Update on the functional review and implementation of human resources process as part of the contingency measures

Positions that could potentially be impacted by the contingency measures

1. Document GB.357/PFA/4, examined by the Governing Body in June 2026, presented contingency measures in the event of an income shortfall equivalent to 22 per cent of the approved budget for the biennium. The expenditure projections presented in the document indicated that the reform and the application of cost-containment measures affecting staff and non-staff costs could generate accumulated savings of US$183.7 million over the biennium, equivalent to 19.7 per cent of the budget. An additional reduction of approximately US$21 million, or 2.3 per cent of the budget, would therefore be required to address the projected shortfall. This was estimated to correspond to approximately 120 full-time positions for one year.

2. These expenditure projections already assumed a freeze on recruitment against most of the vacant positions. Consequently, the additional reduction required to address the projected shortfall would need to be based on occupied positions.

3. To identify where such reductions could be made, and in line with option 2 in GB.3257/PFA/4 (“Preserving technical specialists”)[1] and the Governing Body’s related decision,[2] the Office conducted a functional review covering 14 organizational entities at headquarters and the five regions.[3] The review assessed the functions and thematic activities performed by each entity against the ILO’s constitutional mandate and governance responsibilities, the Programme and Budget, and the strategic direction of the reform and contingency measures. It also considered the importance of each function for delivery of the Organization’s priorities; the institutional and operational risks associated with reducing or discontinuing it; possible duplication or consolidation; and whether functions could be delivered differently, including through relocation, the Global Service Centre or other arrangements, or greater use of technology.

4. The functional review identified 309 positions that could be affected by changes in functions. These comprise 126 occupied positions that could potentially be abolished and 183 positions that are vacant or soon to be vacant, of which 150 could be abolished. The 126 occupied positions are distributed as follows:

1 GB.357/PFA/4, paragraphs 17 to 19 and table 2.

2 GB.357/PFA/4/Decision, numeral b(i).

3 The Bureau for Employers’ Activities, the Bureau for Workers’ Activities and oversight departments were exempt from the process.

By location and cluster		By grade and function	
Headquarters	95	D – Managerial	4
• Policy	*19*	P/NO – Technical Specialists	10
• ECR	*24*	P/NO – Enabling Specialists	39
• CS/TRCF	*52*	G – Administrative Support	73
Regions	31		

Notes: ECR=External and Corporate Relations cluster – CS/TRCF=Corporate Services Cluster and Treasurer and Financial Comptroller cluster – D=Director positions – P/NO= Professional and National Officer positions – G=General Services positions.

5. Based on the analysis as of September 4, the Office estimates that the proposed reduction of up to 73 posts would be sufficient to implement the contingency measures in line with the decision of GB.357/PFA/4. The final number will depend on the outcome of the matching exercises, the uptake of the agreed termination initiative launched on September 2nd, and on the extent to which WLT officials whose positions are abolished or who are not matched to a retained position can be redeployed to suitable vacant positions elsewhere in the Office.

Implications of the Governing Body decision on the application of the contingency measures

6. If the Governing Body does not reach a decision on the reduction of posts, or decides not to reduce the number of posts, the Office would not in a position to implement the Governing Body's decision to apply staff reductions across all contract types, as it would be unable to terminate the contracts of officials holding WLT appointments on the basis of posts abolished due to the necessities of the service. Consequently, any additional staff-cost reductions would need to be achieved through other means, mainly by the abolition of positions encumbered by officials holding FT appointments, or by agreed terminations accepted by officials holding WLT appointments.

7. This would significantly constrain the range of occupied positions that could be considered for reduction and would require the Office to recalibrate the outcome of the functional review to identify alternative measures capable of generating the required staff savings. Such recalibration could also affect the distribution of reductions across functions and organizational units, as well as have a potential impact in the age, geographical and gender balance of the Office. Given the distribution of WLT and FT appointments between professional and general service staff, this will also affect the ambition of the reform to preserve technical capacity at headquarters and in the regions.

Process and timeline

8. Subject to the decision of the Governing Body concerning the proposed reduction of posts, the staffing implications of the functional review would be implemented through a sequenced process during September and October 2026.

9. The recently launched agreed termination scheme is open to impacted staff and to officials whose departure would create an additional redeployment opportunity for another affected staff member. Agreements are to be signed by 30 September, with separation by 31 December 2026 at the latest.

10. In parallel, during September and October, the Office will be carrying out mapping, matching and redeployment processes to place staff in the revised organizational structure or in suitable vacant, new or reprofiled positions. Only once these measures have been exhausted would decisions on involuntary separation be taken and communicated.

11. The Office will report to the Governing Body on implementation progress, including staffing outcomes and the updated financial situation, in November.