International Labour Organization

GB.353/PFA/PV

Governing Body

353rd Session, Geneva, 10–20 March 2025

Programme, Financial and Administrative Section **PFA**

Minutes of the Programme, Financial and Administrative Section

Contents

Programme, Financial and Administrative Segment

1. The Director-General's Programme and Budget proposals for 2026–27 (GB.353/PFA/1 and GB.353/PFA/1(Add.1)(Rev.1))

1. The Director-General presented his programme and budget proposals in his opening remarks to the Governing Body. The statement is reproduced in its entirety in Appendix I.

Executive overview and draft budget of expenditure and income for 2026–27

2. **The Employer spokesperson** noted that the Office's consideration of the comments by the International Organisation of Employers during consultations after the previous session of the Governing Body had helped improve the Programme and Budget proposals for 2026–27, particularly in terms of strengthening support for employers' organizations, advancing skills initiatives and enhancing productivity growth. The ILO should remain balanced in its approach by combining economic imperatives with social objectives. It should ensure that its budget effectively supported capacity-building for constituents, as strong institutions, economic growth and sustainable enterprises were the pillars of a balanced and impactful programme. He appreciated the Office's efforts to streamline the ILO's work and reduce the number of policy coherence outcomes, but further action was required to retain focus and avoid duplication.

3. The Global Coalition for Social Justice could serve to enhance policy coherence and amplify action across all policy outcomes. However, he asked the Office how it would ensure that the Coalition was not seen as a separate entity from the ILO and that it enhanced the Organization's work. The Coalition was not the sole champion of social justice, and it could not be the main mechanism through which the ILO supported constituents in the country-level implementation of the outcomes of the Second World Summit for Social Development; rather, such outcomes should be implemented through Decent Work Country Programmes (DWCPs). Not all ILO constituents were partners of the Coalition, and not all Coalition partners were ILO constituents. The Coalition would support the global policy debate by leveraging commitment and voluntary action, but it was no substitute for the ILO's external relations and outreach function. He asked why the Office had proposed allocating US$1.1 million of the regular budget to the Coalition despite previous assurances that it would not be funded through the regular budget.

4. In Appendix I to the document, some of the risks were well identified, while others required better identification of the real and growing threats and mitigation strategies. As recent changes to some Member States' policies, such as the freezing or cancellation of funding in some areas of development cooperation, had shown that constituents and donors were highly likely to modify their commitment to social justice and decent work, the Office's mitigation measures should be strengthened. He asked how the Office would handle situations where changing priorities and requirements affected programmes and could undermine the ILO's constitutional values and principles. He urged the Office to ensure that the achievement of the targets was feasible with fewer resources.

5. As to the budget, the continuation of the dedicated programme for employer and business membership organizations and workers' organizations had not been included, nor was it referenced in the text of the proposals. Strong business organizations were needed for tripartism to work effectively; however, the budget for the employers' activities was half the operational budget for workers' activities. As the Employers' group had stated on many previous occasions, the budget for employers' and workers' activities must be equal. Further, the Programme and Budget proposals for 2026–27 must account for challenges arising from shifting donor priorities and funding constraints. He asked what contingency measures the Office had envisaged to ensure that the programme and budget proposals could be delivered in full if voluntary contributions fell, especially given their importance for initiatives on fundamental principles and rights at work, and how the Office would fill funding gaps for policy outcomes. He noted that there was a proposed increase of more than US$1 million for the priority action programmes, but the document did not demonstrate an increase in coordination or impact. He called on the Office to continue efforts to ensure transparency for all resource allocations.

6. Concerning regional priorities, the outcomes of the 20th American Regional Meeting in October 2025 should be fully incorporated into the design and implementation of the ILO's programme of work in Latin America and the Caribbean. Key regional policy priorities included promoting an enabling environment for sustainable enterprises by enhancing productivity and improving workforce skills, strengthening the rule of law and democratic principles, advancing the formalization of workers and businesses, promoting policies for a just transition in the green and blue economies, and ensuring sustainability while boosting competitiveness. In Africa, improving productivity and the business environment was a key priority under the Abidjan Declaration, but little tangible progress had been made on productivity ecosystems since its adoption. A comprehensive regional or subregional analysis that covered policy and institutional factors and the broader business environment would be a valuable starting point for gaining a deeper understanding of the trends and drivers of productivity growth. The implementation of the Programme and Budget for 2026–27 should place greater emphasis on productivity in Africa. Regarding the Asia and the Pacific region, it was surprising that the Office had focused on standards relevant to supply chains without mentioning action to address other systemic challenges related to decent work in supply chains, including weak institutions, inefficient employment policies and the lack of incentives for the formalization of businesses. He called for closer follow-up of the priority areas outlined in the Singapore Statement, which did not refer to supply chains.

7. **The Worker spokesperson** said that he supported many of the views expressed by the Employers' group concerning the Global Coalition for Social Justice, the strategic risks and the policy coherence outcome. At a time of global turmoil when the rule of law was threatened, the ILO could help build stability by strengthening the institutions of labour and the social partners to achieve social justice in accordance with the Declaration of Philadelphia. Sufficient resources should be allocated from the regular budget to address the ILO's core mandate, such as reinforcing industrial relations and social dialogue, and strengthening the supervisory system. He asked what percentage of the regular budget had been earmarked for the integrated strategy for the promotion and implementation of the right to collective bargaining, for the supervisory system, as compared to the budget allocated to skills development.

8. He welcomed the Programme and Budget proposals for 2026–27 and thanked the Office for considering several of the comments made by his group at the previous session and during the subsequent consultations. However, he would have liked to see areas such as freedom of association, collective bargaining, fundamental principles and rights at work, labour protection, normative action, and income and wage inequality more clearly reflected in the programme and budget proposals. He welcomed the merging of policy coherence outcomes 9 and 10, which had improved coherence. Sufficient resources should be distributed to core outcomes, including outcome 8 on digitalization, provided that the "human in control" principle was observed to ensure equitable and inclusive digital transformations that generated decent work for all. The digital divide and the regulation of digitalization should be considered.

9. Concerning knowledge management, the Workers' group's priority was to have regular information on collective bargaining and wages. He would welcome a more user-friendly format for presenting the information and asked how the Office envisaged reorganizing its publications. As to the institutional capacity development strategy for the social partners to engage in evidence-based policymaking, he asked what the focus would be, and emphasized that it must not be separated from addressing violations of freedom of association and collective bargaining.

10. As to the regional priorities, he welcomed the fact that the priorities for Africa were based on the Abidjan Declaration. Economic transformation was necessary to boost job creation and quality of work, address the high levels of informality and provide social protection. Peace was crucial for the region, as was protecting young workers who risked their lives seeking better opportunities abroad. In the Asia and the Pacific region, there was a need to boost ratification of the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). Promoting social dialogue was key to upholding labour standards. With regard to the Americas, the proposals placed excessive emphasis on supporting sustainable enterprises, with hardly any references to the promotion of decent work. The Office should prioritize the fundamental principles and rights at work, especially the right to collective bargaining, and strengthen the capacity of social partners to engage in social dialogue at the national and regional levels. He noted that the resources allocated to the region had increased but remained low compared to the other regions. Similarly, in relation to Europe and the Middle East and North Africa, little mention had been made of the fundamental principles and rights at work, social dialogue and the role of social partners, and labour inspection. The issue of living wages did not feature in the lists of regional priorities. He urged the Office to prioritize the ILO's core mandate in all regions.

11. On resource allocations, he welcomed the Office's redeployment of resources in an effort to boost efficiency. Steps should be taken to ensure that the use of external collaboration contracts did not lead to precarious working conditions and that ILO staff were duly protected. Sufficient human resources should be allocated to work on the ILO's core mandate. He requested further information on the new space management measures at headquarters, and on the distribution of US$6 million related to the regions. He asked the Office to explain the significant increase in the estimated extrabudgetary expenditure for sustainable enterprises and the worrisome reduction in funding for outcome 5 on gender equality and non-discrimination. Efforts should be made to invite donors to fund the ILO's core work.

12. The Workers' group supported the proposed regular budget level, which represented a 0.4 per cent increase in real terms compared with the current biennium, provided that the extra funds were allocated to the ILO's core work. He concluded by asking how and when the priority action programmes established in the Programme and Budget for 2024–25 would be evaluated.

13. **Speaking on behalf of the Africa group**, a Government representative of Malawi said that the implementation of the Decent Work Agenda in Africa remained of critical importance to address the challenges faced by the region. Regarding the 2026–27 ILO priorities for Africa, labour-intensive job creation strategies were vital, given the region's growing youth population. She asked the Office to provide, at the current session and in future programme and budget documents, information on resource allocation per outcome area per region, as her group had requested at the previous session.

14. The Africa group welcomed policy coherence outcome 9 seeking to facilitate the transition from the informal to the formal economy, foster environmentally sustainable and resilient economies in crisis, post-crisis and fragile situations, and advance decent work in supply chains. Advancing social justice through the Global Coalition in line with the DWCPs would assist in realizing country-specific priorities and strengthen partnerships at the national and regional levels.

15. Her group endorsed the enabling outcomes, particularly outcome A on enhanced knowledge, communication, partnerships and platforms for innovation and capacity development, and urged the Office to strengthen current partnerships and create new collaborations for effective results in Africa. It was essential to conduct relevant research with clear goals and indicators to guide interventions that empowered communities with knowledge. The Office should also develop innovative and accessible capacity-building tools, especially for low-resource settings, to foster inclusive growth.

16. Concerning the operational budget, she welcomed the proposed increased resource allocation for programmes in Africa. The Africa group welcomed the proposal to reinforce the ILO's presence in Angola and Qatar, but expressed serious concern at the suggested use of US$3 million in efficiency gains for the creation of nine additional posts at headquarters, and requested further details, given the previous guidance provided to the Office to avoid a top-heavy structure with little impact in the field.

17. She asked whether the budget line for a secretariat of the Global Coalition referred to the team approved by the Governing Body, which comprised a director, three professional staff members and administrative support, as the Office had informed the Governing Body that the functioning of the Global Coalition would not entail budgetary costs. She concluded by reiterating her group's request to the Office to increase resource allocations to the labour administration centres in Africa, as the ILO support to date had been insufficient.

18. **Speaking on behalf of the Asia and Pacific group (ASPAG)**, a Government representative of China agreed with the proposed programme framework and welcomed the continuity of policy outcomes 1–7 to support constituents in developing and adapting policies to advance social justice and promote decent work. She expressed appreciation that the Office had incorporated her group's request for the provision of technical assistance to Member States on the implementation of international labour standards, in line with the Singapore Statement.

19. Policy outcome 8 on digitalization for decent work and social justice was a timely response to the growing impact of digitalization, including artificial intelligence (AI), and she encouraged the Office to harness the benefits of digitalization while mitigating its potential negative impact.

20. She welcomed the decentralization of development cooperation resources to the regions and requested the Office to tailor its development cooperation efforts to the specific needs and contexts of different countries. She supported the Office's efforts to advance diversity, equity and inclusion through the new Human Resources Strategy, but expressed concern at the persistent under-representation of staff from many Member States, particularly from the Asia and the Pacific region. She therefore requested the Office to include in the programme and budget and new Human Resources Strategy a detailed road map on achieving equitable geographical distribution of staff, together with a stand-alone output under enabling outcome B on improved governance and oversight.

21. She proposed that the Office should take into consideration the size of each region's working population when allocating the regular budget to regions, and asked the Office to explain the geographical imbalances in extrabudgetary resource distribution. The group supported the focus on decent work and social justice, and emphasized the importance of areas such as employment promotion, social security, skills development, formalization, entrepreneurship, productivity and sustainable enterprises.

22. While the Office's commitment to improving budgetary efficiency and its efficiency gains were laudable, it must make every effort to maintain a nominal zero-growth budget. She requested the Office to reduce the total budget by intensifying its efforts to offset cost increases, such as by redeploying resources more prudently, reducing conference costs as much as possible and exploring more potential extrabudgetary channels. The functions of the proposed new posts should be fulfilled through the reallocation of existing staff or the implementation of technology-driven solutions. The group requested the Office to continue to prioritize efficiency and effectiveness in the implementation of the adopted budget.

23. **Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)**, [1] a Government representative of Peru welcomed the Office's explicit commitment to equality and non-discrimination. The Governments of Barbados, the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Haiti, Honduras, Mexico, Panama, Peru, Uruguay and the Bolivarian Republic of Venezuela considered it essential to include in the programme and budget proposals an explicit reference to non-discrimination on the grounds of sexual orientation and gender identity.

24. Regarding efficiency gains and the proposed redeployment of resources, it was concerning that the Office had been unable to identify sufficient resources to fund three items of critical importance for the effective delivery of the programme of work. As Member States and the United Nations system alike were facing financial challenges that obliged them to generate efficiencies, he requested the Office to provide more information on the programme and budget proposals to make it easier for Member States to evaluate the proposals. In particular, he would welcome information on the continued mobilization of resources for policy outcome 5 on gender equality and non-discrimination, in relation to which the document indicated that recent resource mobilization efforts had had limited success.

25. It was important for the Office to implement mitigation measures. In the strategic risk register, the proposed response to risk 2 on commitment to social justice and decent work did not consider any expenditure reduction and prioritization measures, which was concerning. Risk 6 on sexual exploitation or abuse by ILO staff or third parties contracted by the ILO should include a reference to any type of misconduct by staff members, including elected officials. The results framework, specifically enabling outcome B, should include indicators that reflected the progress and targets established in the work plan of the Ethics Office and the new function on the prevention and response to sexual exploitation and abuse.

26. He requested a breakdown of the costs for the holding of the International Labour Conference at the Palexpo convention centre in 2026 and 2027. On output 6.4 on labour migration, he encouraged the Office to continue working with other UN agencies to achieve the established targets. He also asked which factors had been taken into account in setting the targets under output 6.4 and the reasons for the decreased number for the Americas.

[1] Argentina dissociated itself from the GRULAC statements on this item.

27. **Speaking on behalf of the group of industrialized market economy countries (IMEC)**, a Government representative of Canada welcomed the Office's efforts to explore new space management measures and to identify total cost savings of US$16.6 million. However, it was disappointing that the programme and budget proposals had not met the guidance on zero nominal growth, which should be viewed as a ceiling. She urged the Office to re-examine resource allocations to ensure that the two new mission-critical professional positions – in the Office of Internal Audit and Oversight and the officer for the prevention and response to sexual exploitation and abuse, respectively – were covered from cost savings. She asked why the Office had prioritized the secretariat of the Global Coalition for funding from cost savings, when it had previously indicated that the costs associated with the Coalition had been absorbed. She also encouraged the Office to consider a less top-heavy management structure to increase the ILO's responsiveness, efficiency and effectiveness. She expressed concern at the significant cost increase required to host the Conference at Palexpo and asked whether the Office had considered other venues or formats. She requested a detailed breakdown of the costs associated with the Conference and information on what would happen to the unused funding allocated for the Conference in the current biennium.

28. She urged the Office to revisit the proposed redeployment with a view to covering any increases from efficiency savings. The Office should also pursue greater efficiencies and cost-cutting efforts by examining the distribution of regular budget resources to ensure they were dedicated to the ILO's core mandate, with a focus on the development and maintenance of up-to-date international labour standards and on the supervisory system, and identify further opportunities to lower the proposed budget amount.

29. **Speaking on behalf of the Arab group**, a Government representative of Sudan took note of the Programme and Budget proposals for 2026–27. The political changes occurring in certain Arab countries were having a huge impact on efforts to promote decent work. The implementation of programmes to foster women's empowerment and create jobs, particularly for young people, remained a very high priority for his group. The Office must ensure that ILO programmes implemented in Arab countries promoted youth employment and women's empowerment and focused in particular on the provision of training programmes in low-income countries and countries with fragile economies.

30. He welcomed the outcomes set out in the Programme and Budget proposals for 2026–27. However, it was concerning that the proposed operational budget provided for the allocation of resources to the Global Coalition for Social Justice, as the Office had previously indicated that the Coalition's budget would be independent from that of the Organization. He asked the Office for clarification in that regard. The proposed increase in the number of leadership posts at the Office was also concerning, as it ran counter to the Office's commitment to reduce the number of leadership positions and increase the number of posts in the field.

31. **A Government representative of the United States of America** said that her Government had evaluated the Programme and Budget proposals for 2026–27 on the basis of whether they were sufficiently transparent with respect to the alignment between funding and expected results, whether they reflected actual or proposed cost savings and/or efficiencies, and whether they aligned with the United States' national interests and priorities to make the country safer, stronger and more prosperous. Her Government did not support any additional cost increases within ILO programmes and advocated for zero nominal growth in the budgets of all international organizations. She urged the Office to explore opportunities to generate greater efficiencies and cost savings including by reviewing the distribution of regular budget resources to ensure that they were being used to fulfil the ILO's core mandate and by identifying additional opportunities to reduce the overall budget.

32. **A Government representative of Barbados** welcomed the increased focus on digitalization reflected in the Programme and Budget proposals for 2026–27. It was encouraging to see that the Office was committed to adapting its support strategy to take into account the needs of least developed countries, small island developing States and fragile contexts. His Government welcomed the acknowledgement of the significant risks posed by climate change to small island developing States and the connection between extreme weather events and migration challenges. The Global Coalition for Social Justice and its mechanisms must be urgently strengthened in the face of growing multilateral uncertainty. The ILO should also strengthen its cooperation with the Caribbean Development Bank (CARIBANK) and pay particular attention to smaller islands in its efforts to strengthen its alliances with regional entities. The ILO must remain sensitive to national, regional and cultural contexts and ensure that no group would be excluded from its work.

33. **A Government representative of Japan** welcomed the efforts made to reorganize the policy outcomes contained in the Programme and Budget proposals for 2026–27, in particular by merging outcomes 9 and 10. However, the proposed increase in the overall budget in real and nominal terms would have a significant impact on the fiscal burden of Member States. The Office should therefore make further efforts to achieve zero nominal growth and to mitigate cost increases, in particular those related to the International Labour Conference.

34. **A Government representative of Sudan** said that global political developments and war in his country had negatively affected decent work in Sudan. However, his Government continued to implement programmes to promote youth employment and women's empowerment and to foster diversity and inclusion in the world of work. He requested the Office to ensure that ILO programmes implemented in Sudan were aligned with his Government's priorities, in particular with regard to training and decent work initiatives.

35. He requested clarification regarding the costs that would be incurred by holding the International Labour Conference at Palexpo; the proposed allocation of US$1.1 million for the establishment of the secretariat of the Global Coalition for Social Justice, given the Office's previous assurances that the Coalition's budget would be independent from that of the ILO; and the proposed increase in budgetary allocations to fund leadership positions rather than positions in the field.

36. **A Government representative of Cuba** said that although the Office had proposed only a modest increase to the budget, many Member States would have difficulty taking on the additional financial obligations in the current climate. Owing to the criminal blockade imposed by the United States, her country had experienced one of its toughest years, and the Government was obliged to allocate its scarce resources to meet the most pressing needs of its people. Further efforts should be made to prepare a budget with zero nominal growth.

37. **A Government representative of the United Kingdom of Great Britain and Northern Ireland** expressed a preference for a zero nominal growth budget. The Office should provide clear and transparent justification for any proposal for additional resources, and those funds must be used to support the ILO's core mandate and objectives without duplicating existing activities. It would be useful to know what alternative options had been explored for the International Labour Conference, when that work had been undertaken and what conclusions had been drawn. It was disappointing that none of the funds raised through cost savings would be redeployed to create the new posts at the Office covering forensic investigation and the prevention of and response to sexual exploitation and abuse; the Office should therefore consider taking alternative approaches to ensure that the much-needed investment to reinforce oversight capacity would be entirely funded by cost savings. Further information on

the source of the funds allocated for the creation of a secretariat for the Global Coalition for Social Justice would be welcome.

38. **A Government representative of Bangladesh** welcomed the inclusion of a new policy outcome on digitalization for decent work and social justice. Noting that significant funds had been identified for redeployment as a result of efficiency gains, he encouraged the Office to make similar efforts to enhance efficiency in the Organization’s governance. The Office should formulate targeted and innovative measures to address the impact of the digital divide in least developed countries and small island developing States. Countries in dire need often found it difficult to engage in development cooperation through national mechanisms; the Office should therefore explore new funding partnerships and consolidate existing partnerships. Minimizing operational costs, including by rationalizing staff numbers, would be crucially important to those efforts. Budgetary resources were distributed unevenly among the nine policy outcomes, and greater funding should be allocated to outcomes 3 and 4. He called for a constructive, rather than punitive, approach to ensuring compliance with international labour standards and for a proactive, structured and pro-employment ILO response package for countries affected by conflicts and climate disasters.

Policy, policy coherence and enabling outcomes

39. **The Worker spokesperson** noted with appreciation the Office’s efforts to organize the outcomes in a more coherent manner. Funding remained a concern, however, as the undertaking of activities under new policy outcomes would require the reallocation of existing resources. Recalling that the ILO’s primary mandate was to protect workers and promote social justice, he said that, while certainly important for decent work creation, sustainable enterprises must not be treated in the programme and budget on the same footing as workers. Proposals to inject public funds through the ILO into private enterprises with the aim of increasing their competitiveness and productivity should be seriously reconsidered.

40. Referring to the policy outcomes, he welcomed the focus in outcome 1 on the universal ratification of fundamental instruments and on work relevant to supply chains, and the proposed efforts to engage with UN human rights mechanisms. The Office should report on steps taken to ensure the labour protection of workers at risk of exclusion and request international financial institutions to align their policies with the ILO’s mandate in terms of worker protection, pensions and social security. Such institutions should also be encouraged to promote quality public services and fair wages. His group supported continued annual reporting on SDG indicator 8.8.2 and considered it crucial to allocate sufficient regular budget funds to the ILO’s core work.

41. On outcome 2, technical departments should place greater emphasis on promoting social dialogue and collective bargaining and on formulating a strategy on living wages. He welcomed the visibility given to the ILO integrated strategy for the promotion and implementation of the right to collective bargaining, which should be adequately funded from the regular budget. The proposal to reinforce the capacity of labour inspectorates was also appreciated.

42. On outcome 3, he was pleased to note references to structural transformation, technology uptake and digitalization. However, there was a need to develop industrial policies and give more weight to taxation and redistribution. Skills development, which should be done with the involvement of the social partners, had one of the highest budget allocations. Some of those resources would be better used to implement the ILO’s core mandate. Work in rural areas should address purchasing practices and pricing as well as collective bargaining and living wages.

43. With regard to outcome 4, he supported the inclusion of references to enterprises in the public sector and supply chains, the proposal to promote the operational tools of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as amended in 2022 (MNE Declaration), the output on building a strong and resilient social and solidarity economy and the focus on fully implementing the conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007), a process that should be evaluated in future implementation reports and high-level evaluations. More needed to be done to generate decent work, including through consultations on the enhanced use of AI under output 4.3. Formalization should be achieved through a comprehensive and integrated approach based on the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

44. Outcome 5 was important to ensure the implementation of the agreed transformative agenda for gender equality. Enforcement was required in respect of integrating gender clauses in collective bargaining agreements and increasing the representation of women in social dialogue while promoting career progression and the inclusion of women in science, technology, engineering and mathematics (STEM) occupations. Increased funding and staff training were needed to advance the ratification and effective implementation of the Indigenous and Tribal Peoples Convention, 1989 (No. 169). He commended the work of the ILO Global Business and Disability Network and the inclusion of output 5.3 on violence and harassment at work. At the same time, there should be more support for workers and public administration, and the reduction in funds to tackle inequalities was of serious concern.

45. Outcome 6 addressed many of his group’s concerns. In the upcoming biennium, priority should be accorded to work on living wages and to guaranteeing labour protection for all workers, including those in precarious employment. Given the current geopolitical situation and demographic changes, the ILO should bolster its support for migrant workers from a rights-based perspective.

46. The relevance of outcome 7 was illustrated by the fact that more than 47 per cent of the world’s population could not exercise their right to social protection. The link between social protection and employment policies should be strengthened in order to break the cycle of poverty and exclusion.

47. Regarding outcome 8, it was essential to adopt a human-centred approach and for new technologies to be introduced only after consultation with workers’ organizations and with the aim of improving working conditions. He would be grateful for additional information on the ILO Observatory on AI and Work in the Digital Economy and wished to note the importance of remaining one step ahead of the rise of AI through appropriate workplace regulations and funding allocations.

48. The Declaration of Philadelphia should serve as a compass for the implementation of the policy coherence outcome (outcome 9), the main goal of which should be the protection of workers. There was still some overlap between different outputs, for example, with respect to formalization and supply chains. He would welcome clarification of the resources allocated to the outcome and to the transition to formality of workers. It would also be helpful to know how a just transition towards environmentally sustainable economies and societies would be funded.

49. His group wished to thank the Office for proposing the enabling outcomes. It also wished to underscore the importance of statistics and to receive clarification of what was meant by “innovative partnerships” under output A.4. It supported the draft decision.

50. **The Employer spokesperson** said that there could be no effective worker protection without businesses and recalled that the ILO Centenary Declaration for the Future of Work highlighted “the role of the private sector as a principal source of economic growth and job creation”.

51. Under outcome 1, more emphasis should be placed on addressing the root causes of deficits in the implementation of the fundamental principles and rights at work. Given the current uncertainty over future funding levels, he wished to know how the Office intended to ensure the full delivery of the commitments under the outcome. With regard to integrating relevant labour rights in due diligence policies and practices at the enterprise level, it was worth recalling that not all labour rights were human rights.

52. Concerning outcome 2, it was regrettable that a stand-alone outcome on strengthening the institutional capacity of employers’ and workers’ organizations had not been reinstated, despite his group’s comments on that subject at previous sessions.

53. It was vital for the Director-General’s proposals under outcome 3 to meet skills ambitions, particularly in respect of resource allocation. Regarding output 3.2, the Office should develop methodological guidelines for conducting skills mismatch analyses and skills forecasting across different development and institutional contexts in collaboration with international organizations and academic institutions.

54. He welcomed the appropriate and balanced approach to outcome 4, which placed greater emphasis on sustainable enterprises, competitiveness and productivity growth. Appropriate resources should be allocated to the implementation of that outcome.

55. Under outcome 5, it was not explained what would be done to bolster employers’ capacity to lead workplace initiatives rather than simply comply with regulations. The Office should fully acknowledge the role of employers as active agents of change in promoting gender equality and diversity, reaffirm its commitment to non-discrimination in employment and leverage its comparative advantage, notably through tripartism as a key mechanism for the delivery of practical, negotiated solutions.

56. Regarding outcome 6, the numerous references to living wages and wage policies gave the issue greater importance than others. In paragraph 178, the references to psychosocial hazards and to the granting of special attention to entities in the social and solidarity economy lacked justification. With regard to output 6.3, while his group welcomed the inclusion of a reference to Recommendation No. 204 to frame the reference to informality in formal enterprises, greater emphasis should be placed on removing obstacles to formalization, such as red tape and other inappropriate legal or administrative requirements. While the output focused on workers at high risk of exclusion from protection, no output addressed sustaining labour protection over time. Regrettably, despite a weak reference to productivity growth, no work was foreseen on linkages with sustainable enterprises or employment generation, among other issues.

57. The text describing outcome 7 was confusing, as it was difficult to differentiate between work performed through the Global Accelerator on Jobs and Social Protection for Just Transitions and ILO technical work carried out in the context of the Global Accelerator. The impression given was that the former was more important.

58. Under outcome 8, insufficient emphasis was placed on the opportunities created by new digital technologies, including to expand market access, enhance workforce productivity and promote health and safety, growth and competitiveness. The proposal to enhance the ILO's knowledge base on digital transformations was welcome but should involve a balanced, properly integrated approach using multiple data sources. He would be grateful for details of the governance and planned activities of the ILO Observatory on AI and Work in the Digital Economy. In addition, the matter should be placed on the agenda of the 354th Session (June 2025) of the Governing Body. In implementing outcome 8, the Office should ensure that employers received the necessary support to navigate regulatory landscapes and shape innovation-friendly business environments, access tools and training to manage digital workforce transitions and expand partnerships with private-sector innovators and business associations to ensure that policy discussions reflected real-world business needs.

59. Concerning outcome 9, efforts to promote policy coherence should be made mainly at the national level, through DWCPs. Although the Global Coalition for Social Justice could make an important contribution in that regard, it was no substitute for the ILO's action and commitment, especially given its voluntary nature. The Coalition was described as the "main vehicle for action" under output 9.1 and as having a central role in implementing the outcome of the Second World Summit for Social Development, yet no provision was made for accountability, a lacuna that he would like clarified. Regarding output 9.3, it was crucial for just transition policies to give equal priority to environmental, social and economic sustainability. Sustainable enterprise development, especially for micro, small and medium-sized enterprises (MSMEs), needed to be better integrated into such policies to promote innovation, productivity growth and economic resilience.

60. With respect to enabling outcome A, the current level of funding allocated to strengthening the Office's statistical capacity should, at the very least, be maintained. Output A.4 should be framed in such a way as to demonstrate the key role of development cooperation in defining the ILO's ability to deliver services to its constituents. However, the current proposal did not refer to filling gaps in funding to support the constituents' priorities and needs, and instead focused solely on effective coordination across outcomes.

61. Lastly, the Office should make a commitment to act on the findings of the independent high-level evaluation of the ILO's Development Cooperation Strategy 2020–25, including by developing a clear vision for development cooperation that went beyond partnerships and resource mobilization. There were also wider lessons for the Office to draw from the evaluation, such as the need to be intentional about priorities and to take a focused and strategic approach built on tripartism, social dialogue and normative action.

62. **Speaking on behalf of the Africa group**, a Government representative of Malawi said that the ILO's support under outcome 1 for work at the country level to promote the universal ratification of the fundamental Conventions would transform the world of work and should extend into the informal economy. Her group supported the proposed gap analysis on the application of fundamental Conventions. She asked whether the regional consultations and knowledge-sharing on all standard-related matters, mentioned under output 1.3, would take place at the country, subregional or regional level, and what form they would take. Her group supported the proposed efforts to increase the institutional capacity of workers' and employers' organizations to implement normative standards and promote social justice at the country level.

63. Turning to outcome 2, the ILO should support employer and business membership organizations, referred to under output 2.1, in organizing in the informal sector, thereby facilitating the inclusion of self-employed and informal economy workers in national tripartite social dialogue. She welcomed the support for creating an environment for sustainable enterprises at the country level. She emphasized the importance of the proposed country-level interventions to implement the Global Accelerator and the 2030 Agenda for Sustainable Development (2030 Agenda), and welcomed the proposed efforts to enhance labour inspection, revise labour laws and expand legal coverage to all workers.

64. Under outcome 3, her group acknowledged the inclusion of output 3.5 on increasing Member States' capacity to promote decent work for youth and welcomed the reference to the African Union–ILO Youth Employment Strategy for Africa, which should be implemented at the country level through rural employment strategies that prioritized productivity, growth and economic diversification. Such efforts would contribute to the inclusive transition to the formal economy in her region. Educational and career development support systems were vital in that regard.

65. Concerning outcome 4, her group proposed that enterprise promotion and support agencies should be strengthened, and the scope of services expanded, to include access to productive resources and financial services, provide support for developing links with domestic and global markets, and create opportunities for innovation. The private sector complemented government job creation efforts. Responsible business conduct would help to address decent work deficits in supply chains. She asked the Office to consider including the creation of a conducive environment for access to finance for business growth.

66. Turning to outcome 5, her group agreed that the elimination of discrimination in employment was a priority for all Member States, but was of the view that the matter should be addressed at the national level. She requested the Office to use in its official documents language that was generic and agreed upon in Conventions and labour standards.

67. Concerning outcome 6, her group noted the proposed focus on ensuring that gaps in national occupational safety and health (OSH) frameworks were addressed and the proposed interventions to strengthen capacities to address hazards in the workplace, including in the informal economy and in MSMEs. The ILO's Global Strategy on Occupational Safety and Health 2024–30 should be implemented across supply chains, requiring strengthened labour administration and inspectorates.

68. On outcome 7, she noted that funding challenges to achieve universal social protection persisted in low- and middle-income countries. She welcomed the focus on establishing and strengthening social protection systems and ensuring their sustainability, resilience and adaptability. Extending social protection to informal and rural economies should be a priority.

69. Her group took note of the policy coherence outcome, which would contribute to accelerated progress towards the attainment of the SDGs and the renewed social contract.

70. **Speaking on behalf of ASPAG**, a Government representative of China said that ASPAG welcomed the ongoing efforts under outcome 1 to develop robust and relevant standards. She called on the Office to provide more tailored technical assistance to Member States to support the ratification and application of international labour standards. Concerning outcome 2, she expressed her group's support for tripartism, effective social dialogue and good governance in labour markets. The Office should continue to assist Member States in strengthening labour administration, labour inspection systems and labour relations.

71. Given the importance of full and productive employment in promoting social justice, activities under outcome 3 should be adequately resourced. Regarding outcome 4, ASPAG encouraged the ILO to promote decent work through sustainable enterprises by enhancing competitiveness, fostering new quality productivity, promoting a conducive business environment, supporting responsible business conduct and advancing the formalization of the economy. It was regrettable that certain elements had been removed from outcomes 3 and 4, particularly the references to the Global Accelerator under output 3.1 and strengthening international partnerships under output 4.1. Those references should be reinstated, as collaboration with national institutions and other actors was vital. Moreover, she asked why the number of countries included under targets 3.2.1. and 3.2.2. had been reduced.

72. Concerning outcome 5, ASPAG recognized the importance of gender equality and equality of treatment and opportunity. Taking note of the different opinions on language used to describe affected population groups, she urged Members to seek consensus. Regarding outcome 6, while ASPAG welcomed efforts to promote safe and healthy working environments, it was regrettable that the baseline and means of verifying the indicator relating to migration costs had not been established, and she asked for the Office to state its position in that regard. Turning to outcome 7, she said that ASPAG supported the proposal to help Member States develop comprehensive social protection systems and ensure sustainable and adequate financing and sound governance to contribute to more just and equitable societies. Concerning outcome 8, ASPAG recognized the opportunities and challenges presented by digitalization, especially AI. The ILO should lead the digital transformation, intensify efforts to bridge the digital divide and contribute to the implementation of the Global Digital Compact (2024).

73. ASPAG expressed support for efforts to enhance policy coherence, including the role of the Global Coalition for Social Justice set out under outcome 9. Welcoming ongoing efforts to enhance cross-Office action through the priority action programmes, she noted that 7 of the 12 targets under outcome 9 remained undetermined. The Office should clarify those targets prior to the 113th Session (2025) of the International Labour Conference.

74. Turning to outcome A, ASPAG called for efforts to enhance the ILO's knowledge base and research capacity and to reinforce partnerships for multilateral development cooperation. Additional support was required given the situation in her region. Under outcome B, ASPAG endorsed the focus on enhanced leadership and strategic direction, which would ensure organizational impact, effective decision-making, transparency and accountability. She called for clear indicators for measuring the effectiveness of development projects and for clear action and timelines on the geographical distribution of staff. Concerning outcome C, she called for intensified efforts in the areas of human resources planning, development and management. Specifically, the Office should take concrete measures to achieve geographical and gender diversity among staff and enhance transparency in the allocation of resources to the enabling outcomes.

75. ASPAG called on the ILO to engage in the Second World Summit for Social Development and other high-level UN events, and to incorporate any relevant outcomes into the Programme and Budget for 2026–27.

76. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom noted with satisfaction that feedback given during previous sessions and the intersessional consultations had been incorporated into the proposals. IMEC welcomed the continued cross-cutting focus on gender equality and support for vulnerable groups. The continuation of seven policy outcomes and most related indicators from the Programme and Budget for 2024–25 was welcome; such consistency allowed for the measurement of progress over time. Noting the increasing reliance on extrabudgetary funding across the policy outcomes, she asked what prioritization decisions would be made if resources were constrained. Available resources should be dedicated to the ILO's core mission-critical mandates.

77. Turning to outcome 1, IMEC welcomed the continued commitment to the ILO's core mandate through emphasis on normative action, which should be embedded throughout the programme, through the promotion and effective application of international labour standards, including in supply chains. The Office should ensure the necessary resources for that work. IMEC supported the focus on capacity-building and strengthening tripartite social dialogue under outcome 2, and the use of data-driven approaches to maximize effectiveness. Concerning outcome 3, IMEC supported the emphasis on policy development approaches and inclusive structural transformation to build effective skills development and lifelong learning systems across different sectors. She noted in particular the focus on youth employment and support for ageing populations and persons with disabilities. IMEC welcomed the measures to support responsible business conduct under outcome 4, including through international and regional partnerships and the development of guidance underpinned by the MNE Declaration and the UN Guiding Principles on Business and Human Rights. She asked for more information about the proposed measures to promote responsible business conduct and enhance the social dimension of environmental, social and governance standards.

78. Reaffirming the universal commitment to eliminating discrimination in employment under outcome 5, she asked why two of the indicators on improving the care workforce from the Programme and Budget for 2024–25 had not been included in the proposals for 2026–27, particularly in the light of the recommendations made by the International Labour Conference during the general discussion on decent work and the care economy at its 112th Session (2024). IMEC approved of the focus of outcome 6 on support for responsive and risk-aware national OSH frameworks. She noted that the outcome of the Conference discussions on chemical and biological hazards and on the platform economy would inform the planned work under that outcome. IMEC supported the work proposed under outcome 7, and reiterated its support for universal access to measures that ensured a basic standard of living. Concerning outcome 8, the ILO was well placed to coordinate international work on digitalization for decent work and social justice, including through the ILO Observatory on AI and Work in the Digital Economy. She encouraged the ILO to work with the Organisation for Economic Co-operation and Development on responsible business conduct in that regard. IMEC welcomed the new consolidated outcome 9 on policy coherence, which would increase efficiency and effectiveness, and support cross-Office actions. She asked when and how the outstanding indicator targets under that outcome would be decided.

79. Turning to the enabling outcomes, IMEC supported the proposed evaluations to drive improvement on knowledge development and capacity-building under outcome A. The "One ILO" approach would enhance the Organization's influence with other actors. IMEC welcomed the continued engagement with other UN entities on governance and oversight matters under outcome B. Under outcome C, IMEC welcomed the inclusion of deliverables on the prevention and response to sexual exploitation and abuse and on measures to address mental health issues, gender equality and disability inclusion. Emphasizing the importance of staff well-being, she said that it was disappointing that cost savings had not been used to fund the new Prevention and Response to Sexual Exploitation and Abuse Officer's post. IMEC welcomed the information provided on staffing and the commitment to redeploy staff from headquarters to the field and asked how the current ILO staffing ratios compared with those of other UN agencies. IMEC welcomed the continued linkage between ILO outcomes and broader UN objectives.

80. **Speaking on behalf of the Arab group**, a Government representative of Sudan said that innovative and sustainable adaptation strategies were needed to address the rapid technological developments and emerging economic and environmental challenges that were reshaping the nature of work, as well as the geopolitical crises and financial instability that were placing additional pressure on governments, employers and workers. The foremost challenge facing the Organization and the social partners was the need to keep pace with labour market developments to implement effective economic and social policies that promoted social justice and to ensure a more equitable future for all.

81. The language used in the Programme and Budget document prepared by the Office in August 2024 had been consistent with Arab and Islamic principles, values, norms and beliefs. He wished to know why, and for whose benefit, that document had been withdrawn and replaced by the document under discussion, and he requested that the original document be resubmitted to the Governing Body for further consideration. His group aligned itself with the statement made on behalf of the Africa group and the statement to be made on behalf of the countries of the Organisation of Islamic Cooperation (OIC). While expressing support for the ILO's efforts to combat all forms of discrimination, he objected to the inclusion of controversial concepts in the Programme and Budget proposals for 2026–27, such as the references to sexual orientation and gender identity in paragraph 163 and Appendix II. Unless that language, which had not been agreed at the international level and had no basis in international law, was removed, his group would be unable to support the draft decision.

82. **Speaking on behalf of the European Union (EU) and its Member States**, a Government representative of Poland said that North Macedonia, Montenegro, Serbia, Albania, Ukraine, the Republic of Moldova and Norway aligned themselves with his statement. The EU and its Member States aligned themselves with the statement given on behalf of IMEC. He expressed the hope that, to ensure the smooth adoption of the Programme and Budget for 2026–27 and in the absence of agreement on alternative terms, constituents would find common ground with respect to the language used in the document, which represented a compromise reached following lengthy discussions and which had been used in past programme and budget documents. That language should not, therefore, be deleted from the proposals. As a fundamental right and a founding value of the ILO, non-discrimination must be promoted through more specific measures in the Programme and Budget proposals for 2026–27 that went beyond the provisions of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). Programme and budget proposals were not typically subject to detailed negotiations or textual amendments by constituents; their drafting was the prerogative of the Office, and they should reflect the ILO's work to eliminate discrimination, in accordance with its mandate.

83. **Speaking on behalf of a cross-regional group of countries**, [2] a Government representative of Colombia expressed satisfaction at the Programme and Budget proposals and reiterated that the language used in the document aligned with the consensus reached at the 111th Session of the International Labour Conference following lengthy and difficult discussions, during which concessions had been made by all parties. The term "sexual orientation and gender identity" had first been used in the Programme and Budget for 2018–19. The constituents' priority was to adopt the Programme and Budget at the upcoming International Labour Conference. The ILO had a clear mandate to promote equality for all, including persons who suffered discrimination on the grounds of sexual orientation or gender

[2] Albania, Australia, Austria, Belgium, Bolivia (Plurinational State of), Brazil, Canada, Chile, Colombia, Costa Rica, Cyprus, Czechia, Denmark, Ecuador, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom, Uruguay.

identity, and in a rapidly changing world, where inequalities were multiplying, it was more important than ever to support the ILO's mandate.

84. **Speaking on behalf of Brunei Darussalam, Indonesia and Malaysia**, a Government representative of Brunei Darussalam said that his group aligned itself with the statement to be made on behalf of the countries of the OIC in relation to the term "sexual orientation and gender identity" and rejected the mainstreaming of such controversial language. The concept exceeded the ILO's core mandate, and in order to prevent it from sowing division that risked undermining the Organization's credibility and effectiveness, the term should be removed from the document – and from all ILO documentation – and replaced with language that reflected universal consensus and upheld the principle of non-discrimination without referring to specific identities. The ILO would thus be able to champion social justice and decent work for all while respecting the legislative and cultural contexts of all Member States.

85. **A Government representative of the United States** encouraged the Office to ensure that regular budget resources were dedicated to the Organization's mission-critical work, particularly in terms of its normative mandate and supervisory machinery. She therefore urged continued focus on the development and maintenance of up-to-date international labour standards. The ILO should provide technical assistance in response to constituents' priorities and requests, in line with international labour standards. She supported the ILO's promotion of equality between women and men in the workplace and its disaggregation of programme participation data by sex; her Government recognized the male and female sexes and did not promote gender ideology. She supported the ILO's non-discrimination efforts in line with the ILO Declaration on Fundamental Principles and Rights at Work (1998), as amended in 2022, which was a key source of consensus. She urged constituents to work together to reach agreement on the proposals at the current session.

86. **A Government representative of China** welcomed the proposals' focus on new trends and current challenges in the world of work and agreed that international labour standards should remain responsive to contemporary circumstances. While he commended the proposed work on the Standards Review Mechanism, he noted that many more improvements could be made in that regard and requested further details of efforts to improve the Mechanism and of capacity-building for supervisory bodies. He asked why, in the light of the formidable challenges facing the global labour market and the consequent need for the ILO's knowledge and technical cooperation, the budgetary allocation for outcome 3 had fallen. Since promoting sustainable enterprises and improving social protection were key to improving well-being and fostering sustainable development, more regular budgetary and extrabudgetary resources should be allocated to outcomes 4 and 7. He requested further clarification of how the outputs under outcome 9 would be coordinated with the other eight outcomes to avoid duplicating work and ensure the effective allocation of resources. Highlighting that the Office's staff remained the Organization's most valuable asset, he recalled the importance of regional representation and called for the inclusion of goals and measures concerning staff diversity under output C.3.

87. **A Government representative of Sudan** called on the Organization to support his country, and other countries suffering the repercussions of armed conflict, through transformative initiatives promoting skills development. He also called for the development of programmes to address the needs of persons with disabilities, policy coherence and strengthened partnerships with a view to creating decent work opportunities for young people. An analysis of the situation of countries at war should be conducted.

88. His Government had agreed during a consultation process to the document on Programme and Budget proposals for 2026–27 that had been circulated in August 2024. That document had subsequently been replaced by the document under discussion; greater cooperation, coordination and transparency was required in the Office's work with the constituents, as well as stricter adherence to the Organization's regulations and rules of procedure, including with regard to consultations with regional groups.

89. While his Government supported the ILO's efforts to combat all forms of discrimination, the inclusion of controversial concepts in the Programme and Budget proposals for 2026–27, such as sexual orientation and gender identity, ran counter to Sudanese customs, traditions and beliefs. That language had not been agreed by consensus, and his Government would be unable to support the document unless it was removed.

90. **A Government representative of the Russian Federation** welcomed the Programme and Budget proposals for 2026–27 but noted with regret the retention of language concerning sexual orientation and gender identity. He reiterated his Government's full support for the fight against all forms of discrimination and inequality in the workplace. It was unacceptable, however, to try to include non-consensual language that did not have general support and was fundamentally unacceptable to a significant number of States. His Government shared the position set out by the Africa group and the Arab group, and in the joint statement delivered by the representative of Brunei Darussalam. His Government also joined with the position set out in the letters to the Director-General of 4 and 17 February 2025, from, respectively, the countries of the OIC and the Africa group.

91. His Government agreed that the sole means of overcoming emerging differences was to find wording that was suitable for all Member States; a good basis for consensus would be the wording used in the resolution concerning inequalities and the world of work. At minimum, ambiguity on the topic should be reflected in the Programme and Budget proposals, which he proposed could be achieved through the inclusion of a footnote containing a suitable explanation. That proposal would not involve blocking the adoption of the Programme and Budget for 2026–27, nor the removal of the fundamentally unacceptable language; the position of a significant number of States – where a significant part of the global labour force resided – on that controversial issue would simply be recorded. He did not understand why the proposal had met with such strong resistance. Genuine dialogue that was aimed at finding consensus was needed to avoid a repeat of the scenario seen in 2023.

92. **A Government representative of Mexico** said that her country had held informal discussions within the Government group to try to find consensual language to describe the work done by the Office to protect individuals affected by discrimination on the grounds of sexual orientation and gender identity. In an open letter to the Director-General, her Government had subsequently set out the divergences of opinion that persisted in the group, as well as the conclusions that it had drawn from the discussions. She welcomed the Office's express commitment to continuing to address any persons that were subject to any form of discrimination, including on the grounds of sexual orientation and gender identity. The financial challenges facing States and the United Nations system meant that priorities must be reassessed, resources used more efficiently and innovative alternatives for financing identified.

93. **A Government representative of Bangladesh**, noting that some ILO instruments were outdated and insufficient, stressed the need for such instruments to be extended to global supply chains and to impose obligations on all actors, and for instruments affording protection to migrant workers to be promoted more vigorously. While he welcomed the proposed budget's overall strategy to strengthen tripartite bodies under outcome 2, the social partners' authentic representation must be ensured while taking national and sector-specific contexts into account. He therefore advocated for tailored, country-specific packages on skills development and jobs and skills matching. Consideration should be given to creating skills development and apprenticeship manuals for industry actors.

94. He urged the Office to enhance the resources allocated outcomes 3 and 4 and to allocate some of those redeployed funds to skills development projects under outcome 3. The protection of the most vulnerable workers was key to realizing outcome 6, and resources for those efforts should therefore be increased. He also strongly recommended gradually enhancing resources for outcome 8 to address the challenges posed by the digital transformation of the employment landscape.

95. He expressed disappointment at the language used to identify certain groups of individuals under outcome 5 which could heighten the strategic risks mentioned in Appendix I. His Government did not support the non-inclusive approach taken to preparing ILO documents and would not support the draft decision as it stood. Any specific term or phrase that lacked global consensus should be not used in ILO documents.

96. **A Government representative of Colombia** highlighted that the fight against all forms of discrimination was a fundamental part of the ILO's efforts. It was important to preserve the technical approach adopted by the Office in drafting documents such as the Programme and Budget proposals and to recognize the Organization's role in helping vulnerable groups who suffered discrimination based on their sexual orientation or gender identity. Erasing language would not change reality and would only put groups who suffered discrimination at greater risk. As to the Global Coalition for Social Justice, which his Government strongly supported, it should be clarified that the figure of US$1.1 million included in the budget referred to expenditure relating to the secretariat, which was already staffed, and that there was no additional budget request for 2026–27.

97. **A Government representative of the Islamic Republic of Iran** said that his Government aligned itself with the statement made on behalf of the Africa group and expressed serious concern at the reintroduction of references to sexual orientation and gender identity into the Programme and Budget proposals without consensus, despite the clear opposition expressed by numerous delegations at the 111th Session of International Labour Conference. The Islamic Republic of Iran, in the light of its cultural values, religious principles and national legislation, could not accept the inclusion of such non-consensual and controversial concepts in ILO documents. The attempt to normalize them through budgetary mechanisms undermined the spirit of tripartism and consensus.

98. He stressed the need for global solidarity to achieve the Sustainable Development Goals and supported the leveraging of the Global Coalition for Social Justice, the promotion of policy coherence across multilateral frameworks, the strengthening of the Global Accelerator on Jobs and Social Protection for Just Transitions and the enhancing of approaches tailored to national contexts. He highlighted a number of key priorities, including developing localized tools for labour market diagnostics and strengthening tripartite mechanisms for inclusive policymaking. He also called for increased technical assistance and equitable access to ILO programmes, particularly for countries under unilateral coercive measures.

99. **Speaking on behalf of the Governments of the Nordic countries**, a Government representative of Denmark expressed strong commitment to respecting and protecting full and equal human rights for all. Given the alarming rates of violence, harassment, discrimination and stigmatization, and the criminalization of same-sex relations, she encouraged the ILO to address and combat inequalities, violence, harassment and all forms of discrimination in the world of work, including against lesbian, gay, bisexual, transgender, intersex and queer persons.

100. The ILO, with assistance from Governments and employers' and workers' organizations, should continue to strengthen the capacity of its constituents to identify and dismantle systemic barriers to gender equality, equality of opportunity and treatment and non-discrimination in the workplace. She supported the ILO's continuing efforts to strengthen legal and policy frameworks to eliminate all forms of discrimination in employment and occupation for all workers. She also encouraged the ILO to ensure sufficient regular budgetary allocations for activities promoting gender equality, equal treatment and non-discrimination while continuing to secure additional funding to ensure the widest possible impact of projects and programmes.

101. **Speaking on behalf of the countries of the Organisation of Islamic Cooperation (OIC), with the exception of Albania**, a Government representative of Pakistan noted with deep concern that despite the strong opposition expressed by many delegations at the 111th Session of the International Labour Conference, references to sexual orientation and gender identity had been reintroduced into the Programme and Budget proposals without consensus. The countries of the OIC did not support a mandate for the ILO, or any other international organization, to work on those issues. Technical and budgetary documents should reflect the collective will and consensus of Member States. Sexual orientation and gender identity remained concepts that were ambiguous, constantly evolving, controversial and – in many jurisdictions – illegal. The issue extended beyond the Government group and had significant social, cultural and legal implications for the world of work, and the controversy surrounding it had only intensified since it had last been discussed by the Governing Body. Moreover, the concepts had been reintroduced into the document without transparency or due process; the Government group had yet to reach a consensus on the relevant language. Any attempt to introduce new grounds of discrimination without explicit intergovernmental consensus was inconsistent with established international frameworks, including the resolution concerning inequalities and the world of work and Convention No. 111.

102. The countries of the OIC, which had proactively, albeit unsuccessfully, endeavoured to resolve the matter, were being asked to agree to a concept against their will, cultures and laws, in the name of combating discrimination. Although they wished to fully support the adoption of the Programme and Budget proposals, it would first be necessary to remove all references to sexual orientation and gender identity. He called for consultations to develop consensual language for such grounds of discrimination, which were still not universally recognized.

103. **A Government representative of Barbados** said that the normative framework of the ILO was foundational to its work and must be applied universally. Despite broad consensus on the need to ensure that workers everywhere enjoyed the same protections, delegations continued to disagree on the use of certain terms. The ILO operated in Member States under the direction of those States themselves and their social partners. The programme and budget document referred to the ILO supporting its constituents, not dictating to them. He therefore urged delegations of Member States to be tolerant of each other's views and values and to strive to achieve consensus while maintaining focus on the overarching mandate of the Organization, namely the achievement of social justice.

104. **Speaking on behalf of the Africa group**, a Government representative of Niger said that his group wished to add further questions following comments made during the discussion. It was important to remember that the Governing Body was considering the Director-General's Programme and Budget proposals for 2026–27 rather than human rights questions. He asked the Office to identify the international legally binding instrument that recognized sexual orientation and gender identity as a human right, in either the framework of international human rights treaties, or of the ILO Constitution, Conventions or Recommendations, as well as the document that recognized the expression as being a labour right and principle. He also asked the Office to identify the legal source that prescribed that the text of the programme and budget was the responsibility of the Director-General and could not be amended.

105. Noting that the Director-General wished to establish a group of ambassadors to resolve outstanding issues pertaining to the Programme and Budget proposals for 2026–27, he asked the Office to explain the process by which those consultations would be held. His delegation remained doubtful that those consultations would be truly inclusive or that they would succeed in resolving outstanding issues pertaining to the programme and budget. He reminded the Office that ILO constituents must be allowed to provide inputs on issues that concerned them.

106. In view of the lack of consensus regarding the expression in question, the Office had returned to previously agreed text drawn from the ILO Centenary Declaration for the Future of Work. His group had supported the text issued by the Office in August 2024. Between August and October 2024 that text had been amended. He asked on whose initiative or instruction the amendment had been made and on what basis.

107. **The Director-General** said that the Office would address the points raised by speakers when the Governing Body resumed consideration of the Programme and Budget proposals for 2026–27 at a later sitting. The formation of an ad hoc group of ambassadors, made up of three ambassadors per region, would hopefully provide a way to resolve the differences of opinion regarding those proposals. As in 2023, the Office would not select the ambassadors itself, but merely facilitate the meetings. Member States would remain free at all times to decide upon membership of the group and its working methods. He therefore invited the Government groups to formally propose three ambassadors each for the task. The focus was on the Government members, given their role in the Finance Committee, but the social partners might also wish to be included in the discussions. Given the many challenges faced by the Organization, it was vital to ensure that the matter was not simply postponed to the International Labour Conference in June. It would also be preferable to avoid voting on the programme and budget if possible.

108. **The Worker spokesperson** expressed appreciation for the Office's efforts to address the diverging views on the issue. However, he stressed that the social partners must be included in any such work as a matter of course, given the ILO's status as a tripartite organization.

(The Governing Body resumed consideration of the item at a later sitting.)

The Director-General's response

109. **The Chairperson** noted that the Office had published an addendum [3] to the Director-General's Programme and Budget proposals for 2026–27, which contained additional information in response to the issues that had been raised.

110. **The Director-General** said that the 12 ambassadors, the Worker Vice-Chairperson and the Employer spokesperson were continuing to meet with a view to reaching an agreement on language on sexual orientation and gender identity. The Office had heard the concerns raised by the Governing Body over the small increase in real terms in the initial budget proposals and,

[3] GB.353/PFA/1(Add.1)(Rev.1).

in the addendum containing responses to the comments raised, it had also included a proposal to further reduce cost increases. It had proposed hosting the next two sessions of the International Labour Conference in three different locations, making use of the ILO building, the Palais des Nations and the existing facilities offered by the Palexpo convention centre, so that the cost increases associated with using Palexpo were reduced to US$5.7 million. The Office proposed to ring-fence that amount and if, in the coming months, it received news that the Palais would be fully available or it received additional extrabudgetary resources, it would return funds to Member States, as was standard practice. The Office had made every effort to achieve zero nominal growth.

111. **The Employer spokesperson** emphasized that the Office must ensure that proper resources were allocated to the core mandate of the ILO. It must be intentional about priorities and take a focused and strategic approach that was built on tripartism, social dialogue and normative action. He asked how the proposed 11-month recruitment freeze for posts corresponding to 40 anticipated retirements would impact the ILO's delivery of its core mandate as, in the case of employers' activities, it would have a direct impact on the field and services to constituents. He asked how the Office had identified the 40 retirements and how it intended to revise its targets in the light of the recruitment freeze. Furthermore, it seemed contradictory to simultaneously create nine additional posts not linked to services to constituents.

112. As to resources for the Secretariat of the Global Coalition for Social Justice, previous Governing Body documents, including the Programme and Budget proposals for 2024–25, had always indicated that there would be no additional financial implications for the regular budget. The Director-General had assured the Governing Body that any additional costs incurred as a result of establishing the Secretariat would be absorbed, and that there would be no specific budgetary provision. The Employers' group therefore felt deceived by the Director-General's current response, which stated the opposite.

113. On risk management, extrabudgetary development cooperation (XBDC) level and mitigation measures, the answer provided by the Office was not sufficient; it was unclear whether resources would need to be reallocated midway. On the continuation of the dedicated programme for employers and workers, the assessment of results had never been presented as a precondition for continuation of funding. He requested further details on how the programme would be evaluated, emphasizing that each component must be assessed on its own merits. Furthermore, the Director-General had not addressed the difference in the budget for employers' and workers' activities.

114. Blanket cuts were not the strategic approach that had been requested. The Employers' group wished to make it very clear that it would not accept compromised delivery on the core mandate of the ILO, including the fundamental principles and rights at work, safeguarding resources for employers' and workers' organizations, advancing skills initiatives and prioritizing sustainable enterprises and productivity growth.

115. **The Worker spokesperson** welcomed the efforts by the Office to absorb the projected cost increase in the current nominal budget to arrive at zero nominal growth. He noted that efforts to reduce the costs associated with the Conference in 2026 and 2027 still required a cost increase of US$5.7 million and asked why having three different venues would introduce constraints related to the selection of the dates of the sessions. The group would be happy to explore other alternatives to reduce costs.

116. With regard to the proposed redeployment of US$16.6 million based on, among other measures identified in paragraph 52 of GB.353/PFA/1, new space management at headquarters, he asked whether it was realistic to expect such savings, as there was already much empty rental space in Geneva and other UN organizations were also facing budgetary constraints. As to the proposed US$3.8 million programmatic decrease in the addendum, he echoed the concerns of the Employer spokesperson regarding the recruitment freeze for 40 positions, which could seriously affect the work of the Office and might include important positions covering areas of concern for the Workers' group. It was important to know which areas of work might be affected. The Office had to ensure that the core activities and mandate of the Organization were upheld. Moreover, every effort must be made to secure regular budget funding and mobilize extrabudgetary resources for core activities, particularly work on social dialogue and collective bargaining.

117. The recruitment freeze was particularly problematic in combination with the recent changes in development cooperation funding. He expressed concern about the suspension and termination of extrabudgetary projects, particularly the Research Innovation and Strategic Engagement (RISE) project to promote freedom of association and collective bargaining, and asked how the Office could ensure that the suspended funds would be replaced and how it would deal with the staff who were working on such projects and whose contracts were being terminated, particularly if recruitment for 40 positions was frozen. He also expressed concern about the supervisory system, which required sufficient funding from both the regular budget and extrabudgetary resources. Lastly, he expressed appreciation that the social partners were involved in the separate discussion aiming to find language on sexual orientation and gender identity that would be acceptable to all constituents.

118. **Speaking on behalf of the Africa group**, a Government representative of Malawi welcomed in particular the additional information on resource allocation per outcome per region and asked whether the table of strategic distribution of resources by region was for March 2026 rather than March 2025, as was indicated in the addendum. The group noted the clarification regarding requests for standard-related consultations and would engage with the regional and country offices. He looked forward to the Human Resources Strategy for 2026–29, which he hoped would ensure increased geographical representation for Africa in the Office without language limitations. The group would appreciate details, prior to the adoption of the programme and budget by the Conference, of the enhanced support that the Office intended to provide to the African Regional Labour Administration Centre (ARLAC) and the African Regional Centre for Labour Administration (CRADAT).

119. The group was unconvinced by the Office's explanation regarding the redeployment of efficiency gains, which should be used to implement activities in the field rather than create additional positions at headquarters. The explanation failed to address how the positions, which would require recurrent expenditure, would be funded in the future if they were created using efficiency gains.

120. Concerning the comment that background documents published by the Office could not be amended by the Governing Body, he noted that the Office drafted its documents under the guidance of the Governing Body and that the language it used should be as universally agreed as possible. The Office had included language that had not been agreed by consensus, which had caused controversy and led to time being wasted in protracted arguments.

121. **Speaking on behalf of ASPAG**, a Government representative of China thanked the Office for its efforts to adjust the budget proposals but nevertheless reiterated the group's call for zero nominal growth. The Office should increase its efforts to offset cost increases by maximizing expenditure reductions, including in hosting the Conference, which could be done by fully utilizing existing facilities of the ILO or those of other international organizations and avoiding commercial venues such as Palexpo.

122. Her group remained deeply concerned about the persistent under-representation of many Member States among ILO staff and the lack of information on planned measures to address it. In addition to taking steps through the new Human Resources Strategy, which, on their own, would be insufficient, the Office should formulate a road map with clear actions and timelines for achieving a fair and equitable geographical distribution of staff and develop a stand-alone output under the enabling outcomes in the Programme and Budget proposals for 2026–27.

123. Regarding geographical imbalances in the distribution of extrabudgetary development cooperation resources, she emphasized that a significant number of countries in Asia and the Pacific were still low-income and lower-middle-income countries and therefore required development assistance. She requested the Office to mobilize more extrabudgetary resources and allocate them to development cooperation funds in the region. Lastly, she requested the Office to make available the new output indicators under policy coherence outcome 9 ahead of the 2026–27 biennium so that the outcome could be properly assessed.

124. **Speaking on behalf of GRULAC**, a Government representative of Peru said that his group supported the strategic distribution of resources prioritizing the transition to formal employment, social protection, strengthening social dialogue and digitalization in the world of work. The budget should reflect a clear commitment to promoting formal and quality jobs, ensuring a fair and equitable transition for workers affected by structural changes in the global economy. He asked how the removal of five unbudgeted positions in the priority action programmes had generated savings to fund the creation of a new position in the Office of Internal Audit and Oversight and the hiring of a PSEA Officer. He welcomed the efforts to generate savings in the hosting of the Conference, and the clarification that the proposed budget for the Global Coalition reflected the existing structure.

125. He reiterated the importance of ensuring an equitable distribution of funds to meet countries' specific needs in combating inequality and informality. The Office must ensure that resources were allocated on the basis of objective criteria and of an analysis of the most pressing needs in each region. He also reiterated the group's request to include, under the risk event on sexual exploitation or abuse, a reference to any type of misconduct by staff, including elected officials. Moreover, under enabling outcome B, consideration should be given to indicators that reflected targets established in the programme of work of the Ethics Office and the PSEA Officer. In that connection, Barbados, the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Peru, Uruguay and the Bolivarian Republic of Venezuela reiterated their support for the inclusion of explicit references to sexual orientation and gender identity in programmatic documents in accordance with the fundamental principles of the ILO and commitments adopted previously.

126. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom welcomed the revised proposal to cover the new position in the Office of Internal Audit and Oversight and the PSEA Officer from cost savings, and encouraged continued efforts to identify alternative options for hosting the Conference, including by discussing with the host State authorities. She expressed disappointment that the revised budget proposals were still US$5.7 million above zero nominal growth, and requested the Office to identify further cost savings and present the details to the Governing Body for approval at the current session.

127. It was important to allocate regular budget resources to the core mandate and functions of the Organization, with a focus on the development and maintenance of up-to-date international labour standards and the ILO supervisory system. Accordingly, the Office should minimize the impact on the core mandate of any potential significant reduction in extrabudgetary development cooperation resources. The Office should consider contingencies where departments responsible for delivery – particularly pertaining to upholding the five fundamental principles and rights at work – were heavily dependent on such resources.

128. **A Government representative of Japan** commended the Office's efforts to mitigate the cost increases, especially those associated with hosting the Conference, and expressed his hope that, with the cooperation of all constituents, the Office would be able to cope with the operational challenges. Bearing in mind the tough economic conditions worldwide, he requested the Office to explore additional ways of further reducing expenditure in order to respond to constituents' calls for a zero nominal growth budget.

129. **A Government representative of China** said that the allocation of resources for the Conference could be further optimized by fully utilizing the capacity of the ILO headquarters and surrounding conference facilities and considering venues other than Palexpo that were geographically close and cheaper to rent. Regarding the proposed temporary recruitment freeze, he noted that budget cuts should not come at the expense of organizational efficiency. The Office should monitor the impact of the freeze on its daily operations and fill gaps with extrabudgetary funds and through interdepartmental collaboration. Concerning the reduction of regular budget allocations for policy outcome 3, he welcomed the Office's explanation and requested it to strengthen the coordination of outcomes 3 and 8 to avoid resource misallocation and ensure that any adjustments in allocations did not affect the delivery of outputs in the field of employment. Improving staff diversity, especially geographical representation, was integral to achieving enabling outcome C and should be an objective of the new Human Resources Strategy and the subject of clear quantitative targets and a time-bound plan of action.

130. **Speaking on behalf of the Africa group**, a Government representative of the Niger thanked the Office for the additional information provided in the addendum. He clarified that two questions attributed to the Niger in that document had been asked on behalf of the Africa group. He noted that, in its response to the question as to whether there were any international treaties or instruments that referred to sexual orientation and gender identity as human rights, the Office had provided an interpretation that appeared to support the position of those who claimed that sexual orientation and gender identity were universal human rights. In the opinion of the 54 governments of Africa, sexual orientation and gender identity was not encompassed by the International Covenant on Economic, Social and Cultural Rights and was not part of the social contract entered into by the governments of Africa when signing and ratifying such treaties. Furthermore, the general comments provided by the treaty bodies in that context constituted only guidance. The Office itself had stated elsewhere in the addendum that the ILO differed from other UN entities. There should therefore be a clear separation between the mandate of the ILO and those of the UN Human Rights Council and the treaty bodies.

131. Noting that no ILO Conventions, only certain Recommendations, referred explicitly to sexual orientation as a ground of discrimination, he recalled that Recommendations were not binding and could not be used as source for determining what constituted a "universal human right". The Africa group respected the position of other Member States who chose to consider sexual orientation and gender identity as a human right, but would maintain its own position, which should likewise be respected. The group wished to know when the ILO had started providing assistance to persons requiring protection on the grounds of sexual orientation and gender identity, and when such persons had started to be categorized as vulnerable. In addition, he asked whether the ILO needed them to be listed in the programme and budget in order to provide them with assistance.

132. Regarding the information provided on the possibility of modifying an Office document submitted to the Governing Body, he noted that the preparation of documents was entrusted to the Office by the Governing Body. Indeed, the Office was "[s]ubject to such directions as the Governing Body may give", as stated in article 10.2 of the ILO Constitution. Furthermore, the Office, headed by the Director-General, was subordinate to the Governing Body, as indicated in article 2(c) of the Constitution. Article 8.1 stated: "There shall be a Director-General of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him." Paragraph 44 of the Introductory Note to the Compendium of rules applicable to the Governing Body did not evoke the responsibility of the Director-General in the preparation of the documents, nor did the rules themselves. However, it was clear that the Governing Body was within its rights to ask the Director-General to revise a document. The programme and budget was no exception. On many occasions, documents were reissued as revised versions. His group wished to see a compromise similar to that reached at the 111th Session (2023) of the Conference.

133. **Speaking on behalf of the OIC**, a Government representative of Pakistan welcomed the confirmation in the addendum that there were no international human rights treaties that explicitly referred to sexual orientation and gender identity as prohibited grounds of discrimination. However, certain elements of the addendum could be misinterpreted as providing legal recognition of sexual orientation and gender identity. Article 38 of the Statute of the International Court of Justice set out a clear hierarchy for sources of international law. International conventions were at the top of that hierarchy and, as had been established, those did not provide legal recognition. After that came the general principles of law, which did uphold the principle of non-discrimination. The OIC supported the principle of non-discrimination, but only when implemented on legally recognized grounds, which did not include sexual orientation and gender identity. Another source of law was international custom; that was not valid for considering sexual orientation and gender identity to be prohibited grounds of discrimination, as State practices in that regard were not universal and a large cross-regional body of States had consistently objected to such a move. The last tier consisted of the opinions of eminent jurists, recommendations and general comments by committees of experts, but those were considered merely subsidiary means of determining the rule of law and were not binding.

134. The view in the addendum that general comments published by human rights treaty bodies constituted authoritative guidance was therefore incorrect. Such comments reflected the views of their authors and had no binding legal force beyond that. Document HRI/MC/2015/4 on the consultation process for the elaboration of treaty body general comments, cited in the addendum, had not been negotiated on an intergovernmental basis. The International Covenant on Economic, Social and Cultural Rights did not create any rights relating to sexual orientation and gender identity, nor did the Committee on Economic, Social and Cultural Rights have any authority to create new obligations for States or for individuals. That position was clearly grounded in international law and applied to non-negotiated international labour standards, the General Surveys of the Committee of Experts on the Application of Conventions and Recommendations and other texts prepared by the Office.

135. The Vienna Convention on the Law of Treaties set out the rules governing States' legal obligations under international conventions, notably the principle of interpreting treaties in good faith in accordance with their ordinary meaning and the principle that treaties did not create legal obligations without the consent of States parties unless a peremptory norm existed. Sexual orientation and gender identity had not attained the status of *jus cogens* and there were therefore no legal grounds to justify its inclusion in Governing Body texts.

136. The addendum could lead to confusion as it stipulated that the content of Office documents could not be attributed to the Governing Body, but in the next sentence referred to them as "Governing Body documents". More specifically, the programme and budget was a policy document, as it covered the programme of the Organization, and therefore required the approval of the Member States. International organizations did not have sovereignty in that regard. The OIC would support the ongoing consultations with a view to reaching consensus on the matter.

137. **Speaking on behalf of the EU and its Member States**, a Government representative of Poland thanked the Office for providing the additional information. He did not wish to repeat his group's position on the matter, but hoped that the ad hoc group of ambassadors would be able to find a solution that allowed the smooth adoption of the programme and budget by the Conference. An inclusive tripartite process was key to reaching consensus.

138. **A Government representative of Switzerland**, authorized by the Officers of the Governing Body to speak in accordance with paragraph 1.8.3 of the Standing Orders, said that her Government was actively supporting the ILO in its efforts to find suitable venues for the International Labour Conference, should the Palais des Nations not be available, and would provide financial assistance if necessary. There were advantages to holding the Conference close to the ILO's headquarters. Using the Palexpo convention centre was the costliest option. It would be more appropriate to hold the Conference across several sites, such as the Geneva International Conference Centre (CICG), ILO headquarters, part of the Palais des Nations and, if necessary, an additional conference room at another organization. In that scenario, the cost of the CICG, with the exception of the technical and logistical elements, would be borne by the Swiss Government, which had significant expertise in promoting effective international collaboration.

139. **A representative of the Director-General** (Director, Strategic Programming and Management Department), responding to the questions raised, explained that, while the temporary recruitment freeze in connection with 40 anticipated retirements over the course of the biennium was intended to contribute to cost savings, no final decisions had yet been made regarding the specific posts that would be affected. The Office had taken note of the concerns expressed and would ensure that the freeze did not negatively impact the delivery of the core mandate of the ILO.

140. Regarding the concerns about a potential reduction in extrabudgetary development cooperation resources, he said that the Programme and Budget proposals for 2026–27 anticipated potential reductions and provided for the redeployment of regular budget resources. Acknowledging the uncertainty surrounding future funding, he assured the Governing Body that any significant developments would be reported promptly, along with proposed mitigation measures. Furthermore, efforts would be made to mobilize additional resources, including through strengthened partnerships, increased engagement with domestic funding mechanisms, and the expansion of South–South and triangular cooperation initiatives.

141. Responding to questions about the creation of additional positions at headquarters, he clarified that those positions would not result in any increase in the budget. Rather, they reflected the strategic redeployment of savings to strengthen technical and professional services supporting field operations. The Office had reprofiled several General Service posts into Professional positions in support of that objective. He confirmed that both the PSEA Officer post and the new professional position on forensics and investigations would be funded through identified savings.

142. The Office was committed to sustaining capacity-building activities for the social partners and would continue to explore ways to secure funding to support those activities.

143. Turning to the Human Resources Strategy for 2026–29, the Office acknowledged the requests for concrete measures and clear targets to enhance staff diversity and geographical representation. The Office would present detailed proposals, including measurable targets, for consideration by the Governing Body at its 355th Session (November 2025).

144. **The Director-General** reaffirmed the commitment of the Office to democratic debate and dialogue. While disagreement was natural in such discussions, he rejected any questioning of the Office's impartiality, underscoring that the Office remained firmly committed to upholding the Organization's values and principles. He recognized that the ILO could be more effective and more efficient. While he fully assumed his responsibilities in that regard, many of the potential efficiency measures were linked to the ILO's governance structure, and he needed the Governing Body's support in that regard.

145. While the Office would continue exploring options to reduce costs with a view to achieving a zero nominal growth budget, further reductions beyond the proposed US$5.7 million would require cooperation and support from the constituents. Consideration could be given to options such as reducing the length of sessions of the Conference and the Governing Body; reducing the number of participants at those sessions; and exploring the possibility of hosting certain meetings virtually or outside Geneva. His preference would be for sessions of the Conference to be held in Geneva, and he expressed his gratitude to the Government of Switzerland for its offer of support in that regard. Consideration could also be given to relocating experts from headquarters to the field, bearing in mind the associated relocation costs that such a measure would entail. He was ready to consider other options too, in consultation with the Staff Union. He confirmed that the Office would present concrete proposals for additional cost savings before the end of the current session, noting that some measures might require further discussion at the 355th Session (November 2025). He would appeal to Member States hosting representation offices to increase their contributions to cover the costs associated with running such offices, which could save the Organization between US$2 million and US$3 million per biennium.

146. **The Employer spokesperson** welcomed the responses provided by the Office and looked forward to receiving more detailed information in due course about the freezing of positions and the creation of new ones. He emphasized the urgency of agreeing on a budget that ensured the Organization's continued ability to deliver on its mandate.

147. **The Worker spokesperson** thanked the Office for its responses. He would consult with his group to try to reach a consensus position before responding to the points raised by the Director-General. He urged the Governing Body to support funding decisions that would allow the ILO to continue its work in respect of collective bargaining.

(The Governing Body resumed consideration of the item at a later sitting.)

1.1. The Director-General's proposals for adjustments (GB.353/PFA/1/1)

148. **The Chairperson** referred to document GB.353/PFA/1(Add.1)(Rev.1), which contained additional information in response to the issues raised in the previous discussion on the item. The Office had taken into account the comments of the members of the Governing Body and had proposed a number of measures to address the issue of the cost related to holding the

International Labour Conference at the Palexpo convention centre in Geneva. The measures in document GB.353/PFA/1/1 would remove the need for any cost increases and bring the budget to the level of zero nominal growth.

149. **The Director-General** said that the Office was waiting on a decision by the United Nations Office in Geneva to know whether the Palais des Nations could be used to hold the International Labour Conference again for the next biennium. The Office had explored the suggestion to use the Varembé Conference Centre, which was unfortunately not available for two consecutive weeks during the period required. The Conference session therefore might have to be moved to September or October. Another option would be to split it into two parts, with a first part in June and a second later in the year, and to have a hybrid format. There would be further discussion on the matter at the 355th Session of the Governing Body prior to the implementation of the proposed budget for 2026–27. The various options would allow the Office to absorb US$5.7 million of the Palexpo cost increases. He requested the Governing Body to approve the budget at zero nominal growth. Although he was concerned about the potential impact of the reduction of the proposed budget on the delivery of the programme, the Office would do everything to minimize it.

150. **The Chairperson** said that, following a discussion with his fellow Officers, the discussion would be divided into two parts, the first being about the budget, financial issues and the level of the budget, and the second being about the programme-related issues. He opened the floor for statements on the first part.

151. **The Worker spokesperson** supported the idea of two consecutive rounds of discussion. He thanked the Office for its continued efforts to find a solution to absorb the cost associated with holding the International Labour Conference in the next biennium. Geneva was a historical location for the Conference, and should remain as such, not only given its geographical location, but also for what it represented as a city of diplomacy and dialogue that hosted rights-based organizations. The option to hold the Conference in multi-site venues in Geneva was probably the best one, in light of the need to keep the budget at zero nominal growth, ensuring that the programmatic part of the budget was not reduced further in terms of support to constituents and staff. He reiterated that returning to the arrangements in place during the COVID-19 pandemic period was not a favourable option.

152. In relation to the other allocations, noting the update provided on the headquarters building renovation, he asked whether, since there were discussions on freezing some positions, some of the renovations could not also be paused. The presentation of the update on the headquarters security perimeter project at the 355th Session of the Governing Body could be an opportunity to examine whether some funds could be reallocated. He reiterated that staff lay-offs should be avoided or put on hold until the 355th Session. Restructuring discussions should take place as part of a social dialogue process with the Staff Union, and the Governing Body and the social partners should be kept informed. He accepted the draft decision contained in document GB.353/PFA/1/1.

153. **The Employer spokesperson** thanked the Office for providing additional information and figures. He agreed that the International Labour Conference should remain in Geneva. He noted that comments previously made by his group regarding the needs of employers' organizations remained critical and accepted a zero nominal growth budget.

154. **Speaking on behalf of ASPAG**, a Government representative of China expressed appreciation for efforts to explore additional alternative multi-site venues around Geneva to hold the Conference plenary and Committee meetings, resulting in zero nominal growth. She noted with regret that the Programme and Budget proposals for 2026–27 did not provide concrete measures to address the persistent under-representation of staff from many Member States. She therefore requested the Office to start the process to develop a new Human Resources Strategy for 2026–29 with a concrete road map, and clear actions and timelines for achieving a fair and equitable geographical distribution of staff as soon as possible. She asked the Office to consult ASPAG when drafting the Strategy in order to incorporate its considerations.

155. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that his group was satisfied with the programme and budget and thanked the Office for the replies provided.

156. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom supported the revised budget estimates. IMEC understood that the delivery of the International Labour Conference in 2026 and 2027 would be complex and stood ready to support the efforts and participate in Office consultations on the arrangements. She endorsed the draft decision contained in document GB.353/PFA/1/1.

157. **A Government representative of Colombia** thanked the Office for its efforts to adjust the budget to arrive at zero nominal growth and hoped that the International Labour Conference would continue to be held in Geneva.

158. **A Government representative of Mexico** welcomed the Office's efforts to present an adjusted programme and budget in line with the respective national policies and the ILO's core mandate. Her Government supported the strategic allocation of resources that prioritized areas such as employment formalization and social protection.

159. **A Government representative of China** asked the Office to clarify the specific measures that would be taken to absorb the costs related to the holding of the International Labour Conference in 2026 and 2027. The Office must ensure that specific deliverables on staff diversity were included in the next biennial programme and budget. When developing the new Human Resources Strategy, the Office should establish a transparent monitoring mechanism to regularly report on progress to the Governing Body.

160. **A Government representative of Switzerland** confirmed that the International Conference Centre Geneva would be available to host the International Labour Conference between 7 and 19 June 2026. Her Government would continue to work closely with the Office to find the most appropriate and advantageous arrangements from a budgetary perspective.

161. **A representative of the Director-General** (Treasurer and Financial Comptroller) said that it was not possible to slow down the headquarters building renovation project and the headquarters security perimeter project to release funds. Those funds were ring-fenced for the completion of the renovations and, if works were halted now, costs would be incurred later, resulting in increased costs overall for the Office. He confirmed that the geographical representation of staff would be taken into account in the new Human Resources Strategy. The Office would consider all the comments made as it went forward.

162. **The Worker spokesperson** reiterated that his group wished to see resources secured in both the regular budget and from extrabudgetary funds for social dialogue, collective bargaining and the supervisory system.

163. **The Chairperson** opened the floor for statements on the second part.

164. **The Worker spokesperson** said that it was not on her group's initiative that the discussion on the item was continuing. The Workers' position, which had been extremely clear for many years, was that the ILO had an important obligation to combat discrimination in employment on any grounds. For her group, "on any grounds" was an inclusive notion. It was not possible to advocate for the principle of non-discrimination on any grounds and then say that certain groups were not covered.

165. The Workers and the Employers had been invited to participate in a discussion involving a small group of ambassadors on paragraph 163 of the Programme and Budget proposals for 2026–27. She welcomed the invitation, in view of the tripartite nature of the ILO. Proposals had been made, including by the Office, to seek a way forward that could lead to consensus, and avoid disagreements ending in a vote or a scenario in which the Conference could be hijacked by a debate of a non-financial nature on the programme and budget. It had seemed as though a possible agreement might be reached. However, now, many were returning to previous positions and red lines. While she understood that there were strong feelings on all sides, those feelings were mutually exclusive, as some said certain language should be included while others said it should not.

166. In that context, the Workers wished to put forward, on behalf of her group and the Employers, a proposal for reflection regarding the wording of the draft decision.

> Recalling the ILO's obligation and commitment to combat any form of discrimination and exclusion on any grounds, and affirming in this regard that Office country-level technical assistance is provided upon request, and having due regard to national conditions and circumstances,
>
> Acknowledging the divergence of views in the GB on the use of the terms sexual orientation and gender identity,
>
> The Governing Body decided to place an item on the Policy Development Section of the 355th Session (November 2025) of the Governing Body Session on identifying challenges regarding the application of the principle of non-discrimination in the world of work, including divergent views as described above, and how to address them.

167. On behalf of both the Workers and the Employers, she also proposed adding a footnote to the wording of the third bullet point of paragraph 163, which would read:

> making labour market institutions, social protection systems and social dialogue mechanisms more inclusive of women, persons with disabilities, people living with HIV, indigenous and tribal peoples and other population groups affected by discrimination and exclusion, including on the grounds of race, sexual orientation* and gender identity*, based on quantitative and qualitative research;
>
> FOOTNOTE: *There was a divergence of views in the GB on the use of the terms sexual orientation and gender identity.

168. Although the suggestion was to include a footnote in the document, it should not become a habit, and the next programme and budget should be without footnotes. The Workers had put forward the proposals in the interest of finding a path to achieve consensus and end the current deadlock. They were not the preferred way forward for her group.

169. **The Employer spokesperson** said that his group was opposed to all forms of discrimination and exclusion. The goal of the social partners was to find solutions that were agreeable to the vast majority of Governing Body members. He was fully aware that divergences existed, particularly in respect of paragraph 163 of document GB.353/PFA/1, but the Governing Body was almost in agreement with the figures in the budget. The proposal read out by the Worker spokesperson already contained several concessions from all parties. While recognizing that Governing Body members might make subamendments to the social partners' proposal, his group could not support any proposal outside the framework of the proposal.

170. **Speaking on behalf of ASPAG**, a Government representative of China reiterated that her group recognized the critical importance of gender equality and equality of treatment and opportunities for all. It took note of the difference of views on the language used to describe population groups affected by discrimination and exclusion, and urged members to work collaboratively to reach consensus.

171. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom said that her group would need more time to consider the proposed amendments.

172. **Speaking on behalf of the Arab group**, a Government representative of the Sudan said that the group had carefully reviewed the Office's responses, particularly those concerning the contentious language in paragraph 163 relating to sexual orientation and gender identity. The group appreciated the efforts exerted by the Office and the Director-General to bridge differing views and identify acceptable wording ahead of the adoption of the programme and budget by the Conference. The group had engaged positively and in good faith to reach a compromise, but the consultations had not produced the desired outcome. Consequently, the Arab group supported the amendment that the Africa group was about to propose.

173. **Speaking on behalf of the Africa group**, a Government representative of the Niger proposed an amendment to insert two new subparagraphs in the draft decision:

> (c) The Governing Body further reaffirms the importance of the programme and budget in promoting fundamental principles and rights at work and takes note of no consensus in respect of the listing of vulnerable groups.
>
> (d) The Governing Body also requests the Office to replace the expression "sexual orientation and gender identity" contained in document GB.353/PFA/1 with the expression "vulnerable groups" and refrain from using non-agreed language in future ILO programme and budget documents and use the agreed language contained in Conventions Nos 100 and 111, which address issues of non-discrimination and protection of vulnerable groups. The Office should avoid use of non-consensual language in future Office documents.

174. **Speaking on behalf of Brunei Darussalam, Indonesia and Malaysia**, a Government representative of Brunei Darussalam said that the proposal of the Workers' and Employers' groups would prolong the discussion and delay a decision, potentially affecting the efficiency of programme implementation and budget allocation. Her group supported the amendment put forward by the Africa group and reiterated its call for the Office to refrain from using non-consensual language in programme and budget or other ILO documents. There was a need for constructive and inclusive dialogue to ensure that the programme and budget reflected a spirit of mutual consent, legal clarity and respect for all Member States.

175. **Speaking on behalf of GRULAC**, a Government representative of Peru expressed appreciation for the efforts made to find consensus and for the proposal made by the Workers' and Employers' groups, which, although not perfect, provided a good basis for directing discussions towards consensual wording. His group was in favour of inclusive, discrimination-free workplaces, which not only strengthened human rights but also contributed to more productive and cohesive societies. In that connection, Barbados, the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Honduras, Mexico, Peru and Uruguay reiterated their support for the inclusion of explicit references to sexual orientation and gender identity in programmatic documents, in line with the fundamental principles of the ILO and with previously made commitments.

176. **A Government representative of Tunisia** voiced his Government's support for the amendment proposed by the Africa group. He stressed the need to avoid contentious terminology that had not been recognized in international treaties, which risked triggering side debates and disputes that could hinder the Organization's core mandate of promoting social and economic justice, advancing decent work, and setting and monitoring the implementation of international labour standards. As a member of the Global Coalition for Social Justice, Tunisia expressed its support for the budget proposal concerning the secretariat of the Coalition, which played a key role in coordinating efforts among partners and mobilizing initiatives to help the Coalition promote social justice and decent work at the international and regional levels.

177. **A Government representative of Libya** said that her Government had demonstrated considerable flexibility during the sessions of the Conference and the Governing Body in 2023, as it had recognized the importance of ensuring the Organization's continued functioning and avoiding delays in adopting the budget. However, it could not support the draft decision unless the contentious terminology was removed from paragraph 163 of GB.353/PFA/1. The programme and budget should not become a platform for divisive debates, given the critical importance of the budget to the Organization and its constituents. Instead, it must use consensus-based language and universally accepted concepts. She supported the amendment proposed by the Africa group.

178. **A Government representative of Malawi** said that the use of consensual language was a best practice that had proved effective in enabling the ILO to discharge its mandate. She suggested that the wording in paragraph 163 could be replaced with the general reference used in Article 1(b) of the Violence and Harassment Convention, 2019 (No. 190), to "sex or gender" or the reference in the inequality outcomes to "gender equality and non-discrimination and providing support for vulnerable or disadvantaged groups". Member States should be at liberty to decide what constituted "vulnerable groups". She supported the amendment proposed by the Africa group.

179. **Speaking on behalf of the EU and its Member States,** a Government representative of Poland said that his group could not support the amendment put forward by the Africa group and would need more time to consider the proposal of the Workers' and Employers' groups.

180. **A Government representative of Oman** reaffirmed its firm position and expressed its commitment to continuing in constructive dialogue in order to find a consensus-based solution.

181. **A Government representative of Colombia** urged all groups to approve the budget by consensus. His country supported all ILO actions to combat discrimination at work and believed that the choice of language in programmatic documents was important in driving action and making realities visible. Removing references to sexual orientation and gender identity from the Programme and Budget proposals for 2026–27 would enable or trivialize serious acts of discrimination. He therefore supported the proposal of the Workers' and Employers' groups, which, though not fully satisfactory, was a solid basis for negotiation. However, he could not agree to the inclusion of a footnote, which would set a bad precedent for dealing with key issues such as non-discrimination.

182. **A Government representative of Mexico** said that her country remained committed to gender equality and combating discrimination on any grounds. Her Government had participated in good faith in the group of ambassadors to explore avenues for consensus. She supported the proposal of the Workers' and Employers' groups but not the inclusion of a footnote, and did not support the proposal presented by the Africa group.

183. **A Government representative of Ethiopia** said that all Member States had a responsibility to implement measures to promote equality at the national level. Equally, they should retain the power to define vulnerable groups as they saw fit. The Office should use consensual language that was aligned with the best interests of all constituents. She therefore supported the amendment proposed by the Africa group.

184. **A Government representative of Uruguay** noted that Article 1(b) of Convention No. 111 gave countries the scope to prohibit discrimination on grounds in addition to those explicitly mentioned in the Convention. Removing the reference to sexual orientation and gender identity from the Programme and Budget proposals for 2026–27 could impose a constraint on countries that considered them grounds of discrimination. He urged members to reach consensus on the basis of the proposal of the Workers' and Employers' groups.

185. **A Government representative of Brazil** said that discrimination on the grounds of sexual orientation and gender identity was a cruel reality that would not disappear because some continued to view the language as controversial. The inclusion of a footnote was not the best way forward but her Government could exercise further flexibility in accepting it in the interests of consensus and to avoid a repeat of the situation in 2023. Brazil did not support the amendment proposed by the Africa group.

186. **A Government representative of Barbados** said that he did not want to see protection removed from any vulnerable group of workers, but was sensitive to differing views. There had to be a space outside the programme and budget discussion for the Governing Body to tackle the important issue of non-discrimination in employment. The proposal of the Workers' and Employers' groups provided a good basis for reaching some form of consensus that would enable the budget to be delivered and the ILO's non-discrimination mandate to be respected.

187. **The Worker spokesperson** said that the Latin American and Caribbean countries were to be commended for their flexibility in trying to find a solution despite their very strong position on non-discrimination on the grounds of sexual orientation and gender identity. Any decision that enabled the Governing Body to move forward had to recognize explicitly the existence of divergent views. While the Government group was divided, the Workers' and the Employers' groups were united in wanting to adopt a programme and budget. Her group's preference would be to adopt the original draft decision, but had considered it important to acknowledge the difference in opinion so that the adoption of the current and future programme and budget documents would not be blocked.

188. **The Employer spokesperson** said that his group respected all opinions but was focused on achieving consensus. He could not support the amendment put forward by the Africa group or any proposal outside that of the Workers' and Employers' groups' proposal. Not adopting a programme and budget for the upcoming biennium would jeopardize all ILO programmes.

189. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that a functioning international system must leave room for different national positions. All Governing Body members wanted to adopt a budget, preferably by consensus. His group respected views and choices that differed from its own. However, he agreed that the programme and budget discussions were not the place to tackle the issue of sexual orientation and gender identity, which was adequately addressed in Convention No. 111. His group did not understand the need to keep the reference in the programme and budget, as the Director-General himself had made clear that the ILO would still be able to combat discrimination on the grounds of sexual orientation and gender identity in countries that accepted the concept.

(The Governing Body resumed its discussion of the item after a break for consultations.)

190. **The Worker spokesperson** said that the Workers' and Employers' groups were ready to submit their proposal as a formal amendment. She clarified that it was a package that included changes to the draft decision and a footnote to the text of the Programme and Budget proposals for 2026–27. The changes to the draft decision read as follows:

> 281. Recalling the ILO's obligation and commitment to combat any form of discrimination and exclusion on any grounds, and affirming in this regard that Office country-level technical assistance is provided upon request and having due regard to national conditions and circumstances,
>
> Acknowledging the divergence of views in the Governing Body on the use of the terms sexual orientation and gender identity,
>
> The Governing Body decided:
>
> (a) to place an item on the Policy Development Section of the 355th Session (November 2025) of the Governing Body on identifying challenges regarding the application of the principle of non-discrimination in the world of work, including divergent views as described above, and how to address them;
>
> (b~~a~~) to approve the use of the balance of the Special Programme Account in the amount of CHF4.8 million (estimated at US$5.3 million at the 2024–25 budget rate of exchange of CHF0.91 to the US dollar) to partially offset the one-off cost of CHF15.2 million to fund the two sessions of the International Labour Conference in 2026 and 2027;
>
> (c~~b~~) to recommend to the International Labour Conference at its 113th Session (June 2025) that it:
>
> (i) approve a provisional programme level of US$898,497,426 estimated at the 2024-25 budget rate of exchange of CHF0.91 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;
>
> (ii) adopt the following resolution:
>
> The General Conference of the International Labour Organization,
>
> In virtue of the Financial Regulations, adopts for the 80th financial period, ending 31 December 2027, the budget of expenditure of the International Labour Organization amounting to US$ ... and the budget of income amounting to US$ ... which, at the budget rate of exchange of CHF... to the US dollar, amounts to CHF... , and resolves that the budget of income, denominated in Swiss francs, shall be allocated among Member States in accordance with the scale of contributions recommended by the Finance Committee.

191. Speaking on behalf of a like-minded group of countries from the EU, IMEC and GRULAC, a Government representative of France asked whether the Africa group was maintaining its amendment. She enquired whether the amendment submitted by the Workers' and Employers' groups could be subamended and asked those in support of the amendment presented by the Africa group for their views on that joint Worker–Employer amendment.

192. Speaking on behalf of the Africa group, a Government representative of the Niger requested more time to consider the joint Worker–Employer amendment, now that it was no longer simply a proposal. He wished to hear the reply by the Workers' group to the question asked by the Government representative of France.

193. The Worker spokesperson said that while all amendments could officially be subamended, her group would reject subamendments designed to change the meaning of the joint Worker–Employer proposal, which had been drafted in the hope of finding a middle ground as a basis for consensus. In addition to acknowledging the existence of divergent views, the amendment highlighted the ILO's support for the fundamental principle of non-discrimination. She wished to know the position of the Africa group regarding its own amendment in view of the lack of support shown for it.

194. **The Employer spokesperson**, further to the Worker spokesperson's comments, noted that acceptable subamendments to their joint amendment might include adapting the wording to reflect the Organization's current use of language.

195. **A representative of the Director-General** (Legal Adviser) said that, as had been explained at the 347th Session of the Governing Body, no amendments to specific paragraphs of a published Governing Body document, other than the draft decision, could be proposed. According to established practice, however, the Office occasionally prepared a revised version of a document under discussion to facilitate achievement of a consensus, when there were clear signs that a consensus could be reached with specific modifications.

196. **Speaking on behalf of a group of countries**, a Government representative of France said that the replies by the Employers' and Workers' spokespersons had been sufficiently clear. She also thanked the Legal Adviser for her explanation. She again asked the Africa group and like-minded countries to provide their views on its own amendment – was it still under consideration or would it be withdrawn in view of the joint Worker–Employer amendment? She asked if the Africa group could unconditionally support, without subamendment, the Worker–Employer amendment.

(The Governing Body resumed consideration of the item following a brief suspension of the sitting.)

197. **Speaking on behalf of the Africa group,** a Government representative of the Niger said that, following consultations with the OIC and the Arab group, during which they had taken into account elements contained in the Worker–Employer amendment, seconded by the Government representative of France on behalf of a group of counties, and in a spirit of consensus, his group suggested the following subamendment to its amendment:

6. The Governing Body recommended to the International Labour Conference at its 113th Session (June 2025):

(a) to approve a provisional programme level of US$879,800,000 estimated at the 2024–25 budget rate of exchange of CHF0.91 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;

(b) to adopt the following resolution:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 80th financial period, ending 31 December 2027, the budget of expenditure of the International Labour Organization amounting to US$ … and the budget of income amounting to US$ … which, at the budget rate of exchange of CHF… to the US dollar, amounts to CHF…, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among Member States in accordance with the scale of contributions recommended by the Finance Committee.

(c) **acknowledging the absence of agreement in the Governing Body on the use of the terms sexual orientation and gender identity, contained in document GB.353/PFA/1;**

(d) the Governing Body **~~further~~** reaffirms the importance of the Programme and Budget in promoting fundamental principles and rights at work, **and recalls the ILO's commitment to combat any form of discrimination in the world of work ~~and takes note of no consensus in respect of the listing of vulnerable groups~~**;

(e) the Governing Body **~~also~~** requests the Office to replace the expression "sexual orientation and gender identity" contained in document GB.353/PFA/1 **by the expression vulnerable groups or the agreed language as contained in ~~and replace it with the expression "vulnerable groups", and refrain from using non-~~**

~~agreed language in future programme and budget documents, and used the agreed language contained in~~ Conventions Nos 100 and 111 ~~which address issues of non-discrimination and protection of vulnerable groups. The Office should avoid use of non-consensual language in future Office documents~~.

198. **Speaking on behalf of a group of countries**, a Government representative of France said that her group had not seconded the Worker–Employer amendment, it had just asked questions. She requested clarification from the Africa group as to whether its amendment, which had been submitted before the Worker–Employer amendment, was still under consideration.

199. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that his group had just submitted its proposal.

200. **The Worker spokesperson** said that the subamendment submitted by the Africa group closely resembled its amendment. She wished to consider whether it was a subamendment to the Worker–Employer amendment or a rearrangement of its own amendment.

201. **Speaking on behalf of the Africa group**, a Government representative of the Niger said, in response to the Government representative of France, speaking on behalf of a group of countries, that his group maintained its initial amendment but had improved upon it following consultations, taking a few elements from the joint Worker–Employer amendment. He invited comments on the improvements introduced.

202. **The Worker spokesperson** said that she understood that the Africa group had subamended its own amendment. The same problematic issues remained as important elements were missing. She stressed that replacing groups that had been mentioned in respect of non-discrimination by just vulnerable groups was making the issue worse. There were no divergent views on vulnerable groups; there might be an issue with certain terminology regarding one specific vulnerable group. She was not ready to accept any language that would blur ILO developments in respect of vulnerable groups. She asked the Africa group if it was aware that its previous amendment had not received wide support. The Workers' group did not support the new subamended version. As a way forward, if the Africa group maintained its amendment, she suggested ascertaining the majority views among members.

203. **The Employer spokesperson** said that while he thanked the Africa group for trying to improve its amendment, the content was roughly the same. The Employers could not and would not agree with subparagraph (e), which stated that they must remove the language. If there was no consensus, he urged the Africa group to consider withdrawing its amendment.

204. **Speaking on behalf of a group of countries,** a Government representative of France said that her group did not support the amendment proposed by the Africa group, despite the efforts that had been made to redraft it, and she joined the Employers in requesting that the amendment be withdrawn.

205. **Speaking on behalf of the EU and its Member States**, a Government representative of Poland said that her group could not accept the current amendment submitted by the Africa group, which was not significantly different from its previous one.

206. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that his group was trying to make headway, while others seemed to be taking a position that was practically non-negotiable. The Africa group maintained its position.

207. **The Worker spokesperson** said that if the Africa group was not willing to withdraw its amendment, the Governing Body should either vote on it or declare that there was no support for it.

208. **The Chairperson** said that it was crystal clear to him that the Africa group would maintain its position. The group had been given almost one hour to prepare its new position, but the new version of the amendment was almost identical to the previous one. He had been trying to reach a consensus, but the Governing Body was reaching the point where it had to decide to move forward. The majority of members seemed to support the joint amendment proposed by the Workers' and Employers' groups and did not support the one proposed by the Africa group. He asked whether the Africa group wished to maintain its position on its proposed amendment.

209. **Speaking on behalf of the Africa group, the OIC and the Arab States**, a Government representative of the Niger said that his group maintained its amendment.

210. **The Worker spokesperson** said that the question before them was whether the Africa group could accept that the majority of members did not support its amendment.

211. **Speaking on behalf of a group of countries**, a Government representative of France said that she wished to address the Africa group. While she fully understood that it was attached to its amendment, the Africa group and its co-sponsors should assume their responsibility and call for a vote if that was what was necessary.

212. **The Chairperson** said that he had no choice but to proceed with a vote. However, he first wanted to ask the Africa group one last time whether it intended to withdraw its amendment.

213. **Speaking on behalf of the Africa group,** a Government representative of the Niger said that his group had already answered many questions, but had yet to receive answers to theirs. The Africa group's proposed amendment made it possible to protect all vulnerable groups. He asked what was unacceptable to France and the countries it represented, and to the Employers and the Workers.

214. **The Worker spokesperson** said that she understood that the Africa group maintained its proposed amendment, but a decision must be made so that the Governing Body could continue its discussion.

215. **The Chairperson** said that the amendment proposed by the Africa group would be put to a vote by show of hands.

(The amendment proposed by the Africa group was rejected with 11 votes in favour, 40 votes against and 3 abstentions.)

216. **Speaking on behalf of a group of countries,** a Government representative of France said that the Governing Body must choose between the amendment proposed by the Workers and the Employers or the draft decision presented by the Office. She requested a short break so that she could discuss those options with her group.

(The Governing Body resumed consideration of the item following a brief suspension of the sitting.)

217. **Speaking on behalf of a group of countries,** a Government representative of France asked whether the Workers and Employers maintained their amendment.

218. **The Employer and Worker spokespersons** confirmed that they did.

219. **Speaking on behalf of a group of countries**, a Government representative of France said her group supported the amendment submitted by the Workers and Employers. It wished to propose a slight change to the wording of the previous paragraph 3, which a Government representative of the Netherlands would read out. It also wished to confirm that the footnote would no longer be included in the package.

220. **Speaking on behalf of a group of countries**, a Government representative of the Netherlands suggested adding "for discussion" after "decided to place an item" in subparagraph 6(a), formerly paragraph 3, of the amendment.

221. **The Worker spokesperson** said that the Workers could certainly agree that it was an item for discussion. The idea was to bring the item to the table, have an exchange of views and determine what the next appropriate steps would be.

222. **The Employer spokesperson** said that the Employers also supported the proposed rewording.

223. **The Worker spokesperson** asked whether the Africa group would be able to join a consensus on the proposed amendment.

224. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that his group was not in favour of the proposed amendment.

225. **A Government representative of Sudan** said that his Government would like to continue to discuss the subject in the future. Like the Africa group, it rejected the amendment.

226. **The Worker spokesperson** said that she regretted the outcome, as it would not be their last discussion on the programme and budget. She wanted it on the record that the Workers had been, were and would be ready to accept that there were divergent views and that the Workers and the Employers had tried, in good faith, to prepare a proposal that took such views into account. She regretted that the Africa group did not see the advantage of joining the consensus, which would have given them recognition of the fact that they disagreed on certain issues of importance to them. If the Africa group was resolved not to join a possible consensus, then the Governing Body should vote on what was currently on the table, including the subamendment proposed by the Netherlands on behalf of a group of countries. As the Legal Adviser had indicated, the footnote would not be part of the vote because there was no consensus.

227. **The Employer spokesperson** said that Employers fully agreed with the Workers insofar as they had really tried to find a solution to accommodate all the different points of views. The amendment was quite clear and took into account, with or without the footnote, the differences that had been expressed for many months. The Employers would regret it if there was no consensus on the footnote, but even without a footnote, the rest of the text would remain and take due consideration of the sensitivities of many members.

228. **A Government representative of the United States** wished to thank the social partners for all their efforts to reach a consensus. It was very clear that there were divergent views, and the United States could accept that the Office might exceptionally exercise its prerogative to add a footnote if it brought the Governing Body closer to consensus. The United States thought that there had been an opportunity to reach consensus, and if there was still a glimmer of hope of doing so, it was willing to continue the discussion as long as necessary.

229. **Speaking on behalf of the Africa group**, a Government representative of the Niger said that his group wished to underscore that it had been very open to discussion and had actively participated in the consultations. However, the social partners and the Government representative of France, speaking on behalf of a group of countries, had completely rejected an amendment submitted by the Africa group, which had then submitted another amendment in a spirit of flexibility and openness, taking into account their concerns regarding combating discrimination in all its forms, allowing the ILO's objective as contained in Conventions Nos 100 and 111 to be met. In return, the social partners and the group of countries supporting them had presented the Governing Body with a package as a “take it or leave it” deal, demonstrating neither openness nor flexibility.

230. **The Director-General** expressed deep concern, particularly given the current geopolitical climate, that programme and budget proposals would again be adopted via a vote, and that the issues that had led to the standstill in the discussions between November 2022 and March 2023 had arisen once more. The discussion on the programme and budget proposals was not the best forum to handle the matter at hand, and in recent days the Office had made efforts to ensure that a debate on the subject would be held under the Policy Development Section. He urged both sides, despite their highly entrenched positions, to come to a decision on the proposals by consensus. He recalled that the adoption of the document under discussion was not the same as the adoption of the programme and budget; that would take place at the upcoming session of the International Labour Conference, and as yet no group had the required two-thirds majority. Adopting the programme and budget was a matter of collective responsibility, and he urged the members of the Governing Body to find a way forward to avoid the same scenario as had occurred at the 111th Session (2023) of the Conference which, given the current international context, would make life far more difficult. The ILO, and indeed the multilateral system as a whole, was at a crossroads.

231. **Speaking on behalf of a group of countries,** a Government representative of France said that she reluctantly agreed with the solution proposed by the Employers’ and Workers’ groups, with the subamendments proposed by her group. To respect the time spent by the group of ambassadors and the divergent positions of governments and in the interests of consensus, the group of countries she represented had not opposed the proposal, which contained wording that was not their own, and had agreed to holding a general discussion at the November 2025 session of the Governing Body. It was not appropriate to discuss the matter under the agenda item on the programme and budget proposals. The discussion in November must therefore be as inclusive as possible so as to delve into the substance of the issues raised. Although there were different groups within the Government group, it was not true to say that they were on different sides. Before directly calling for a vote, it was preferable to get a better sense of the room and gauge the existence of a consensus.

232. **A Government representative of Barbados** expressed his disappointment that consensus had not been reached despite the apparent progress towards agreement. The amendment proposed by the Employers’ and Workers’ groups and the inclusion of a footnote would convey respect for the diverging views and would mean that no one had to compromise their deeply held values, although it would require concessions by all parties. He was concerned that in the current uncertain international political context, decisions that were being made without considering long-standing trends or logic had the potential to harm smaller, developing countries to a greater extent than others. While the discussions currently under way were similar to those of 2023, the international political landscape was very different.

233. **The Worker spokesperson** questioned why, given that all Governing Body members had agreed to the figures contained in the programme and budget proposals, some governments were refusing to adopt the document. The workers of the world, especially those in poorer regions and developing countries, including many African countries, would suffer most if the budgetary proposals were not approved. She asked whether two separate decisions could be adopted, one on the budgetary proposals – which she assumed would have the support of the Africa group – and another on the language.

234. **The Director-General** stressed the severe consequences that a failure to resolve the issue would have for the entire multilateral system. He called on the members of the Governing Body to reaffirm their commitment to the ILO's core mandate and to find a unifying solution. For his part, he was willing to draft a revised document in order to reach consensus. He sought clarity from the Africa group that its aim had been to ensure that should they accept the status quo, it would not be repeated. If not, he asked how the ILO could provide a degree of assurance that the planned discussion of the issue under the Policy Development Section in November 2025 would lead to a binding commitment to a definitive way forward.

235. **The Worker spokesperson** said that a vote should be avoided. The Employers' and Workers' groups had made every effort to find a way forward. There was no way to give guarantees as to the outcome of future discussions on the issue, which should be discussed under a separate agenda item with guidance notes prepared by the Office. She wished to know whether the governments, including the Africa group, believed that consensus would be possible if they were given until the following morning to continue their considerations.

236. **Speaking on behalf of the Africa group,** a Government representative of the Niger said that the decision should not be postponed to the following day. His group, as well as the countries of the OIC and the Arab group, had demonstrated flexibility and had been committed to reaching genuine consensus; at no point had they suggested a vote. His group's position remained unchanged.

237. **Speaking on behalf of a group of countries,** a Government representative of France asked whether the Africa group would support the amendment proposed by the Employers' and Workers' groups if her group withdrew its proposed subamendment.

238. **Speaking on behalf of the Africa group,** a Government representative of the Niger said that he would support the amendment if the reference to sexual orientation and gender identity was removed.

239. **The Worker spokesperson** wondered whether the Africa and Arab groups recognized that they risked foregoing significant investment in their regions if the programme and budget proposals were not approved for want of consensus on one phrase. She was extremely concerned about the workers and vulnerable groups that the ILO would be unable to assist in that scenario. All divergent views should be represented; in its proposed amendment, however, the Africa group had removed reference to the opposing view. She called on the Africa group and those aligned with it to reconsider their position. Achieving consensus meant accepting a decision without necessarily agreeing with it.

240. **The Employer spokesperson** said that further discussion would be futile if the governments' positions were unlikely to change.

241. **Speaking on behalf of the Africa group,** a Government representative of the Niger said that the reference to sexual orientation and gender identity had no bearing on the ILO's mandate or its support for vulnerable groups and therefore asked why it should be kept.

242. **Speaking on behalf of a group of countries,** a Government representative of France, noting that the amendment proposed by the Employers and Workers appeared to enjoy support, asked whether the draft decision could be adopted by consensus.

243. **The Worker spokesperson** supported the approach proposed by the Government representative of France, observing that there appeared to be a significant majority in favour of the proposed amendment.

244. **The Employer spokesperson** welcomed the proposal made by the Government representative of France and the Workers' group as a constructive step forward. The current discussion must be brought to an end, and while a vote was not desirable, it would be preferable to failing to take a decision. The issue of sexual orientation and gender identity required respectful discussion; that was precisely what the amendment proposed by his group and the Workers was offering, in the form of an item on the agenda of the Governing Body's session in November 2025.

245. **Speaking on behalf of the Arab group,** a Government representative of the Sudan said that his group remained willing to move forward, but only on the basis of the amendment proposed by the Africa group. He criticized attempts by certain parties to exert pressure and distort facts; the Organization's mandate was clear to all Member States. While his group respected the views and positions of others, it also expected respect to be shown for its own views. Contentious language should not be included in ILO documents, and he questioned why other groups would object to its removal. He further questioned how consensus could be reached if multiple groups had made a reasonable and coherent proposal that had not been adequately considered. He expressed disappointment that the Office had recommended the adoption of the original text despite the concerns raised by a number of members.

246. **The Worker spokesperson** agreed that the debate had reached its conclusion. While the Employers' and Workers' groups had put forward an amendment acknowledging the divergence of views within the Governing Body, the Africa and Arab groups had failed to recognize those differing perspectives and had only insisted that others respect their views.

247. **The Chairperson,** noting that a majority of the members of the Governing Body appeared to support the amendment proposed by the Employers' and Workers' groups, asked whether the Governing Body could adopt it by consensus.

248. **Speaking on behalf of the Africa group**, a Government representative of the Niger, **speaking on behalf of the countries of the OIC with the exception of Albania**, a Government representative of Brunei Darussalam, **speaking on behalf of the Arab group**, a Government representative of the Sudan, and a **Government representative of Bangladesh** said that they could not support the proposed amendment.

249. **The Chairperson** said that, in the absence of consensus, the amendment proposed by the Employers' and Workers' groups, as subamended by a group of countries, would be put to a vote by a show of hands.

(The amendment proposed by the Employers' and Workers' groups, as subamended by a group of countries, was adopted, with 41 votes in favour, 12 against and 2 abstentions.)

250. **Speaking on behalf of a group of countries,** a Government representative of France said that while some members of her group had expressed a preference for the original draft decision, they had voted reluctantly in favour of the amendment proposed by the Employers' and Workers' groups out of respect for the tripartite constituents and for the divergent views within the Government group, and because it provided a more appropriate forum for further discussion of the issue in question.

251. **The Worker spokesperson** noted that while some members of her group had had concerns about the language used in the amendment, they had ultimately presented a unified position. She hoped that the differing views expressed during the discussions would be respected at the upcoming session of the International Labour Conference and called on all parties to work together to prevent a repeat of the situation that had occurred in 2023.

252. **The Chairperson** invited the Governing Body to adopt the draft decision, as amended.

253. **Speaking on behalf of the Africa group**, a Government representative of the Niger and, **speaking on behalf of the Arab group**, a Government representative of the Sudan said that their groups could not support the draft decision.

254. **The Chairperson** said that since there was no consensus on the draft decision, it would be put to a vote by a show of hands.

(The draft decision, as amended, was adopted, with 43 votes in favour, 10 votes against and 1 abstention.)

255. **Speaking on behalf of the Africa group, the Arab group, the countries of the OIC, China, Cuba and the Bolivarian Republic of Venezuela**, a Government representative of the Sudan expressed concern at the challenges faced by social partners in countries affected by war, crises and disasters. He called for swift and effective intervention by the Director-General to support organizations working in those difficult circumstances. To that end, he proposed the establishment of an emergency fund under the supervision of the Director-General, to be financed through voluntary contributions and with a clearly defined mandate.

256. **The Worker spokesperson** said that she was shocked that countries that had voted against the Director-General's programme and budget proposals, which contained critical measures to support vulnerable groups, workers and communities worldwide, had subsequently made such a proposal.

257. **A representative of the Director-General** (Treasurer and Financial Comptroller) confirmed that the Office would examine the feasibility of the proposed emergency fund.

Decision

258. **Recalling the ILO's obligation and commitment to combat any form of discrimination and exclusion on any grounds, and affirming in this regard that Office country-level technical assistance is provided upon request and having due regard to national conditions and circumstances,**

Acknowledging the divergence of views in the Governing Body on the use of the terms sexual orientation and gender identity,

The Governing Body decided:

(a) **to place on the agenda of the 355th Session (November 2025) of the Governing Body an item for discussion in the Policy Development Section on identifying challenges regarding the application of the principle of non-discrimination in the world of work, including divergent views as described above, and how to address them;**

(b) **to recommend to the International Labour Conference at its 113th Session (June 2025):**

(i) **to approve a provisional programme level of US$879,800,000 estimated at the 2024–25 budget rate of exchange of CHF0.91 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;**

(ii) **to adopt the following resolution:**

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 80th financial period, ending 31 December 2027, the budget of expenditure of the International Labour Organization amounting to US$ … and the budget of income amounting to US$ … which, at the budget rate of exchange of CHF… to the US dollar, amounts to CHF… , and resolves that the budget of income, denominated in Swiss francs, shall be allocated among Member States in accordance with the scale of contributions recommended by the Finance Committee.

(GB.353/PFA/1/1, paragraph 6, as amended by the Governing Body)

2. Delegation of authority under article 17 of the Standing Orders of the International Labour Conference (GB.353/PFA/2)

Decision

259. The Governing Body decided to delegate to its Officers, for the period of the 113th Session of the International Labour Conference (2025), the authority to carry out its responsibilities under article 17 of the Standing Orders of the Conference in relation to proposals involving expenditure in the 79th financial period ending 31 December 2025.

(GB.353/PFA/2, paragraph 3)

3. Arrangements for the consideration of allocation matters by the Government members of the Governing Body (GB.353/PFA/3)

Decision

260. The Governing Body decided that:

(a) existing arrangements for the consideration of allocation matters by the Government members of the Governing Body be revised so that, in future, a private meeting of the Government members would be required only when a new triennial United Nations scale is established or when other significant changes, such as the addition of new Member States, require the re-examination of the scale;

(b) when no meeting of the Government members of the Governing Body would be convened, allocation matters would be considered by the Programme, Financial and Administrative Section of the Governing Body directly.

(GB.353/PFA/3, paragraph 4)

4. Scale of assessments of contributions to the budget for 2026–27 (GB.353/PFA/4)

261. The Worker spokesperson noted that the draft scale of assessments of contributions to the budget for 2026–27 showed that the contributions of 53 Member States would be higher than before, while the contributions of 79 Member States would be lower. The assessed contribution rate for China would increase to more than 20 per cent of the total. Collectively, the Member States of the EU would make the largest contribution to the regular budget.

Decision

262. The Governing Body decided that, in accordance with the established practice of harmonizing the rates of assessment of ILO Member States with their rates of assessment in the United Nations, it propose to the Conference the adoption of the draft scale of assessments for the year 2026 as set out in column 3 of Appendix I and for 2027

as set out in columns 2 and 3 in Appendix II to GB.353/PFA/4, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.

(GB.353/PFA/4, paragraph 5)

5. Other financial matters

(No other financial matters were submitted to the Governing Body at this session.)

Audit and Oversight Segment

6. Report of the Independent Oversight Advisory Committee (GB.353/PFA/6)

263. **The Chairperson of the Independent Oversight Advisory Committee (IOAC)** said that the report presented an overview of the work accomplished by the Committee in the period from February 2024 to January 2025, during which it had held three in-person meetings, as well as virtual discussions, covering all key areas of its mandate. She highlighted the policy and process improvements implemented by the Office and the results achieved during the year, and drew the Governing Body's attention to the four recommendations put forward by the Committee. The Committee welcomed the decision to create an independent Prevention and Response to Sexual Exploitation and Abuse (PSEA) Officer position and would monitor at future meetings the implementation of that decision. She expressed the Committee's thanks to the two outgoing members for their commitment and advice, and its appreciation for the support provided by the ILO's senior management and staff throughout the year. She also expressed the Committee's appreciation for the opportunities that had been provided for interaction with Governing Body members.

264. **The Worker spokesperson** said that, while his group acknowledged the valuable work of the IOAC, it believed that the IOAC could add even greater value by providing more detailed assessments, particularly of recommendations that had already been issued by other evaluation entities. A more in-depth analysis would enhance the effectiveness of its work. Moreover, while the group welcomed the timely submission of the 2023 consolidated financial statements and the completion of external audit work with an unmodified audit opinion, such an outcome was expected and not necessarily an improvement over previous years.

265. Recalling that recommendation 3 had also been made in 2023 and 2024, he once again encouraged management to accelerate the completion of the skills-mapping exercise. Ensuring adequate resources for the newly created PSEA Officer position would be critical in strengthening the Organization's response to sexual exploitation and abuse.

266. Regarding the internal governance of the IOAC, his group would appreciate further details on the self-assessment conducted in December 2024. Specifically, it sought clarification on the changes that would be implemented in the current year to enhance the efficiency of the IOAC's work. A clearer understanding of such changes would allow for a more informed discussion on how best to optimize the IOAC's mandate. The Workers supported the draft decision.

267. **The Employer spokesperson** said that his group welcomed the policy and process improvements that had been implemented during the year, particularly in the area of risk management, and noted that voluntary contributions now accounted for half of the programme-related revenue reported by the Office.

268. His group welcomed all the recommendations in the report. Regarding recommendation 1, relating to the need to focus on reviewing the ILO's overall governance on risk management processes and the need to codify a number of practices currently in use, he said that the commitment of management was essential in that regard and any updates from the Committee would be welcome. The review could be used to help direct the efforts of the recently appointed Director of Internal Audit and Oversight.

269. His group was pleased to note that the process of internal controls appeared to be robust and that the areas for improvement related primarily to the efficiency of operations and did not indicate any material weakness. Nevertheless, and in reference to recommendation 2, he stressed the importance of completing the action plans relating to accountability and capacity for the delivery of extrabudgetary development cooperation projects, in the light of the worrying findings of the independent high-level evaluation on that subject, and of enhancing the effectiveness, efficiency and sustainability of the internal audit and oversight functions.

270. Turning to recommendation 3, he reiterated that the skills-mapping exercise must include all categories of staff at headquarters and in the field and assess the skills relevant to the needs of the three constituent groups. While progress was being made, much more needed to be done, and it was critical to ensure that the exercise produced a result that could be useful in developing the appropriate human resources and skills sets required to meet the current and future needs of the ILO. He also reiterated his group's call to the Office to report back on the results of the exercise to the Governing Body at its March 2026 session.

271. Lastly, he said that the proposed policy and process change on external collaboration contracting referred to in recommendation 4 should be approved and implemented to avoid any potential risk to the Organization. The Employers supported the draft decision.

272. **Speaking on behalf of the Africa group**, a Government representative of Mozambique noted with appreciation that the Governing Body had extended the term of Ms McMahon for another year, from 1 January to 31 December 2025, and had appointed two new members for a three-year term commencing on 1 January 2025. He also noted with appreciation that the IOAC had been able to cover all key areas of its mandate through frequent exchanges, and that a number of policy and process improvements had been implemented and results achieved. He welcomed the improved transparency as a result of reporting on all substantiated cases of wrongdoing since 2022 that had resulted in disciplinary actions and the good progress that had been made on the skills-mapping exercise. Although the absence of an African representative among the Committee's membership was a concern, his group supported the draft decision.

273. **Speaking on behalf of GRULAC**, a Government representative of Peru noted with satisfaction the submission of the 2023 consolidated financial statements and the completion of external audit work with an unmodified audit opinion and thanked the Committee for drawing the Governing Body's attention to the fact that voluntary contributions now accounted for half of the programme-related revenue reported by the Office. The Office should monitor and evaluate the implications of the situation in terms of financial sustainability, risks and long-term balance between mandatory and voluntary contributions. GRULAC supported the idea of reviewing the ILO's overall governance and risk management processes, which would allow more transparent, efficient and responsible management of the Office, and also allow the Office to anticipate possible challenges within the Organization.

274. GRULAC agreed that human resources management was a key driver for fulfilling the ILO's mandate. It hoped that the skills-mapping exercise would serve to identify different skills sets in the workforce but also serve as a catalyst for strategies that would reap benefits both for staff members and the Organization as a whole. As to investigations and ethical matters, GRULAC agreed that reporting the outcomes of allegations was important and would show people that such allegations would be taken seriously. It urged the Committee to continue working to ensure that the Office continued to meet high standards in governance, financial and ethical matters. GRULAC supported the draft decision.

275. **Speaking on behalf of IMEC**, a Government representative of the United States said that IMEC welcomed the IOAC's engagement with the Joint Inspection Unit and other oversight entities in the UN system, and with Governing Body members. It also welcomed the four recommendations outlined in the report; the process improvements noted by the IOAC during the past year; the improved transparency and accountability for substantiated cases of misconduct; the unmodified audit opinion; the comprehensive 2023 Statement of Internal Control; and the participation of the Committee's Chairperson in the selection of the new Director of Internal Audit and Oversight.

276. IMEC requested the IOAC to share its views on whether the "agreed termination" of the former Chief Internal Auditor, including the ex-gratia payment for performance, had complied with the ILO Staff Regulations, specifically article 11.1, which required consultation with the Governing Body, and article 11.16, which provided for compensation for termination when "the necessities of the service require[d] a reduction in staff". The workload of the Office of Internal Audit and Oversight did not reflect that premise. In addition, it requested the IOAC to continue to monitor the development of procedures for handling allegations against senior and elected officials and to provide updates in each of its subsequent reports.

277. IMEC appreciated the role of the IOAC in clarifying responsibilities for PSEA. In that regard, it urged the IOAC to ensure that the International Training Centre of the ILO (Turin Centre) instituted related best practices, including participation in and use of the UN Clear Check system. Lastly, IMEC welcomed the monitoring by the IOAC of the Office's initiatives to respond to the findings of the organizational health survey and encouraged the IOAC to consult the Staff Union as an element of that oversight. IMEC supported the draft decision.

278. **A Government representative of the Russian Federation** said that the IOAC's briefing with the Governing Body in September 2024 had been useful and the practice should be retained. He expressed support for the recommendations of the IOAC and called on the Office to implement them in a timely manner. Future reports should focus more on fraud and corruption, and the IOAC should provide comments on evaluation topics and information on the financial status of the ILO, to help Member States make informed decisions on budgetary matters. He asked for an update on progress in establishing a procedure for addressing allegations against a Director-General and when substantive discussions on that issue would be held.

279. **The Chairperson of the IOAC**, in response to the request by the Worker spokesperson for details on the changes that would be made in the light of the self-assessment conducted in December 2024, said that the IOAC intended to limit the number of items on the agenda of each of its meetings to allow for fuller discussion. Sustainability practices and reporting were areas that had been identified for review in 2025. Responding to the comments made on behalf of IMEC, she said that termination was not an area reviewed in detail by the IOAC but she would raise the questions with the External Auditor in the context of the audit of the 2024 financial statements. She took note of the need for more consultation with the Staff Union and would incorporate the topics mentioned by the representative of the Russian Federation in the Committee's annual work plan. Progress was being made in establishing a procedure to respond to allegations against a Director-General, which was an area of work led by management.

280. **A representative of the Director-General** (Treasurer and Financial Comptroller) confirmed that the Office was taking steps to implement the recommendations of the IOAC. For example, work was being done to strengthen accountability and capacity for the delivery of extrabudgetary development cooperation projects. Internal control was a continuous process, similar to risk analysis, which was performed every year, as situations evolved. He spoke with the Director-General in detail each year when signing the statement of internal control to ensure that issues were being addressed in an effective way. The skills-mapping exercise was ongoing and aimed to be completed by the end of 2025. A new directive on the use of external collaboration contracts had been issued the previous week and would enter into effect from 1 July 2025, with a new system that offered greater transparency on the recruitment of external collaborators and addressed all of the issues raised by the Office of Internal Audit and Oversight (IAO) in its audit report on the subject. He recalled that there was a candidate from Africa on the reserve list for the IOAC; should there be a change in its membership, it might be possible for that candidate to join the Committee, depending on the skill set required.

281. **A representative of the Director-General** (Director, Internal Audit and Oversight) noted that, as reported at the previous session of the Governing Body, the Office of Internal Audit and Oversight had reached out to relevant departments asking them to begin drafting more detailed investigation guidelines to be followed should allegations be made against a Director-General. The Office was collaborating in this respect with the UN Representatives of Investigation Services, which had a working group to develop guidelines for the investigation of executive heads; an update on that work was expected in the coming weeks. The Office had also reached out to sister agencies and would build on the research already carried out by other organizations and learn lessons from their experiences. Important aspects included setting out the parameters of discussion on the topic at the Governing Body well in advance, and ensuring that all aspects of the procedure and decision-making on allegations against a Director-General were properly examined by the Governing Body. A further update on the subject would be provided at the 355th Session (November 2025).

282. **The Worker spokesperson** said that he welcomed the emphasis on the importance of maintaining social dialogue with staff and union representatives, which his group naturally supported.

Decision

283. **The Governing Body took note of the 17th annual report of the Independent Oversight Advisory Committee appended to document GB.353/PFA/6 and requested the Office to take into account the guidance provided during the discussion.**

(GB.353/PFA/6, paragraph 6)

7. Report of the Director of Internal Audit and Oversight for the year ended 31 December 2024 (GB.353/PFA/7)

284. **A representative of the Director-General** (Director, Internal Audit and Oversight) said that the report format had been revised in line with the revised Global Internal Audit Standards and in order to improve readability. A proposed revised Charter of the Office of Internal Audit and Oversight was contained in Appendix VI to the report. Priorities for 2025 included strengthening the investigations function and reducing the backlog of cases, and two temporary staff members had been hired to that end. To date in 2025, 17 cases had been received, an increase on the number received by the same date in 2024, and the hotline to report wrongdoing would be launched in April 2025.

285. She was in the process of conducting an internal review of the audit function. Good progress had been made on the response to the recommendations contained in the External Auditor's review and in the external quality assessment. The Office continued to support the ILO working group on the prevention of sexual exploitation and abuse, dealing with reported cases using a victim-centric approach; five cases had been received in 2024. The Office was also working closely with the Office of the Legal Adviser on the development of draft procedures for the investigation of allegations against executive heads – an update on that work would be provided in November.

286. **The Employer spokesperson** was pleased to note that no material weaknesses had been identified in the Office's systems of governance, risk management or internal control. Continuous improvement must be a priority, however, and he expressed support for the recommendations set out in the report. The diversity of operational contexts and multiplication of initiatives called for a strengthened supervisory framework for external offices and decentralized projects. Particular attention should be paid to the establishment of local teams and improvements to management tools, for the consistent application of control procedures. To better prioritize the Office's interventions and boost effectiveness, in keeping with the conclusions of the high-level independent evaluation of the ILO Development Cooperation Strategy 2020–25, larger and longer-term initiatives should be favoured over the multiplication of small projects that mobilized significant resources without generating the expected impact. The increase in the number of investigations carried out in 2024 highlighted growing vigilance concerning fraud, conflicts of interest and the abuse of power. While efforts to address cases thoroughly and impartially were welcome, greater work was needed on prevention; a culture of transparency and responsibility should be promoted.

287. His group supported the revised Charter; the combining in a single document of the internal audit and investigations charters was a welcome clarification of the framework and was in keeping with United Nations standards. Nonetheless, the revision must be accompanied by rigorous follow-up to ensure its effective implementation and the continuous improvement of practices. He supported the recommendations aimed at strengthening internal control measures and ensuring the effective allocation of resources. The Employers' group supported the draft decision.

288. **The Worker spokesperson** acknowledged the positive findings set out in the report, in particular that there were no material matters that could significantly undermine the ILO's ability to achieve its goals, and recognized the examples of good practices across the Organization. Improvements could still be made, however, including through the recommendation to improve monitoring, resource mobilization and evaluation practices in decentralized operations. A more consistent and systematic approach would improve accountability and help the Organization to achieve its objectives. He expressed support for the further development of risk awareness, ethical standards and the planning of sustainable information technology (IT) applications and called on the Office to implement the related recommendations.

289. Progress on the implementation of previous recommendations was notable, particularly on external collaborator contracting – despite the questionable use of the word "collaborator" – and he looked forward to receiving details of the solution developed to address that issue. The positive steps taken in 2024 must be recognized, particularly given challenges such as staff vacancies, and he looked to the Office to implement the recommendations set out in the report, while upholding the highest standards of governance, effectiveness and accountability. He expressed approval of the revised Charter. He supported the draft decision.

290. **Speaking on behalf of the Africa group**, a Government representative of Ethiopia said that his group commended the commitment of the Office of the IAO to transparency, accountability and continuous improvement. He expressed concern regarding the rise in the number of cases of professional misconduct, abuse of authority and fraudulent statements, noting the need for stronger oversight. He expressed support for efforts to improve monitoring and oversight; the victim-centred approach to handling misconduct; and the training sessions that enhanced the IAO's efficiency. His group supported ongoing efforts to improve resource mobilization and the sustainability of IT systems. Developing guidelines for long-term system maintenance and promoting knowledge-sharing would enhance operational efficiency. The IAO's Quality Assurance and Improvement Programme demonstrated the commitment to professional standards. His group commended the positive outcomes of the external assessment and encouraged continued collaboration with global audit networks. He welcomed the revised Charter of the Office of IAO, which combined the internal audit and investigation functions. His group supported the draft decision.

291. **Speaking on behalf of IMEC**, a Government representative of the United States welcomed the positive assessment of the management of the headquarters building renovation project and the proposed opportunities for improvement. She asked for an update on the vacancies in the IAO, noting that the use of long-term external service providers to provide core internal oversight was not optimal. IMEC welcomed the reporting hotline, which could result in an increased number of allegations to be reviewed by the IAO. Thus, she reiterated the value of a PSEA Officer and a forensics post at the P3 level.

292. IMEC remained concerned regarding the bifurcated reporting mechanism for allegations of harassment, and asked whether any of the 30 cases outside the IAO's remit had been reviewed by the Human Resources Development Department. IMEC encouraged the Director of Internal Audit and Oversight to submit a proposal to the next session of the Governing Body on the consolidation of the ILO's misconduct reporting mechanisms. IMEC requested an update on the implementation of the Joint Inspection Unit's recommendation to establish formal procedures for investigating misconduct allegations against executive heads. IMEC welcomed the overview and publication of disciplinary actions. To enhance transparency, she asked whether additional information could be provided to compare the sanctions recommended by the Human Resources Development Department with those ultimately imposed by the Director-General. Additionally, transparency could be further enhanced by allowing easier access to key observations and recommendations from internal audits of country offices and facilitating access to the full reports. IMEC welcomed the positive external assessment of the internal audit function and approved the revised Charter. IMEC encouraged the Office to implement all outstanding 2024 audit recommendations without delay. IMEC supported the draft decision.

293. **A Government representative of the Russian Federation** welcomed the format and transparency of the report. However, in the view of his Government, paragraphs 6 to 10 of the report were contradictory. The Director claimed that there were no risks that would compromise the achievement of the ILO's goals while also indicating that there were systemic vulnerabilities resulting from decentralization, rising numbers of complaints, and the inability to implement the proposed audit plan. He questioned the veracity of the conclusion that there were no global risks, and whether there was sufficient oversight coverage to detect risks. He asked for confirmation that any changes proposed by the Director-General to the Charter of the Office of Internal Audit and Oversight would be discussed with the Director of the IAO and then submitted to the Governing Body for approval. He requested that input to the biennial audit plan proposed in paragraph 31(b) should also be provided by the Governing Body, in accordance with practice in other international organizations.

294. **A Government representative of Mexico** noted that there were no material weaknesses in governance systems and acknowledged the reported institutional efficiency, good resource management, good practices in regional offices and progress in implementing the valuable recommendations issued by the IAO. He urged the IAO to continue strengthening internal controls at the three levels of the Organization, especially in light of the ongoing decentralization of resources for development cooperation. He noted the audits that had been carried out and the recommendations issued. He asked for more information regarding the more structured approach to resource mobilization in country offices. He noted the progress that had been made in delivering the internal audit work plan despite staffing gaps. He asked for more information regarding the proposed changes to the Charter of the Office of Internal Audit and Oversight, and whether those changes would be subject to the Governing Body's approval.

295. **A representative of the Director-General** (Director, Internal Audit and Oversight) welcomed all the comments made. She agreed with the value of prevention and said that the IAO was working with the Office of the Treasurer and Financial Comptroller on developing fraud training for all staff members. She recognized the concerns regarding the increase in numbers of cases and types of misconduct; that increase could be a result of raised awareness or an increased trust in the investigation process. An increase in case numbers was positive, as long as relevant lessons were learned and improvements were made based on the outcome of investigations.

296. Turning to the staffing levels in the IAO, she said that two P2 level staff members had been recruited until the end of 2025 to address the case backlog and allegations from the reporting hotline. Concerning the three positions funded from the regular budget, she said that a P4 senior investigator would start on 1 April 2025; a P5 auditor had been recruited on a temporary basis, pending a review of the structure of the audit function; and that recruitment for the final vacancy, P5 Chief of Investigation and Inspection Unit was under way. She agreed that the reporting mechanism for sexual harassment caused confusion but noted that she could not make immediate changes; any changes must be renegotiated under the relevant collective agreement. The IAO would continue to participate in that process and provide regular updates. She said that of the 30 investigations in which no further action had been taken, three had been identified as harassment cases. She deferred to the Human Resources Development Department as owner of the mechanism to publicize disciplinary actions on the level of information provided and she would review common practice on access to internal audit reports.

297. Turning to the alleged confusion in paragraphs 6 to 10 of her report, she clarified that there was no misrepresentation of the facts. There were no material matters that raised concern, but it was true that there were some concerns about systemic vulnerabilities that should be addressed. She said that audit and oversight coverage was part of the ongoing review of the IAO. She confirmed that any changes to the Charter of the Office of Internal Audit and Oversight would be subject to the Governing Body's approval. She said that she would welcome any comments and concerns from Members, including suggestions relating to the biennial audit plan. She reiterated that a review was under way of audit coverage in preparation for the next biennium.

298. The Worker spokesperson welcomed the clarification provided by the Director of Internal Audit and Oversight, especially the explanation regarding the increase in reported cases. He reiterated the importance of maintaining a continuous and transparent dialogue with workers' representatives.

299. The Employer spokesperson thanked the Director of Internal Audit and Oversight for her response.

Decision

300. The Governing Body took note of the report of the Director of Internal Audit and Oversight for the year ended 31 December 2024 contained in document GB.353/PFA/7 and approved the revised Charter of the Office of Internal Audit and Oversight set out in Appendix VI to that report.

(GB.353/PFA/7, paragraph 6)

Personnel Segment

8. Statement by the Chairperson of the Staff Union

(The statement by the staff representative is reproduced in Appendix II.)

9. Amendments to the Staff Regulations

(There was no document for discussion under this item.)

10. Matters relating to the Administrative Tribunal of the ILO

(There was no document for discussion under this item.)

11. Appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) (GB.353/PFA/11)

Decision

301. The Governing Body decided to submit the following resolution to the International Labour Conference at its 113th Session (2025):

The General Conference of the International Labour Organization,

Appoints to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) for the period of three years until 8 October 2028 the following members and alternate members:

- **Members:**
  - **Ms V. González Posse (Government)**
  - **Mr F. Merle (Employers)**
  - **Mr L. Cirigliano (Workers)**
- **Alternate members:**
  - **Mr A. Hado (Government)**

- **Mr C. Pardini (Workers)**

(GB.353/PFA/11, paragraph 4)

12. Report of the Ethics Officer for the year ended 31 December 2024 (GB.353/PFA/12)

302. **The Worker spokesperson**, while welcoming the report, said that the fact that 225 ethics advice requests had been received in 2024 might indicate that these were not isolated cases. He requested further information on the follow-up to those requests and asked whether the Office planned to act on the institutional culture if there was indeed a problem. Additional details on the outcome of the ILO Staff Survey 2024, and on the priorities for 2025 and beyond that had been identified based on that outcome, would be welcome. He hoped that it would not be forgotten that an important part of the Ethics Officer's mission was to proactively promote ILO values by leading and facilitating initiatives to build and foster workplace environments that upheld the ILO's values and principles underlying international labour standards. One of those was to foster consultation in times of substantial changes in the workplace and its environment that could affect employment security and psychosocial conditions. He endorsed the draft decision.

303. **The Employer spokesperson** welcomed the opportunity to discuss the report of the Ethics Officer. While he did not see anything in the report that required urgent action, he wished to draw attention to the high number of respondents to the 2023 ethics survey who either did not feel comfortable or were unsure about reporting unethical behaviour. The Employers strongly supported the roll-out of general ethics training and welcomed the inclusion of ethics briefings and workshops in the onboarding of new directors and management officials. With respect to the prevention and response to sexual exploitation and abuse (PSEA), the Employers considered the leadership and zero-tolerance stance of the Director-General, the establishment of a focal point and a working group, and participation in United Nations system-wide initiatives as timely and valuable.

304. Measures to address workplace violence and harassment, in addition to sexual harassment and sexual exploitation and abuse, were important. Shaping an ethical culture required time and sustained effort at all levels within the Organization. Maintaining and upholding ethics also meant ensuring that ILO staff both at headquarters and in the field felt confident in seeking guidance from the Ethics Officer.

305. Promoting a culture of impartiality in decision-making and the treatment of others was particularly important in an international organization such as the ILO, where ethical perspectives and interpretations could vary depending on cultural, social and institutional context. Integrity must remain at the core of ethical behaviour, and empathy and compassion were essential in fostering a strong ethical culture. Ethical behaviour could not be missing from the ILO's collective efforts to promote social justice. The Employers encouraged the Ethics Officer to continue his efforts and to highlight any matters requiring the Director-General's attention throughout the year. They also recommended identifying additional measures to prevent future misconduct. He supported the draft decision.

306. **Speaking on behalf of the Africa group**, a Government representative of South Africa said that the increase in ethics advice requests demonstrated the growing trust in the Ethics Office as a safe space for staff, which was testament to the proactive outreach work conducted. Nevertheless, he urged vigilance in addressing systemic and persistent challenges. It was concerning that five reports of sexual exploitation and abuse had been received in 2024. While his group acknowledged the complexities of such cases, it emphasized that even a single substantiated allegation undermined the ILO’s moral authority, and he therefore called for transparent reporting on outcomes, including disciplinary measures and victim support, to reinforce trust in the Office’s accountability mechanisms. The perceptions of inequitable treatment, fear of retaliation and gaps in leadership accountability detected by the 2023 ethics survey and previous surveys suggested that cultural transformation remained incomplete.

307. Beyond training, the Ethics Office had to promote workplace changes, follow-up actions and ethics surveys to ensure that policy commitments became a reality. Adequate resourcing and sustained investment in ethics infrastructure were essential, especially in crisis-affected field offices. He noted with deep concern the proposed 0.8 per cent budget reduction for the ethics function in the Programme and Budget proposals for 2026–27, which contradicted the ILO’s stated commitment to strengthening ethical practices. To increase organizational integrity, ethics must be embedded in leadership culture, with managers evaluated on their ethical leadership during performance reviews. Transparent and safe reporting channels with zero-tolerance enforcement and anti-retaliation protection must also be integrated into those reviews. Ethics training missions, peer support, and networks and partnerships with local stakeholders should be expanded to address context-specific challenges, particularly in high-risk operations. Victim-centred approaches must offer unwavering support, not just protocols. Furthermore, psychosocial services and legal aid should be readily available and evaluated through regular confidential staff surveys to assess their effectiveness and focus on human dignity, rather than mere procedural compliance. The staff union, regional offices and the Independent Oversight Advisory Committee should be involved when identifying the Ethics Office’s priorities.

308. **Speaking on behalf of GRULAC,** a Government representative of Paraguay welcomed the significant increase in requests for ethics advice and suggested that the Ethics Officer develop guidelines and standards based on the main areas to which those requests related. Measures should continue to be adopted to address the needs identified in the 2023 ethics survey, taking into account the difficulties reported. She encouraged the continued promotion of the Ethics Office’s work and the conducting of training courses and field missions with a participatory, dynamic and practical approach involving all staff.

309. **Speaking on behalf of IMEC**, a Government representative of Denmark recognized the importance of the work of the Ethics Officer and welcomed various initiatives carried out in the field of PSEA. She highlighted the need for staff in field offices to be aware of the possibility of submitting ethics queries to the Ethics Office, for managers to consider the results of the ethics survey in all actions, and for ongoing coordination to be carried out with the Human Resources Development Department to ensure that all efforts towards PSEA were integrated within broader workplace policies. IMEC encouraged the Office to continue to work on PSEA due diligence with implementing partners and to continue its collaboration with UN system-wide initiatives in that area. Future reports of the Ethics Officer should include separate data on the number of requests for confidential advice on the prevention of retaliation. Finally, it was disappointed that the position of the PSEA Officer had not been considered sufficiently important to be covered under the redeployed savings in the Programme and Budget proposals for 2026–27. She supported the draft decision.

310. **A representative of the Director-General** (Ethics Officer) acknowledged that a core role of the Ethics Officer was to facilitate initiatives to foster a workplace environment that upheld ILO values and the principles underpinning relevant international labour standards. The need for determined, collective action on specific areas of concern, as had been highlighted in ethics surveys, was mentioned in the annual report. While duly noting the query raised about the increase in advice requests, he suggested that the increase could be viewed positively since it demonstrated greater awareness of, and trust in, the Ethics Office. The manner in which the requests were followed up depended on the subject area; staff members requesting advice on potential conflicts of interest, for example, would receive guidance on considering preventive and mitigation measures. The lessons learned from the advice requests and ethics survey results inspired the promotional work of the Ethics Office through general training and more tailored initiatives, with the aim of continuously promoting an institutional culture in line with the ILO's values and standards. Several new proposals for targeted action were being developed, and, as requested, future reports could provide separate data on the number of requests for advice to prevent retaliation.

311. **Another representative of the Director-General** (Director, Human Resources Development Department) said that a record 52 per cent of staff had completed the ILO Staff Survey 2024, conducted to assess the ILO's organizational health. The responses confirmed that staff had a strong commitment to the ILO's vision and strategy and the knowledge and skills to deliver them, as well as good job satisfaction and loyalty to the Organization. It had also demonstrated that the ILO managed external relationships well, responding effectively to the needs of constituents and stakeholders. Areas for improvement, which generally applied to all levels of the Organization, included bureaucratic processes, workloads, and opportunities for growth and mobility. Consultations had since been held with staff at headquarters and regional offices to discuss the findings and identify priority focus areas, foremost among which were people-centric leadership, streamlining processes and sustainable workloads, and well-being and mental health. Assistant Directors-General and Regional Directors had been nominated to lead on each focus area, and working groups would develop initiatives to address the issues highlighted in the Survey.

312. **Another representative of the Director-General** (Prevention and Response to Sexual Exploitation and Abuse Officer) highlighted that sexual exploitation and abuse persisted in all kinds of settings and confirmed that PSEA remained a top priority for the Office, as did pursuing a victim-centred approach. There was close collaboration with all members of the PSEA working group and follow-up by the leadership to ensure that the PSEA policy and action plan were implemented and objectives reached in a timely manner. With respect to transparency measures, the Office had contributed to the iReport sexual exploitation and abuse tracker since 2019 and reported all allegations involving ILO staff or the personnel of implementing partners. Although progress had been made, much remained to be done, and every effort would continue to try to prevent such exploitation and abuse from happening in the first place, and to detect and respond to it when it occurred.

313. **The Worker spokesperson** noted with appreciation the genuine tripartite consensus on the importance of the work of the Ethics Officer and its underlying principles. The Workers' group supported the draft decision.

Decision

314. **The Governing Body took note of the report of the Ethics Officer for the year ended 31 December 2024.**

(GB.353/PFA/12, paragraph 4)

13. Other personnel matters

(There was no document for discussion under this item.)