



Governing Body

357th *bis* (Special) Session, Geneva, 7 September 2026

Programme, Financial and Administrative Section

PFA

Date: 17 August 2026

Original: English

First item on the agenda

Reduction of posts within the contingency framework for the 2026–27 biennium

► Introduction

1. At its 357th Session (June 2026), in the context of the discussion on the contingency framework for the 2026–27 biennium, the Governing Body confirmed that the Director-General should proceed with the implementation of the necessary contingency measures, based on, but not limited to, the measures described in paragraphs 13–20 of document GB.357/PFA/4, taking into account its guidance by:
 - (i) conducting a fair and transparent process to identify positions for possible abolishment on the basis of thematic priorities, while protecting critical capabilities and capacity retaining roles that are essential for mandate delivery, legal compliance and oversight functions, giving due regard to possible further non-staff reductions;
 - (ii) engaging in meaningful social dialogue with the Staff Union – in line with the Memorandum of understanding on the applicable framework for social dialogue in the context of the ILO reform, the Framework agreement on workforce adjustment and the Staff Regulations – on the impact on staff, the selection criteria, applying them across all contract types, and appropriate measures to support impacted staff, giving due regard to the need for timely action.¹
2. Under the contingency framework discussed by the Governing Body at its 357th Session (June 2026), the Office recommended option 2, as presented in document GB/357/PFA/4, paragraph 19. This option aims to preserve the Office's technical capacity to the greatest extent

¹ GB.357/Record, pp.8–9; GB.357/PFA/4/Decision.

possible while also safeguarding the reform objective of strengthening capacities in the regions. The Office also undertook a detailed analysis of functions based on their criticality to the ILO's mandate, taking into account thematic priorities and the re-prioritization framework endorsed by the Governing Body at its 356th Session (March–April 2026), as well as operational requirements. The functional review and the overall implementation of the contingency measures have also been informed by a risk analysis. Legal compliance and oversight functions as well as ACTRAV and ACT/EMP were exempt from this review.

3. In considering the Governing Body's guidance that measures which could have an impact on staff members should extend to officials holding both without limit of time (WLT) and fixed-term (FT) appointments, the Office identified the need for an additional step arising from the Staff Regulations specific to officials holding WLT appointments. Article 11.5(a) of the Staff Regulations requires a reduction in the number of "posts", before the termination of appointment of any official holding a WLT appointment can be considered.² This provision was last amended in 1988³ and has never been implemented since then.

► Update on social dialogue

4. Since the adoption of the decision by the Governing Body, and in line with the Memorandum of Understanding on the applicable framework for social dialogue in the context of the ILO Reform and the Framework Agreement on Workforce Adjustment in the context of the ILO reform and possible contingency measures, the Office has continued to engage with the Staff Union within the framework of the Joint Negotiating Committee. A joint road map including the different steps in the overall process has been developed; an agreement on staff-related voluntary contingency measures for ILO staff has been signed; and negotiations between the Office and the Staff Union Committee on different elements of the workforce adjustment exercise, such as the criteria for the mapping, matching and redeployment of staff, the communication to potentially impacted staff and the measures to support them, have been completed or are ongoing. At the time of drafting of this document, negotiations on a new voluntary separation exercise are ongoing in an effort to minimize involuntary separations.
5. The Staff Union does not share the Office's interpretation of article 11.5 of the Staff Regulations regarding the Governing Body's authority to take the necessary decision on a reduction in the number of posts and maintains the view that this would require an express delegation of authority from the International Labour Conference.

² Article 11.5(a) of the Staff Regulations reads as follows: "The Director-General, after consulting the Joint Negotiating Committee, may terminate the appointment of an established official if the necessities of the service require a reduction of staff involving a reduction in the number of posts. An established official whose appointment is terminated under this paragraph shall, during the two years after the date on which its termination becomes effective, be offered appointment to any vacancy for which the Director-General, after consulting the Recruitment, Assignment and Mobility Committee, considers that he possesses the necessary qualifications".

³ GB.241/PFA/8/4, paras 18–19 and para. 27; GB.241/6/22, para. 50; GB.241/PV (Rev.), p. VIII/2.

► Legal framework

6. The ILO offers three types of appointments to officials: short-term (ST), FT and WLT. ST contracts are concluded for periods of less than one year while the duration of FT contracts ranges from one to five years, renewable.⁴ WLT contracts remain valid until the mandatory age of separation of the officials holding them. FT appointments are the standard type of appointment given to new recruits to positions, while WLT appointments are awarded, pursuant to article 4.6(d) of the Staff Regulations, to officials who satisfy a number of criteria, relating to conduct, performance, seniority and capacity to pursue a career within the Organization, having regard to their field of competence and the prospective needs of the Organization. Under the Staff Regulations, the award of a WLT appointment results in a specific legal status for the officials concerned which, in principle, should secure them against any risk of job loss or insecurity.⁵
7. This specific legal status is of particular significance in relation to the termination of officials with a WLT appointment. Under article 11.5(a) of the Staff Regulations, “the Director-General, after consulting the Joint Negotiating Committee, may terminate the appointment of an established official if the necessities of the service require a reduction of staff **involving a reduction in the number of posts**” (emphasis added). By contrast, the Director-General may terminate the appointment of fixed-term officials “if the necessities of the service require a reduction of staff” without any additional step being required (article 11.4(1)(a) of the Staff Regulations).
8. It is useful to clarify the relevant terminology. According to article 2.1(1) of the Staff Regulations, “posts” are “established by the budget of the Organization” or “created by the Governing Body under any special funds which may be made available to the Organization for that purpose”. “Posts” should be distinguished from two other concepts used in the Staff Regulations, namely “jobs” and “positions”, which refer to a set of duties and responsibilities assigned to an official.
9. Article 11.5 of the Staff Regulations was amended at the 241st Session (November 1988) of the Governing Body to reflect developments in the concept of posts and the management of WLT appointments. As this is the first occasion on which the Governing Body is invited to implement article 11.5 in its amended form, it may be useful to recall the principal elements of that reform. At that time, the Office explained that, under the original concept, a post had “both a work content and a budgetary content”.⁶ The work content reflected duties and responsibilities considered sufficiently long-term to warrant the establishment of a budgetary post, while the budgetary content derived from the fact that the Governing Body and Conference controlled the number of permanent contracts which the Director-General could award.⁷
10. Developments since the 1960s, born of the need to deploy the ILO's human resources more flexibly in response to the diversification and expansion of its activities, substantially modified this concept of post. With the introduction of programme budgeting in 1967, staff resources came to be expressed in “work-years” rather than posts and were allocated to programmes of

⁴ Article 4.6(e) of the Staff Regulations.

⁵ ILO Administrative Tribunal, [Judgment No. 2468](#), consideration 16.

⁶ [GB.241/PFA/8/4](#), para. 7.

⁷ [GB.241/PFA/8/4](#), para. 7. Article 2.1 of the Staff Regulations, which was adopted in 1969, was not amended in the 1988 reform.

activity rather than to organizational units. By 1988, it was clear that posts, in the original sense of the term, had “largely lost their identity, in terms both of resources and of work content”.⁸

11. The 1988 reform nevertheless retained the reference to posts in article 11.5 of the Staff Regulations, recognizing the desirability of maintaining the concept of a career service and as it was considered “unreasonable to expect the Conference and Governing Body to give up the effective control over the proportion of career staff authority to total staff which the existence of a post system confers on the legislative authority”.⁹ At the same time, the notion that a post represented particular work of a long-term or permanent nature was removed. A post would instead represent the authority to award an employment contract without limit of time, reconciling the post system with the flexibility requirements of programme budgeting.¹⁰ In that context, the Office clarified that article 11.5 “would be invoked only when a reduction in the overall level of staff resources in the authorised programme and budget was accompanied by a reduction in the number of posts”, without implying that any particular post was being abolished.¹¹
12. In practical terms, prior to 1988, posts were identified individually in the programme and budget by category, grade and organizational unit, with the competence to abolish such posts resting with the Conference. WLT contracts were awarded against those established posts, generally through competition, while fixed-term appointments were used for temporary needs. Since 1988, the number of “posts” represents the maximum number of WLT appointments that can be awarded by the Director-General at any point in time. The authority given to the Director-General to award WLT appointments is reflected in a schedule of established posts which presents a ceiling per category of staff members. This schedule has no longer been submitted to the Conference after 2005.¹² An overview of the evolution of the budgetary post system is provided in the appendix.
13. Article 11.5 of the ILO Staff Regulations is silent as to the body with the authority to reduce the number of established posts. In the practice of the Organization, both before and after the 1988 reform of the budgetary post system, such reductions have remained primarily a matter for the Conference, with the Governing Body permitted to provide the necessary approval in certain cases, including where it acts pursuant to an express delegation of authority from the Conference.
14. While a decision by the Conference would provide the strongest institutional basis, the Office considers that the Governing Body has the authority to decide a reduction in the number of posts as part of the contingency framework for the 2026–27 biennium. Notably, the proposed contingency measures arise from a shortfall in income and concern the proper management and expenditure of the Organization’s funds, falling within the constitutional responsibilities of the Director-General and the Governing Body under article 13(5) of the Constitution. Thus, a circumscribed reduction in the number of posts, preserving the proportion between WLT and FT appointments, would not alter the Conference’s decision on the current programme and budget. In addition, the exceptional and serious financial circumstances also justify the

⁸ GB.241/PFA/8/4, paras 8 and 9.

⁹ GB.241/PFA/8/4, para. 14.

¹⁰ GB.241/PFA/8/4, para.14.

¹¹ GB.241/PFA/8/4, para.18.

¹² See appendix, para.14. In this regard, the schedule of established posts should be distinguished from a staffing table/organization chart, which shows the positions in an organization for which funding has been appropriated. At the ILO, funding in the programme is not based on a specific staffing table, but on staff work/month.

Governing Body exercising this authority, given that urgent action is required to prevent a further deterioration in the Organization's financial position, provided that its decision is reported to the Conference. Finally, this is consistent with the evolution in the concept of posts that underpinned the 1988 amendment to article 11.5 of the Staff Regulations. Posts are no longer individually identified or submitted to the Conference for approval; rather the Conference approves the Organization's overall programme of work and corresponding budgetary resources.

15. In conclusion, article 11.5(a) of the Staff Regulations constitutes a specific limitation on the Director-General's discretion with respect to officials holding WLT appointments. If the necessities of the service require a reduction of staff, the Director-General must first obtain a decision from the ILO's governance organs to reduce the number of posts before any decision is taken to terminate the appointment of officials holding WLT status. The Governing Body's role is confined to this governance phase, its decision concerning only whether the number of posts should be reduced and not determining any consequences for individual officials. Once the Governing Body has approved the proposed reduction, the responsibility shifts to the Director-General to determine whether terminations are necessary and, if so, which officials are affected. Before any appointment is terminated, the Director-General will consult the Joint Negotiating Committee in accordance with article 11.5(a) of the Staff Regulations.

► Proposed reduction in the number of posts

16. With the 1988 reform, this relationship between individual established posts and specific budgetary allocation was removed. Thereafter, staffing resources continued to be presented in the approved programme and budget in terms of work-months. Dividing the total number of budgeted work months by 24 (the number of months in a biennium), gives the total number of positions that can be fully funded under the regular budget – referred to as full-time equivalent (FTE) positions.
17. This schedule of established posts was published in the Director-General's Programme and Budget proposals until 2005,¹³ after which it was no longer published.¹⁴ The overall level of established posts under the regular budget (1,254) has not changed since 1986. The schedule of established posts referred to 166 Professional and 62 General Service posts which were frozen prior to the 1988 reform. In practice, these established posts declared as frozen have consistently been excluded from the process governing the award of WLTs, thereby reducing the maximum number of WLT appointments to 1,026. Freezing these positions has no other practical consequence.
18. As indicated to the Governing Body at its 357th Session (June 2026), on the basis of the projected cash flow and financial position of the Office for the current biennium, and assuming the continuation and extension of non-staff cost containment measures and freezing of recruitment until December 2027, approximately US\$22 million in savings would be required for the remainder of this financial period. This amount would correspond to the reduction of about 120 FTE positions to take effect as of 1 January 2027. This estimate was calculated in the first semester of the biennium and is subject to change based on the update on the Office's financial position and the assumption that the anticipated budget shortfall does not increase

¹³ Programme and Budget proposals for 2006–07, [GB.292/PFA/8\(Rev.\)](#), Information annex 4.

¹⁴ Programme and Budget proposals for 2008–09, [GB.298/PFA/13](#), p. 76 (asterisk footnote).

due to non-payment of anticipated outstanding Member States' assessments. Given the complexity of the calculations and estimates, it is proposed that the Governing Body is updated at its special session in September 2026 with any changes to the Office's financial position as well with the progress in the implementation of contingency measures.

19. In the Programme and Budget for 2026–27, there are 1,026 established posts under the regular budget that are the basis for making WLT appointments, corresponding to 61 per cent of the 1,670 FTE positions funded by the regular budget in 2026–27, as shown in the table below. Respecting this proportion, the Office estimates that the reduction of some 120 FTE positions would involve a reduction of up to 73 posts. This would amount to an authorization for the Director-General to terminate the appointment of up to 73 WLT officials.

	Positions (Full time equivalent)*	Posts**	Proportion
Programme and Budget for 2026–27: Operational budget	1 670	1 026	61%
Estimated reduction	120	73	61%

* total number of regular budget-funded work-months divided by 24 (period of a biennium)

** based on number of established posts under the regular budget, net of frozen posts (1,254-62-166=1,026) (on those see appendix, para. 9)

20. The Governing Body may wish to decide that the Conference be informed at its 115th Session (June 2027) of the proposed reduction of posts, which constitute an exceptional measure relating to the implementation of the Programme and Budget for 2026–27 due to the estimated budget shortfall. The Office would prepare a report for the examination by the Governing Body at its 359th Session (March 2027). The report would be transmitted by the Governing Body to the Conference, and could be referred by the Conference to the Finance Committee for examination.¹⁵
21. The continuing uncertainty on receipt of income from assessed contributions remains. The impact of this will need to be considered in the Governing Body discussions and the preparation of the Programme and Budget for 2028–29.
22. In the context of the current financial situation, the Office has applied the reduction and avoidance of non-staff related costs to the fullest extent possible. Nevertheless, the termination of employment of an estimated 120 officials will still be required to meet the remaining shortfall. Pursuant to the framework agreement on workforce adjustment, the Office will first complete the process to minimize the number of involuntary terminations. Any decision to terminate an appointment will be taken by the Director-General in accordance with the Staff Regulations and with due regard to the ongoing consultations and negotiations with the Staff Union.

¹⁵ In accordance with article 11.2 (d) of the Standing Orders of the Conference, the Finance Committee is competent to examine "any administrative or other matter referred to it by the Conference".

► Draft decision

23. The Governing Body:

- (a) noted the information on the financial position of the ILO and the amount of savings required as indicated in paragraph 18 of GB.357bis/PFA/1;**
- (b) approved a reduction of up to 73 posts, on the basis of the estimate and the approach presented in paragraph 19 of GB.357bis/PFA/1, acknowledging that this is required by the necessities of the service;**
- (c) requested the Director-General to report at its 358th Session (November 2026) on the implementation of this decision under agenda item GB.358/PFA/2 and to present an update on the financial situation and savings outlook, the implementation of the voluntary contingency measures, the workforce adjustment process, as well as any additional contingency measures that may be required.**

► Appendix

Evolution of the budgetary post system

1. The budgetary post system concerns two distinct aspects of the governance of the ILO: the budgetary process and the contractual policy regarding officials.
2. The concept of a permanent staff of the Office has been enshrined in the ILO's legal framework since its establishment. Since 1930, it has been formalized through appointments without limit-of-time.¹ During this time, the Director-General was also empowered to hire "temporary officials" for limited duration.

Evolution of budget and human resources governance

3. From a budgetary perspective, during the first few decades, the budgets of the ILO were expressed by object-of-expenditure, so that there were distinct appropriations for the salaries of "established posts" and for "temporary assistance".² The first budgets approved by the International Labour Conference under its own authority as of 1947, contained a schedule of the salaries of permanent officials, which also listed the established posts.³
4. Between 1948 and 1962, the Governing Body revised the Staff Regulations, enabling the Director-General to appoint officials to established posts for a fixed-term period.⁴ In 1968 and 1981, the Governing Body approved amendments to the recruitment procedures which gradually removed the distinct appointment procedures for fixed-term and without-limit-of-time appointments.⁵ In 1977, the Governing Body aligned the performance management framework of officials appointed without limit of time and fixed-term officials financed by the regular budget.⁶
5. As of 1963, the Director-General was authorized to move posts from one organizational unit to another during the course of the year, without requiring the approval of the Governing Body.⁷
6. From 1967 onwards, and the move to programme budgeting, appropriations no longer distinguished between "established posts" and "temporary staffing". Rather, the explanations in the budget dealt with the number of work years of staff services required to implement proposed programmes "and not specifically with either the establishment of posts or the funds needed to finance the appointment of temporary staff."

¹ Long-term appointments had been recommended by the 1920 League of Nations [Noblemaire Report](#), pages. 8-9, whereas the 1930 report from the League of Nations [Committee of Thirteen](#), paragraphs 16–19, recommended appointments "indeterminate" or "terminable by an age-limit." See article 5 of the [1922 version](#) of the Staff Regulations and article 10(b)(2) of the [1932 version](#) of the Staff Regulations, where appointments without limit of time first appeared.

² See for example, ILO, [Budget for the Year 1965](#), 1964, p. 6.

³ See for example, ILO, [Budget for the Twenty-Ninth Financial Period \(1947\)](#), 1946, p. 7.

⁴ See article 10(c)(1) of the 1948 version of the Staff Regulations ([GB.107/15/37](#), Annex A, p. 7); articles 13(iv) and 22(b) of the 1952 version of the Staff Regulations ([GB.118/F.A./D.14](#), Appendix, pp. 14 and 19); articles 13(3) and 22(d) of the 1957 version of the Staff Regulations ([GB.137/8/22](#), Annex III, pp. 8 and 16); article 22(d) as revised in 1960 ([GB.147/F.A./D.27/6](#), Appendix, p. 3)

⁵ [GB.173/F.A./12/16](#) and [GB.215/PFA/10/9](#).

⁶ See [GB.203/PFA/13/14](#), Appendix III, p. 31.

⁷ See [GB.241/PFA/8/4](#), para. 8.

7. In 1969 and 1973, the Governing Body authorized the Director-General to regrade posts without requiring approval through the adoption of the programme and budget by the Conference.⁸

Reductions of staff in the 1970s

8. Faced with financial difficulties in the 1970s, the Office resorted to a reduction in the number of permanent staff, considering that “to release still further fixed-term officials in order to protect permanent officials without regard to the skills required would have very serious consequences for the execution-of the programme”.⁹
9. The Governing Body received delegated authority from the Conference to abolish established posts, though the need for such delegated authority was questioned.¹⁰ In 1976, in the exercise of this delegated authority, the Governing Body abolished 51 posts.¹¹ In 1977, under a renewed delegation of authority, the Governing Body abolished another 110 posts.¹² In both cases, the abolition of posts did not necessarily lead to the involuntary termination of officials appointed without limit of time, as alternative arrangements were found.¹³
10. At the same time as the abolition of posts, the Governing Body noted the decisions of the Director-General to freeze vacant posts, so that no new appointment without limit of time could be granted against these posts.¹⁴ Some years later, the Governing Body decided that a number of those posts should be unfrozen.¹⁵

The 1988 reform

11. The experience of the 1970s highlighted some difficulties for the Organization to administer the budgetary post system when faced with financial difficulties. In 1976, the Office announced its intention to provide clarity within the budgetary post system “so as to make it possible to terminate permanent staff whose services would no longer be required to carry out a reduced programme” at a later stage.¹⁶
12. Such a reform was discussed between 1985 and 1988.¹⁷ Its intention was to reconcile the language of the Staff Regulations with the evolution of the ILO’s budgetary process, notably programme budgeting and the gradual authority given to the Director-General to manage the staffing of the Office, while considering it “essential to maintain the concept of a career service which is embodied in the Staff Regulations”.¹⁸ To that end, the reform clarified that the objective of controlling posts was “to limit the number of permanent appointments so as to establish a ceiling on the long-term financial implications for member States”,¹⁹ ensuring that

⁸ GB.174/F.A./20/4, para. 13, GB.174/13/26, paras 88 and 100; GB.189/FA/21/13, para. 18(a), GB.189/11/38, paras 77 and 94(a).

⁹ GB.201/PFA/4/17, para. 22.

¹⁰ See GB.200/PFA/13/20, para. 12, GB.200/10/36, para. 9, ILC.61/Resolution XI.

¹¹ GB.201/12/40, para. 53(d).

¹² ILC.63/Resolution XII, GB.205/PFA/6/5, paras 35–41, GB.205/12/31, para. 53(b).

¹³ See ILC.63/Record of Proceedings, p. 34 at para. 10; ILC.64/Record of Proceedings, pp. 6/7–8 at para. 8.

¹⁴ GB.201/PFA/4/17, paras 32 and 41(c), GB.210/PFA/5/12, paras 7 and 8(b).

¹⁵ GB.218/11/27, para. 63, GB.219/7/28, para. 76.

¹⁶ GB.200/PFA/13/20, para. 12; GB.201/PFA/4/17, paras 30–32.

¹⁷ GB.231/PFA/18/16, GB.232/PFA/8/11, GB.232/7/29, paras 52–61; GB.241/PFA/8/4 and (Corr.), GB.241/6/22, paras 32–50.

¹⁸ GB.241/PFA/8/4, para. 14.

¹⁹ GB.232/7/29, para. 60.

"[t]he Conference and Governing Body would not give up effective control over the proportion of career staff to total staff."²⁰

13. As part of the reform, the Governing Body approved amendments to the Staff Regulations, including to article 11.5 (a). Before the reform, this provision provided that "[t]he Director-General ... may terminate the appointment of an established official if the necessities of the service require a reduction of staff involving the abolition of posts tenable without limit of time ...". The expression "abolition of posts tenable without limit of time" was replaced by "reduction in the number of posts".²¹

Since 1988

14. Following the 1988 reform, the schedule of established posts was published in the respective Director-General's Programme and Budget proposals until 2005,²² after which it was no longer published, with the following indication:²³

The Schedule of established posts has been included in the programme and budget following a decision by the Governing Body in 1988. It is unchanged each biennium and will remain unchanged until the Governing Body so decides. It has not been included this biennium, but can be consulted in any programme and budget starting in 1990–91.

15. The overall number of established posts has remained unchanged since 1986. In 1992, two posts in the D.1 category were moved to an "SP/D.1" category before being moved to the Professional category in 1995. In addition, in 1996, one D.2 post was reclassified as an ADG post.²⁴
16. The precise distribution of officials holding without limit of time appointments per major programme/sector was included in a regular report to the Governing Body following the 1988 reform until the Governing Body decided to change the reporting format in 2003.²⁵
17. In 2001, the Office began discussions with the Staff Union in order to review the Office's contract policy, including the introduction of an indefinite contract which would replace both fixed-term appointments and appointments without limit of time, noting that discussions were ongoing at the International Civil Service Commission on the topic.²⁶ By 2014, it was agreed in principle that the three contract types (short-term, fixed-term and without limit of time) be maintained based on clear definitions and no longer on the source of funding, allowing the Office to maintain the concept of career staff, which is necessary in order to guarantee the independence of the Organization's secretariat and the continuity of its mandate, while providing the necessary flexibility for the recruitment of human resources needed for time-bound projects and activities.²⁷ Negotiations regarding certain aspects of the ILO contracts policy are ongoing.²⁸

²⁰ GB.241/6/22, para. 33.

²¹ GB.241/PFA/8/4, para. 18.

²² Programme and Budget proposals for 2006-07, GB.292/PFA/8(Rev.), Information annex 4.

²³ Programme and Budget proposals for 2008-09, GB.298/PFA/13, p. 76 (asterisk footnote).

²⁴ ILC.83/Resolution X.

²⁵ GB.286/PFA/12/1.

²⁶ GB.280/PFA/11, para. 17; GB.282/PFA/11, para. 9(b); GB.289/PFA/18, para. 33; GB.297/PFA/14, paras 57–58; GB.303/PFA/13, para. 68.

²⁷ GB.320/PFA/13, para. 21.

²⁸ See for example, GB.331/PFA/13, para. 11; GB.341/PFA/16, para. 8; GB.350/PFA/9, paras 1–3 and 5, GB.356/PFA/9, para. 39.