

► Appendix I

Opening Address of the Director General to the 347th Session of the Governing Body and presentation of Programme and Budget proposals for 2024-25 (Monday 13 March 2023)

Welcome to this 347th Session of the ILO Governing Body.

Welcome, also, to Mia Seppo, the Assistant Director-General for Employment and Social Protection, Laura Thompson, Assistant Director-General for External and Corporate Relations, and Hao Bin, Assistant Director-General for Corporate Services.

Before speaking of the work of the Governing Body, allow me to refer to the recent publication of an article in the *New York Times* concerning the ILO's work in Qatar. We firmly reject the allegations set out in that article. The Office's response is available on our website. The ILO Department of Communication and Public Information is actively responding to questions and comments through the media, including through social media, where our response is also available.

Since our last Governing Body session in November 2022, the challenges we continue to face remain critical and urgent.

First and foremost, the extremely serious situation in Ukraine. The Office aligns itself with the recent statement made by the United Nations Secretary-General on the first anniversary of the Russian Federation's aggression against Ukraine. In that statement, he recalled that the invasion of Ukraine by the Russian Federation is a flagrant violation of the Charter of the United Nations and international law.

Inflationary pressures and their impact on the purchasing power of workers and populations living in precarious situations, and the debt crisis facing several low- and middle-income countries present us with great challenges.

I would also like to recall the forecast made by our Organization, the ILO, that global employment is expected to increase by 1 per cent. We anticipate an increase in global unemployment of 3 million, which would mean 208 million people would be unemployed in 2023, while unemployment would reach 211 million in 2024.

Our primary concern is the impact of this global situation on worsening inequalities, and we recognize that, unfortunately, the poverty gap is continuing to grow. This confirms the urgent need to launch the Global Coalition for Social Justice.

I am grateful for the firm support that we continue to receive in this regard, not just from the Member States, Employers and Workers, but also from several other development actors, namely those from the United Nations system, international financial institutions and many others.

I would like to emphasize that I fully recognize the enormity and complexity of this initiative. I am aware that some clarifications still need to be made, but this is normal, given the nature of this initiative. It is an initiative that we must build together, and I am determined and convinced that we will be ready to launch it in June 2023 during the International Labour Conference. This would be in time to adopt an effective approach to the SDG Summit in

September 2023 in New York, as well as to prepare for the United Nations Summit of the Future to be held in 2024, and, if the General Assembly approves it, a social justice summit in 2025. This Governing Body is therefore called upon to endorse the Global Coalition.

Following that endorsement, official invitations will be sent to all Heads of State and Government, and we will also formalize our approaches to the United Nations agencies, international financial institutions and other relevant actors. This will be done in continuous consultation and collaboration with the tripartite constituents: the Governments, Employers and Workers.

This session will also enable the Governing Body to discuss the programme of work that we intend to implement in Ukraine. I recently held a virtual tripartite meeting with our Ukrainian constituents, who provided an update regarding the conditions they are facing there, which could not be more desperate. This programme of work includes our proposal to open an office in Kyiv.

We all know that the consequences of this situation extend well beyond the borders of Ukraine. It is in this context that I visited the neighbouring state of the Republic of Moldova. We must and we will strengthen our assistance to the Republic of Moldova, to Ukraine and to other affected areas.

The agenda also includes a number of individual cases raised through the complaint mechanisms provided for in the ILO Constitution. Among them is a case related to Belarus, where several trade union leaders and members were arrested for carrying out their lawful trade union activities. These arrests follow several years of rights violations. As a result, this Governing Body will consider a draft resolution to be submitted to the International Labour Conference, in order to take the steps provided for in article 33 of the ILO Constitution.

Before making a few remarks about my programme and budget proposals, I would like to highlight some of the other items on the Governing Body's agenda:

- First, of particular note, is the ILO Development Cooperation Strategy. I am delighted that the Managing Director of the International Finance Corporation, Mr Makhtar Diop, has accepted my invitation to engage in this discussion. We see his participation as part of an overarching mutual willingness to strengthen our collaboration within the multilateral system, particularly with regard to due diligence in supply chains, especially in relation to social questions and the world of work.
- Second, the Governing Body will consider the final report of the tripartite working group on the full, equal and democratic participation in the ILO's tripartite governance.

I would like to reaffirm my commitment to working with you to ensure that the Instrument for the Amendment of the Constitution of the International Labour Organisation, 1986, enters into force. As you know, it has already been approved or ratified by 125 Member States. Only 3 more ratifications by Members of chief industrial importance are needed.

- Third, the Governing Body will examine the procedural framework needed in the event of referrals to the International Court of Justice, in line with article 37 of our Constitution.
- Fourth and last, we have two important discussions before us on supply chains and on the platform economy. My recent mission in Ghana and Côte d'Ivoire with the German Minister of Labour and the German Minister for Economic Cooperation and Development threw into sharp relief the potential of supply chains but also the need to integrate social chapters in order to improve supply chains in the future.

Presentation of Programme and Budget proposals for 2024–25

In line with the vision that I have outlined before, the programme will focus on global social justice and will be organized into eight policy outcomes and three enablers. These are structured on the basis of the five parts of the global social justice programme.

The proposed regular budget for 2024–25 is US\$854.7 million. This represents a modest increase of US\$1.9 million compared with the 2022–23 budget, or a 0.2 per cent increase in real terms. This increase is needed to:

- support the work of the Standards Review Mechanism Tripartite Working Group, which is essential to the modernization of the ILO's standards system; and
- strengthen the Office's capacity for internal audit, monitoring and mediation.

In nominal terms, the regular budget is the equivalent of US\$894.3 million, which represents an increase in nominal terms of US\$39.6 million, or 4.6 per cent. This increase reflects inflation, exchange rate fluctuations and other factors, including the US\$7 million cost of financing the International Labour Conference in 2024 and 2025 since meeting rooms in the Palais des Nations, which is currently under renovation, are not available.

These budget proposals also aim to strengthen our technical capacity on the ground and, to that end, an additional US\$3.1 million will be allocated to the five regional programmes.

Some important changes have been made to the policy outcomes since November to incorporate the guidance you shared during the November Governing Body session.

One of these changes is the inclusion of a new policy outcome. The goal of policy outcome 5 is to implement a programme that promotes gender equality, equality of treatment and equal opportunities for all.

Second, the wording regarding population groups subject to discrimination and exclusion has been reviewed. On this point, I would like to recall my remarks during the November Governing Body session: it is the duty of the ILO to continue to fight against all forms of discrimination, exclusion and inequality at work, directed at all groups, including those most marginalized and most vulnerable, at the national, regional and global levels. I stated this in November and I consider it necessary to reiterate it today.

Madam Chairperson, members of the Governing Body, it goes without saying that this is a profoundly divisive issue. But this is the precisely the moment at which we should all – and I would go as far as to say that we are obliged to – endeavour to find a solution that allows us to live side by side. That concept is, after all, the very essence of multilateralism.

During this difficult period, when the multilateral system is under strain, we must not allow the programme and budget to be taken hostage. The ILO must pave the way forward by addressing issues that are, indeed, difficult with our legendary sense of compromise and consensus.

Thank you.