



## EIGHTH ITEM ON THE AGENDA

### **Reports of the Programme, Financial and Administrative Committee**

#### *Addendum and Corrigendum*

#### **Review of the ILO field structure**

(Fifth item on the agenda)

1. Discussion continued from the previous sitting with the Committee considering an additional paper on this item.<sup>1</sup>
2. The representative of the Government of Australia, speaking on behalf of IMEC, reiterated his group's disappointment that no analytical review had been undertaken. In his view the scope of the review was insufficient and the analysis was incomplete. It was unclear how the proposed structure was justified or what criteria had been used to select the best option among competing possibilities. He noted that the Programme and Budget proposals for 2010–11 were made on the assumption that the new field structure would be in place. Planned additional RB SA funding increased the need for transparency as to the rationale for the field structure. He proposed an amended point for decision.
3. Sir Roy Trotman, speaking on behalf of the Workers' group, requested confirmation that the Office document which proposed amendments to the Staff Regulations was no longer before the Committee. He supported the IMEC proposal and proposed a further amendment to the point for decision.
4. Mr Julien, speaking on behalf of the Employers' group, congratulated the Office on the clarity of the presentation of the addendum to the first document and stated that he had five specific comments to make. First, he wished to know if the exact number of offices outside western Europe was 32 or 35. Second, with regard to vacant positions, he noted that a quarter of employment specialists had not been appointed, that 17 per cent of the total number of positions remained vacant (30 per cent in Asia), and that substantial improvements must be made to human resources management in order that the Office might continue to decentralize its operations. Third, with regard to the presence of ILO offices in industrialized countries, observing that the ILO Office in London had been closed, and that a collaborator had been recruited for the Europe region, he wished to know about the advantages and disadvantages of both options and requested information on the

<sup>1</sup> GB.304/PFA/5(Add.).

criteria used to make that kind of decision. Fourth, the speaker observed that, although GB.304/PFA/4 proposed the allocation of US\$750,000 for restructuring, that amount did not appear in the new document, which instead referred to US\$350,000 and the funds allocated in the Programme and Budget for 2010–11. He wished to have a clear indication of the cost of the operation and an explanation concerning the origin and use made of the US\$400,000 missing from the document. Fifth, the speaker noted that the presentation of the table appended to the document might give the impression that there was a Michelin office (Clermont-Ferrand) among the offices listed. He made it clear that the initiative linking ACT/EMP to the Michelin enterprise was a partnership financed using ACT/EMP funds.

5. Generally speaking, the Employers welcomed the substantive work carried out by the Office in terms of transparency, information exchange and clarifications and supported that system, which they considered to be sound. Nonetheless, the clarification of the roles of regional and country offices needed to be taken one step further, as did the definition of their responsibilities and those of headquarters. The same applied to the Decent Work Technical Support Teams, which required political and technical coordination.
6. Lastly, the Employers supported the point for decision as amended by the Workers' group, it being understood that the Workers' proposal incorporated the proposal previously put forward by the representative of the Government of Australia on behalf of IMEC.
7. The representative of the Government of Japan, speaking on behalf of the Asia and Pacific Group (ASPAG), voiced his group's concern for the quality and quantity of the delivery of services in the region with only two Decent Work Technical Support Teams instead of the current three subregional offices. He supported the IMEC proposal, emphasized the need for an internal evaluation and called for the proposed structure to be implemented without delay.
8. The representative of the Government of South Africa, speaking on behalf of the Africa group, noted that the review was important to delivery of services but expressed disappointment with Office responses. He noted that the addendum was lacking in certain specifics and raised additional questions. He requested information on any discussions which had taken place to match staff with opportunities in other UN organizations as mentioned in paragraph 6. The statement in paragraph 9 that there was no guarantee against job losses led him to conclude there would be job losses. He said information should be provided as to who would be moving and who might lose employment as a result of the new structure. He suggested that cost estimates of moving staff should be available. He doubted that the cost of accommodation would be less given the possibility of having to pay for new and old accommodations simultaneously. He supported the Workers' proposal.
9. The representative of the Government of the United Kingdom supported IMEC's proposal and expressed concern that the terms of reference of the review had not been completely adhered to.
10. The representative of the Government of Japan supported the IMEC and ASPAG statements. He stated that the addendum had clarified earlier questions. He noted that the redistribution of experts to the field from headquarters was not covered in the proposed structure and expressed concern about the level of technical cooperation activities managed from headquarters. Regional offices should take the primary initiative in resolving conflicts between supply and demand for services.

11. The representative of the Government of Jordan supported the ASPAG statement. He underlined the importance of new national coordinators in the proposed structure which would lead to improved coordination of programmes and projects at the national level.
12. The representative of the Government of Australia, also speaking on behalf of New Zealand, urged the Office to consider the need for a strong presence in the Pacific Islands. The distance from the subregion to Bangkok limited the Regional Office's ability to provide support in a cost-efficient manner. Decent Work Technical Support Teams would help but the remoteness and unique needs of the area indicated a need for experts to be located locally. He proposed the addition of two staff to the Suva Office, including an appropriate technical specialist.
13. The representative of the Government of Brazil noted that the proposals for the field structure did not represent a structural change in Latin America and the proposal to further decentralize technical cooperation was a positive move. However, he found that the suggested division of labour between country offices and Decent Work Technical Support Teams, mentioned in paragraph 14, would not be a viable option in his country. There was a need to increase the critical mass of experts on policy in order to strengthen capacity. Furthermore, the team in the country office in Brazil would require additional support due to Brazil's contribution to the RBSA and additional technical cooperation projects.
14. The representative of the Government of Nigeria supported the statement by the Africa group. She noted that the office in Nigeria supported five countries in the subregion and proposed that the position of the Director be upgraded to D1.
15. The representative of the Government of Uruguay, speaking on behalf of the Latin America and Caribbean Group, supported the amended point for decision.
16. The representative of the Director-General (Ms O'Donovan) noted that the review was important in responding to the crisis and the challenges posed by the Social Justice Declaration. She assured the Committee that the addendum included all the information currently available and pointed out that some details could only be known when the implementation process started, including details on the number of staff relocations and redeployments. She noted that vacancies were filled as quickly as possible within the framework of the Staff Regulations and recruitment cycles. With regard to the US\$750,000 from the Special Programme Account, she explained that US\$400,000 was the estimated amount required for one-off costs related to training, definition of roles and responsibilities, transition costs and possibly overlapping lease costs. She confirmed that the Office would continue its practice of consultation with the Staff Union on staff-related matters.
17. Mr Julien, speaking on behalf of the Employers' group, thanked the Office for its concerted efforts in the area of transparency and pointed out that the criticism offered by his group was constructive criticism aimed at enhancing Office performance and the service provided to constituents. He welcomed the information provided for the first time, particularly that on the level of vacancies.
18. ***The Committee recommends to the Governing Body that it:***
  - (a) ***invite the Director-General to take the necessary steps to implement the proposal of a two-tier field structure directly linked to headquarters, in order to strengthen the ILO's capacity to service its Members globally, in regions and countries in line with the Social Justice Declaration, strengthening the expertise of technical staff in delivering on the four strategic objectives;***

- (b) request the Director-General to develop clear indicators to measure the performance of the field structure in meeting the strategic objectives and needs of constituents;*
  - (c) request the Director-General to initiate a global and independent evaluation of the impact of the changes three years after implementation of the new field structure, with modalities to be agreed by the Governing Body and rely on feedback from constituents; and*
  - (d) request the Office and the Staff Union to consult in dealing with the impact on the staff affected by the implementation of these proposals.*
- 19. The Committee recommends that the Governing Body authorize the Director-General to use US\$750,000 of the Special Programme Account for the implementation of the field structure review as described in paragraph 6 of GB.304/PFA/4 and paragraph 13 of GB.304/PFA/4(Add.).**

## **Report of the Building Subcommittee** (Ninth item on the agenda)

- 20.** The Committee had before it a paper <sup>2</sup> containing the report of the Building Subcommittee.
- 21.** Mr Paixão Pardo (Brazil), Chairperson of the Building Subcommittee, introduced the report. The Subcommittee had considered the three documents <sup>3</sup> prepared by the Office. The Subcommittee was satisfied with the work on headquarters renovations but expressed the need to resolve the issue of the interpretation equipment. With respect to the proposals for future work at headquarters, the Subcommittee had welcomed the discussions under way with the host country and local authorities. It requested that the second and third options for developing the Office property be further developed and presented to the Subcommittee in November 2009. The Subcommittee had also requested more details on the need for temporary space. It stressed the importance for the Office of appointing a project manager as soon as possible.
- 22.** With respect to paragraph 18, the Subcommittee had expressed its support for the proposal before the Committee to approve the sale of the plot 3844 on terms to be negotiated by the Director-General, to request the Office to keep the second and third options and to request the Director-General to draw up a complete master plan accordingly.
- 23.** Finally, the Subcommittee had supported the proposal to replace boilers in the headquarters building. It was important that the Office comply with environmental standards.
- 24.** Mr Khurshid Ahmed (Worker Vice-Chairperson of the Subcommittee) supported the statement by the Chairperson of the Building Subcommittee and the point for decision. With regard to headquarters renovations, he clarified his group's preference for the third option. In the interest of consensus, he supported further evaluation of the second option. He reiterated the importance, while carrying out the work, to give special attention to safety and health issues.

<sup>2</sup> GB.304/PFA/9(Rev.).

<sup>3</sup> GB.304/PFA/BS/1, GB.304/PFA/BS/2, GB.304/PFA/BS/3.

25. Mr Lima Godoy (Employer Vice-Chairperson of the Subcommittee) supported the statement by the Chairperson of the Building Subcommittee and the point for decision. He expressed a clear preference for the second option but did not object to the Office continuing to study the third option. He observed that the renovation of headquarters was a good opportunity for the Office to re-examine working methods in order to save space and increase productivity, consistent with the Social Justice Declaration. He stressed that the world of work is in the regions and that decentralization should have an important place in preserving human and material resources.
26. The representative of the Government of Japan insisted that late decisions would result in higher cost. The renovation of headquarters was necessary and urgent. He suggested that certain renovations were common to both options 2 and 3 and should commence as soon as possible. He asked the Office to present a renovation plan for these common items in November 2009 in order that any possible work could begin right after the Governing Body.
27. *The Programme, Financial and Administrative Committee recommends to the Governing Body that it:*
- (a) *approve the sale of the plot referred to in the appendix of the Office document<sup>4</sup> as plot 3844, on terms to be negotiated by the Director-General;*
  - (b) *request the Office to keep the second and third options referred to in the Office document, and request the Director-General to draw up a complete master plan accordingly.*
28. The Committee adopted the report.

## Other financial questions (Tenth item on the agenda)

### Replacement of boilers

29. The Committee had before it a paper<sup>5</sup> on replacement of boilers in the headquarters building.
30. *The Committee recommends that the Governing Body agree that the cost of urgent replacement of boilers 3 and 4, estimated at 350,000 Swiss francs, which cannot be financed from other sources, be charged to the Building and Accommodation Fund.*

## Corrections

The following corrections were submitted.

<sup>4</sup> GB.304/PFA/BS/2.

<sup>5</sup> GB.304/PFA/10/1.

## **Third report: Programme and Budget proposals for 2010–11**

*Paragraph 22:* add to the end of the final sentence after “ACT/EMP” the words “in that Senior Management Team”.

*Paragraph 47:* at the end of the third line, change “thrust of the proposals” to “thrust of the programme proposals”.

*Paragraph 49:* in the sixth line, after “cost increase.” insert the new sentence “However, he understood the views of those Governments that had called for further savings.”

*Paragraph 69:* replace the phrase “this effort came with sacrifices on the part of employers and workers” with the phrase “this effort went hand in hand with temporary measures that had entailed sacrifices in income on the part of employers and workers”.

*Paragraph 72:* replace the text “The specific budgetary questions that had been asked would be addressed in informal technical meetings to be organized by the Office and formal responses would be provided in his reply on Thursday, 19 March.” with “The specific budgetary questions that had been asked would be addressed in informal technical meetings to be organized by the Office and a special technical session would be organized for Committee members on Monday, 16 March. Formal responses would be provided in his reply on Thursday, 19 March.”

*Paragraph 80:* in the last line, after “section I.A”, add “(i)”, to read “section I.A(i)”.

*Paragraph 104:* in the ninth line, replace “tripartite” with “bipartite”.

*Paragraph 131:* in the second line, after “scheduled”, add “for the employers and the workers respectively”.

*Paragraph 154:* after the sentence “The speaker called on the Office ... streamlining of procurement practices and other means.” insert the following new sentence: “He asked for specific work to be carried out in those areas.”

After the sentence “Regarding the financial impacts ... not acceptable.” insert the following new sentence: “He considered that work remained to be done to include those matters on the agenda of a working party set up to deal with staff costs.”

Replace the sentence “He asked for those matters to be clarified at a later stage.” with “He requested that the issue be addressed by a working party set up to deal with staff costs for presentation to the PFAC.”

Delete the final sentence “Efficiency gains could only benefit ... difficult period.”

*Paragraph 162:* in the last line, change “but supported the proposal” to “but was available to help build consensus”.

Geneva, 26 March 2009.

*Points for decision:* Paragraph 18;  
Paragraph 19;  
Paragraph 27;  
Paragraph 30.