

**FOR INFORMATION**

NINTH ITEM ON THE AGENDA

Use of the 2000-01 surplus

1. At its 285th (November 2002) Session, the Governing Body approved proposals on allocations of the 2000-01 surplus under the authority delegated by the International Labour Conference.¹ In the discussion,² the Office stated it would provide financial information and a results framework for all new allocations in the format used in Appendix III of GB.285/PFA/9.
2. In keeping with the above commitment, this document provides an update on the financial information and the results framework for all new allocations. Appendix I provides an overview of allocations under the 2000-01 surplus funds as at 31 August 2005. Appendix II provides the results framework for all new allocations since last reported in November 2004.

Status of approval and delivery

3. On 31 August 2005, the Office has allocated US\$48,879,339 or 95.2 per cent of the total 2000-01 surplus towards objectives endorsed by the Governing Body in November 2002. Approval is given by the Director-General after careful assessment of the design of projects in terms of results-based programming standards and techniques and responsiveness to priorities and needs of constituents.
4. As shown in Appendix I, US\$2.4 million (4.8 per cent of the total) remained to be allocated under the 2000-01 surplus on 31 August 2005, mainly in the area of regional services, crisis response and management challenges. Proposals for the use of this balance are at the final stages of development.
5. Delivery rates under the 2000-01 surplus continue to be globally satisfactory and reached 66.7 per cent³ of all allocations at the end of August 2005. This would be higher if

¹ *Provisional Record* No. 19, International Labour Conference, 90th Session, Geneva, 2002.

² GB.283/9/1; GB.285/10/1.

³ This delivery rate (expenditure on allocations) was calculated excluding the amount of US\$7,750,000, transferred to the Building and Accommodation and Information Technology Systems funds.

delivery included the amounts transferred to the Building and Accommodation Fund and the Information Technology Systems Fund. However, both allocations and expenditure have slowed slightly as it became clear that regular budget resources available in 2006 would be less than initially proposed. A number of units have requested extensions in their initial spending plans in order to extend service delivery over a longer period.

6. The Programme Implementation Report submitted in March of each year to the Governing Body provides information on implementation of work funded by the 2000-01 surplus. The report highlights the milestones achieved by the projects and describes their value added with regard to ongoing and programmed activities under the programme and budget.

Major use of 2000-01 surplus (allocations during this reporting period)

7. The allocations for this reporting period were strongly influenced by the response to the earthquake-tsunami in Asia; support to the African Union's Extraordinary Summit on Employment and Poverty Alleviation in Africa and its follow-up; the Inter-American Agenda on Decent Work and Development in Latin America and the Caribbean, ILO operations in Myanmar, and external communications. The details of the approved allocations are provided in Appendix II.
8. A limited number of internal transfers of funds from one project to another have been authorized to respond to emergency needs as reflected in Appendix II. For example, the total allocation for response to the earthquake-tsunami is US\$456,000: from the item Response to crisis and emergencies (US\$153,000 from its non-allocated funds and US\$30,000 from unspent funds for the Solomon Islands) and from the item Regional services (US\$233,000 from its non-allocated funds and US\$40,000 from unspent funds of projects in China).

Geneva, 10 October 2005.

Submitted for information.

Appendix I

Item	Approved resources	Total allocation and earmarked amounts in GB.291/PFA/7 (as of 31 August 2004)	Savings on previous allocation ¹ (as of 31 August 2005)	New allocation (as of 31 August 2005)	Total allocation	Allocation balance
World Commission on the Social Dimension of Globalization	2 800 000	2 800 000		–	2 800 000	0
International labour standards	2 900 000	2 899 672		–	2 899 672	328
Response to crisis and emergencies	8 000 000	6 970 903	-126 354	444 000	7 288 549	711 451
Security and safety of staff	3 450 000	3 450 000		–	3 450 000	0
Investments in management capacities	6 000 000	5 366 960	-274 643	265 504	5 357 821	642 179
Regional services	10 000 000	5 763 740	-105 400	3 274 957	8 933 297	1 066 703
Statistics	2 000 000	1 490 000		510 000	2 000 000	0
Gender equality	2 000 000	1 590 000		410 000	2 000 000	0
External communications	3 500 000	2 452 036		1 047 964	3 500 000	0
Tripartism and social dialogue	2 900 000	2 900 000		–	2 900 000	0
Subtotal	43 550 000	35 683 311	-506 397	5 952 425	41 129 339	2 420 661
Transfer to Building and Accommodation Fund ²	2 750 000	2 750 000			2 750 000	0
Transfer to Information Technology Systems Fund ²	5 000 000	5 000 000			5 000 000	0
Total	51 300 000	43 433 311		5 952 425	48 879 339	2 420 661

¹ Some allocations are lower than earmarked amounts where it has been possible to achieve results with less resources.

² Use of resources in the Building and Accommodation Fund and the Information Technology Systems Fund is subject to the approval of the Governing Body.

Appendix II

Results-based information for new allocations under the 2000-01 surplus

This appendix describes the results-based framework for all new allocations made or existing allocations modified since last reported in November 2004. Complementarities and coherence between the regular budget, extra-budgetary resources and surplus-funded work are key criteria in the appraisal. References are made to the relevant paragraphs and text boxes in the Programme and Budget for 2004-05 under each item below. Substantive information on achievement of milestones is provided in the Programme Implementation Report submitted to the Governing Body in March of each year.

International labour standards

Objectives, indicators and targets were provided in GB.285/PFA/9 and GB.288/PFA/8(&Corr.).

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p><i>Myanmar:</i> Pursuant to the understanding reached with the Myanmar authorities in March 2002, the project aims to assist the authorities in their efforts to ensure the prompt and effective elimination of forced labour.</p> <p>During this reporting period, there were several internal transfers of funds from previously approved surplus allocations under International labour standards, to cover costs of ILO operations in Myanmar. This raised total surplus support from US\$300,000 to US\$836,000.</p>	End 2005		1c: Normative action	Paragraphs 158-159, and text box after paragraph 159
Total			No net change	

Response to crisis and emergencies

Objectives, indicators and targets were provided in GB.285/PFA/9 and GB.288/PFA/8(&Corr.).

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
Africa				
<p><i>Sudan:</i> Support to post-conflict peace building and Poverty Reduction Strategy Paper (PRSP) in Sudan (in the framework of the African Union's Extraordinary Summit on Poverty Alleviation and Employment and its follow-up in Ouagadougou)</p>	End 2005	110 000	2a: Employment policy support 2b: Knowledge, skills and employability	Paragraphs 170, 171, 192 and 194

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>The project contributes to the following results:</p> <ul style="list-style-type: none"> • decent work and employment-related issues are mainstreamed into national poverty reduction strategies, including PRSPs with ILO support; • capacity of constituents is enhanced both technically and in terms of advocacy; • ILO collaborates with other UN agencies and extra resources are mobilized. 				
Arab States				
<p><i>Palestine:</i> The Palestine General Federation of Trade Unions is strengthened to be an effective participant in tripartite employment development work (cost-sharing with Regional services).</p>	End 2005	51 500	4a: Social partners	Paragraphs 194 and 253
Asia				
<p><i>Bangladesh:</i> Rehabilitation and restarting of flood-affected micro-enterprises in Bangladesh</p> <p>Milestones include:</p> <ul style="list-style-type: none"> • 800 handloom units have restarted their operation and 12,000 jobs will have been created by end 2005. 	End 2005	54 500	2c: Employment creation	Paragraphs 192-194
<p><i>Afghanistan:</i> Strengthening the ILO programme in Afghanistan for constituent capacity building for Improved organizational structures, social dialogue and for employment promotion for vulnerable groups (women and disabled people)</p>	End 2005	75 000	2c: Employment creation	Paragraphs 192-194
<p><i>Indian Ocean earthquake – tsunami response</i></p> <p>The ILO response to tsunami-affected people is based on the recognized need for early planning and action aimed at generating employment and new forms of earning a livelihood. The aim is to make job creation an integral part of both humanitarian and reconstruction response.</p> <p>Milestones include:</p> <ul style="list-style-type: none"> • Emergency Employment Services Center in Aceh (Indonesia); • ILO country strategy in Indonesia, Sri Lanka and India; • project proposals for donor support; • Rapid Income Recovery Programme in Sri Lanka; • damage and need assessment report (India). <p>With the 2000-01 surplus funds and other regular budget contributions of the ILO, the ILO has been working with the United Nations Country Teams (UNCTs), the government and workers' and employers'</p>	End 2005	153 000	2c: Employment creation	Paragraphs 192-194

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>organizations in devastated countries and has succeeded in reprogramming and mobilizing different extra-budgetary funds for the post-tsunami activities in affected countries (Indonesia, Sri Lanka, India and Thailand), especially in the field of employment promotion, vocational training and fight against child labour. The extra-budgetary funds reprogrammed or newly mobilized amount to US\$11,500,000. There are US\$28,000,000 currently in the pipeline.</p>				
Total		444 000		

Security and safety of staff

Objectives, indicators and targets were provided in GB.285/PFA/9 and GB.288/PFA/8(&Corr.).

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>A transfer has been made from the item: investment in management capacities to the item security and safety of staff in order to develop and disseminate staff training materials and complete staff training in security and safety. Milestones include:</p> <ul style="list-style-type: none"> • security and safety training of line managers at headquarters and field office directors; • regional/subregional workshops on safety and security. 	End of 2005	265 504	Governance, support and management	Paragraph 301
Total		265 504		

Regional services

Objectives, indicators and targets were provided in GB.285/PFA/9 and GB.288/PFA/8(&Corr.).

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
Africa				
<p><i>Regional:</i> Support to the African Union's Extraordinary Summit on Employment and Poverty Alleviation and its follow-up</p>	End of 2005	733 903	Shared policy objectives: poverty reduction and social inclusion	Paragraph 276
<p>The Extraordinary Summit provides a platform for a regional consensus on an employment agenda for Africa to alleviate poverty which will subsequently lead to the</p>				

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>design/adoption of new policies at national, subregional and regional levels. Support to the African Union's initiative was in the form of technical contributions and to facilitate the participation of ILO constituents in the Summit.</p> <p>Milestones include:</p> <ul style="list-style-type: none"> • social partners are able to follow up on the Summit's decisions and are involved in post-Summit follow-up mechanisms; • Regional office is able to follow up the Summit's decisions and is involved in post-Summit follow-up mechanisms in order to ensure that decent work is used as a key tool in strategies for employment and poverty reduction at national, subregional and continental levels. 	End 2005	725 430	Shared policy objectives: poverty reduction and social inclusion	Paragraph 276
<p>Follow-up to the African Union Extraordinary Summit on Employment and Poverty Alleviation at national and subregional levels</p> <p>In the framework of follow-up activities to the Extraordinary Summit, the Office is assisting 19 follow-up activities at national/subregional levels (countries concerned are: Algeria, Angola, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Congo, Egypt, Ethiopia, Ivory Coast, Gabon, Ghana, Equatorial Guinea, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritius, Morocco, Mozambique, Namibia, Central African Republic, Democratic Republic of the Congo, Rwanda, Sao Tome and Principe, Senegal, Seychelles, South Africa, Sudan, Swaziland, Tunisia, Zambia and Zimbabwe).</p> <p>Milestones of the project are:</p> <ul style="list-style-type: none"> • national tripartite follow-up institutions are set up with ILO support in a number of countries; • decent work and employment issues are mainstreamed into national poverty reduction strategies, including PRSPs with ILO support; • capacity of constituents is enhanced both technically and in terms of advocacy; • the formulation of decent work country programmes is facilitated; • issues of youth employment and women are fully integrated in the implementation of the project. 				

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<i>Southern African region:</i> Employment-Intensive Investment Programme (EIIP) in Southern Africa (ASIST Project)		299 624	1a: Standards and fundamental principles and rights at work 2a: Employment policy support 2c: Employment creation	Paragraphs 144, 170, 171, 190 and 191
Milestones of the project are:				
<ul style="list-style-type: none"> • agreement with NEPAD finalized; • Inputs provided to policy and strategy development work in eight countries (Botswana, Kenya, Lesotho, South Africa, the United Republic of Tanzania, Uganda, Zambia and Zimbabwe), but EIIP Africa will also respond to the demand of other countries in the region; • project development and implementation support in those countries where project work is ongoing or planned. 				

The Americas

<i>Regional:</i> Decent work and development policies in Latin America and the Caribbean	End 2005	85 000	Shared policy objectives: Integrated approach to decent work, and 2a, 2b, 2c and 4b	Paragraph 271 and text box after paragraph 271
<i>Regional:</i> Inter-American Agenda – promotion of decent work and a fair globalization	End 2005	702 500	Shared policy objectives: Integrated approach to decent work, and 2a, 2b, 2c and 4b	Paragraph 271 and text box after paragraph 271

The aim of the project is to implement strategies for the promotion of decent work and a fair globalization at the national, subregional and regional levels. The strategies are to be integrated in economic and social policies in the American hemisphere with a view to achieving, with the active participation of the social partners, the creation or improvement of employment with social protection and respect for labour rights.

Milestones of the project are:

- The inter-American Conference of Ministers of Labour (IACML) and the Summit of the Americas analyse the hemispheric agenda for the promotion of decent work. The agenda proposed by the ILO takes into consideration the contribution of the social partners according to the conclusions of the World Commission on the Social Dimension of Globalization.
- The agenda will influence Inter-American relations, the regional integration process, and every country in the region.

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>• The Hemispheric Agenda, politically supported by the IACML and the Americas Summit, will be the basis for the XVIth ILO Regional Meeting of the Americas.</p> <p><i>Mexico:</i> Systemic diagnosis of the efficiency of local conciliation and arbitration councils</p>	End 2005	112 500	1c: Normative action 4b: Governments and institutions of social dialogue	Paragraphs 258, 259 and 261
<p>The project contributes to a more effective labour justice system. The labour system is by federal law assigned to local tripartite conciliation and arbitration councils. The project shall provide a series of recommendations and practical tools for the improvement of public policies for the application of labour justice in the country. Milestones include:</p> <ul style="list-style-type: none"> • a systemic diagnosis of the proceedings of local conciliation and arbitration councils, in terms of efficiency, transparency, effectiveness and quality of decision-making; • an analysis of strengths and weaknesses will have been conducted, in order to identify practical recommendations for improvement. 				
<p><i>Haiti:</i> Promotion of local economic recovery through reconstruction favouring rapid job creation and reduction of socio-economic vulnerabilities in Gonaives</p>	March 2006	213 000	2a: employment policy support 3a: Social Security 4b: Governments and institutions of social dialogue	Paragraphs 190,191 and 194
<p>The project's objective is to promote reconstruction favourable to recovery and employment creation, promotion of social dialogue, reduction of economic vulnerabilities and strengthening of national and local capacities in terms of prevention, risk management and design of a strategy for local economic development. This is a joint UNDP/ILO programme. US\$200,000 have been allocated by UNDP in Haiti.</p>				
Arab States				
<p><i>Palestine:</i> The Palestine General Federation of Trade Unions is strengthened to be an effective participant in tripartite employment and development work (cost-shared with Response to crisis and emergencies).</p>	End 2005	70 000	4a: Social partners	Paragraphs 194 and 253
<p>Milestones include:</p> <ul style="list-style-type: none"> • Evaluation in progress and preliminary report provided with assessment of improved capacity, representation and membership of the trade union. 				

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
Asia				
<p><i>Indian Ocean earthquake – tsunami response</i></p> <p>The ILO response to tsunami-affected people is based on the recognized need for early planning and action aimed at generating employment and new forms of earning a livelihood. The aim is to make job creation an integral part of both humanitarian and reconstruction response. Milestones include:</p> <ul style="list-style-type: none"> • Emergency Employment Services Center in Aceh (Indonesia); • ILO country strategy in Indonesia, Sri Lanka and India; • project proposals for donor support; • Rapid Income Recovery Programme in Sri Lanka; • damage and need assessment report (India). <p>With the 2000-01 surplus funds and other regular budget contributions of the ILO, the ILO has been working with the United Nations Country Teams (UNCTs), the government and workers' and employers' organizations in devastated countries and has succeeded in reprogramming and mobilizing different extra-budgetary funds for the post-tsunami activities in affected countries (Indonesia, Sri Lanka, India and Thailand), especially in the field of employment promotion, vocational training and fight against child labour. The extra-budgetary funds reprogrammed or newly mobilized amount to US\$11,500,000. There are US\$28,000,000 currently in the pipeline.</p>	End 2005	233 000	2c: Employment creation	Paragraphs 192-194
<p><i>Regional: A Strategic Framework for Skills Development in Asia and the Pacific (APSDEP)(2nd phase)</i></p> <p>The end result of the project is finalizing and gaining constituents' commitment to the strategic framework whose targets are:</p> <ul style="list-style-type: none"> • A skills institutions network is functional and member States benefit from capacity, expertise and knowledge base of the ILO and advanced skills and research institutions, including employers' and workers' organizations, for their improvement of skills training and employability of women and men looking for decent jobs and income. 	End 2005	100 000	2b: Knowledge, skills and employability	Paragraphs 176-178

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<ul style="list-style-type: none"> Institutions, enterprises and workers, including the poor and unemployed, can access information, knowledge, training tools and modules available on the APSDEP interactive web site and participate in distance learning for skills upgrading and lifelong learning. Advanced skills and research institutions participate actively in the future networking programmes, and new donors commit resources to support action programmes on skills development at country and regional levels. 				
Total		3 274 957		

Statistics

Objectives, indicators and targets were provided in GB.285/PFA/9.

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>The milestones for the project include:</p> <ul style="list-style-type: none"> conducting labour force survey-based decent work surveys; completion of country-specific and world decent work reports; preparation of a comprehensive manual on concepts, definitions and methods on measurement of decent work. 	End 2005	510 000	Shared policy objective: Knowledge	Decent work statistics for constituents: paragraph 292 and text box after paragraph 292
Total		510 000		

Gender equality

Objectives, indicators and targets were provided in GB.285/PFA/9 and GB.288/PFA/8(&Corr.).

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
Africa				
<i>Kenya, the United Republic of Tanzania and Uganda:</i> Capacity building for constituents on gender equality and gender mainstreaming: coordination and tools development	End 2005	210 000	Shared policy objectives: gender equality; 4a: social partners; and 4b: Governments and institutions of social dialogue	Paragraphs 255, 260, 280 and 281

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
<p>The project will contribute to the following results:</p> <ul style="list-style-type: none"> ILO social partners and Ministry of Labour actively promote gender equality through their participation in poverty reduction strategies and by supporting PRS outcomes which are gender sensitive in the labour and employment field, particularly in the rural areas of Kenya, the United Republic of Tanzania and Uganda; an East African version of the Gender, poverty and employment package is being used to build capacity by tripartite partners in Kenya, the United Republic of Tanzania and Uganda and thereby contribute to a reduction of rural income poverty through increased off-farm income-generating activities, with a particular focus on microfinance and skills and entrepreneurship training for women; Gender, poverty and employment information on agriculture and rural development prepared, endorsed and used in Kenya, the United Republic of Tanzania and Uganda; research and analysis of key gender issues in rural development and agriculture carried out for the three countries and resulting policy information incorporated into the PRS processes of the three countries. 				
<p><i>Rwanda:</i> Capacity building for constituents on gender equality and gender mainstreaming: coordination and tools development</p>	End 2005	200 000	<p>Shared policy objectives: Gender equality 1a: Standard and fundamental principles and rights at work 2c: Employment creation 4b: Governments and institutions of social dialogue</p>	<p>Paragraphs 147, 189, 260, 280 and 281</p>
<p>Milestones include:</p> <ul style="list-style-type: none"> the adoption of a survey on the status of women and men workers in the private and public sectors; awareness raising and training on the ILO and its standards on equal treatment for women members of Parliament and members of parliamentary committees. 				
Total		410 000		

External communications

Objectives, indicators and targets were provided in GB.285/PFA/9.

New targets and allocations	Time frame	Allocation	Related operational objective(s)	Reference to the Programme & Budget 2004-05
Enhancing and expanding the visibility of the ILO in both national and international media and improving its ability to deliver effective and persuasive communications. This allocation is a logical flow of the former allocations presented in the Governing Body report of November 2002 (GB.285/PFA/9). Milestones include: <ul style="list-style-type: none">repeated and in-depth coverage on at least four global television networks as well as more than 20 news features reaching a combined audience of over 100 million people; andenhanced and expanded network of field communications officers to deliver a significant increase in regional coverage of the ILO.	End 2005	1 047 964	Shared policy objectives: Communication and visibility	Paragraphs 293-296 and text box after paragraph 296
Total		1 047 964		
