are making progress in this area. The same applies to the formulation of decent work country programmes, now well under way.

These are two concrete examples of technology and policy coming together to increase the efficiency of this Organization in delivering a programme relevant to the needs of our constituents. We must press forward. This is work in progress.

The full application of IRIS will continue to generate further change and adaptations. I expect the new Information and Communications Technology Subcommittee to play a proactive role in this regard.

Enhancing the performance of the ILO has been a constant concern of mine. Many useful reforms have been introduced in the last few years as a result of your overall guidance and the numerous valuable suggestions and observations that you have made.

We need to give more focused attention to costs and efficiencies. Within the confines of the United Nations common system and our Staff Regulations, we are working to achieve a better grade balance. We have set aside resources for staff development.

I am determined to pursue this strategy of change to ensure that the ILO is a high-performance Organization of which you, we in the Office, and all those whom we serve the world over, can be proud. Much has been accomplished together. Nevertheless, I am fully aware that much remains to be done.

As we prepare for 2006 and 2007, we can confidently assert that the highest political authorities have heard our message and back the Decent Work Agenda. Our privilege and duty now is to help them to turn words into deeds.

I know that the results of this Committee's discussions will bear their mark on the strategy of change which we must pursue with determination to continue transforming the ILO. In anticipation of a thorough debate, I thank you for your contributions to the many items on your agenda.

Thank you for your attention.