International Labour Conference, 99th Session, 2010

Report II

Information concerning the Programme and Budget for 2010–11 and other financial and administrative questions

Second item on the agenda: Programme and budget proposals
and other financial questions

International Labour Office Geneva

ISBN 978-92-2-121877-7 (print)
ISBN 978-92-2-121878-4 (web pdf)
ISSN 0074-6681

First edition 2010

Formatted by TTE: reference Confrep/ILC99(2010)/II/2010-04-0143-1-En.doc
Printed by the International Labour Office, Geneva, Switzerland

Preface

1. This report comprises, in addition to material submitted for information, a number of items requiring action by the Conference. Any other items which may arise after the publication of this report and which also call for action by the Conference will be submitted to the participants through the *Provisional Record*.

2. The items requiring action are:

(a) Financial Report and Audited Financial Statements for 2008–09, which is published in a separate document available to Conference participants;

(b) Treatment of the net premium earned;

(c) Assessment of the contributions of new member States;

(d) Scale of assessments of contributions to the budget for 2011; and

(e) Composition of the Administrative Tribunal of the International Labour Organization.

3. Details of these items are set out in the following pages of this report.

4. Information concerning programme implementation in 2008–09 is contained in the Report of the Director-General, under item I(a) of the Conference agenda.

Contents

Financial and administrative questions

I. Financial Report and Audited Financial Statements for 2008–09

1. In accordance with articles 28 and 29 of the Financial Regulations, the International Labour Conference will be called upon to adopt the Financial Report and Audited Financial Statements for 2008–09 after their examination by the Governing Body. The Financial Report and Audited Financial Statements comprise the Director-General's financial report and audited financial statements covering the regular budget, the Working Capital Fund, extra-budgetary accounts administered by the Organization, and all other special funds and accounts.

2. The report and the statements for 2008–09, together with the Auditor's report, will be communicated to Members as a separate document. The Governing Body's recommendation as to the adoption of the Director-General's Report and the audited statements will be communicated to the Conference in a separate document to the Finance Committee of Government Representatives.

II. Treatment of the net premium earned

1. At its 307th Session (March 2010), the Programme, Financial and Administrative Committee of the Governing Body considered a paper [1] on the treatment of the net premium earned during the 2008–09 biennium, amounting to 29,739,934 Swiss francs (subject to audit). The Committee's discussion of the paper was recorded in its first report to the Governing Body, an extract of which is reproduced as Annex 2.

2. The Governing Body, on the recommendation of its Programme, Financial and Administrative Committee, decided to propose to the Conference at its 99th Session that, in derogation of article 11.5 of the Financial Regulations, the one half of the 2008–09 net premium earned, amounting to CHF14,869,967 that is not distributed through the Incentive Fund, be credited to the Building and Accommodation Fund to finance partially the renovation of the headquarters building. The Governing Body proposes to the Conference that it adopt a resolution in the following terms:

> The General Conference of the International Labour Organization, meeting in its 99th Session, 2010,
>
> *Noting* that the operation of the Swiss franc assessment system has resulted in a net premium earned of 29,739,934 Swiss francs in the 2008–09 biennium,
>
> 1. *Decides*, in derogation of article 11.5 of the Financial Regulations, to transfer the one half of the net premium earned, amounting to 14,869,967 Swiss francs that is not distributed to the Incentive Fund, to the Building and Accommodation Fund of the International Labour Office to finance partially the renovation of the headquarters building subject to the following conditions:
>
> (a) that the Office prepares a comprehensive plan for the renovation of the ILO building including financial and technical aspects, risk management and time frames, leading to a capital master plan;
>
> (b) that the Office develops a long-term strategy for the financing of future maintenance and renovation of ILO buildings and properties, based on an accumulation of funds to avoid any future ad hoc call on member States;
>
> (c) that the plans and strategy referred to in (a) and (b) above be submitted to the Building Subcommittee of the Programme, Financial and Administrative Committee, and endorsed by the Governing Body in March 2011.
>
> 2. *Further decides* that should the Governing Body determine that the conditions are not satisfied, the derogation from article 11.5 of the Financial Regulations referred to in paragraph 1(a) above be revoked and the net premium be distributed to Members in accordance with article 11.5 of the Financial Regulations.
>
> 3. *Further decides* that should the Governing Body determine, on the basis of the financial plan, that the amount of the 2008–09 net premium transferred to the Building and Accommodation Fund is not fully required for the funding of the renovation of the headquarters building, the amount not required be returned to member States.

[1] GB.307/PFA/1/3, reproduced as Annex 1 to this report.

III. Assessment of the contributions of new member States

1. On 15 May 2009, the Republic of Maldives, which had joined the United Nations on 21 Sepember 1965, became a Member of the ILO. At its 307th Session (March 2010), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee (see Annex 3 to this report), to propose to the International Labour Conference at its 99th Session (June 2010) 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, the contribution of the Republic of Maldives to the ILO budget for the period of its membership in the Organization during 2009 be based on an annual assessment rate of 0.001 per cent.

2. It will be for the Finance Committee of Government Representatives to consider this proposal put forward by the Governing Body and to make appropriate proposals to the Conference.

IV. Scale of assessments of contributions to the budget for 2011

1. At its 307th Session (March 2010), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee, to propose to the Conference at its 99th Session (June 2010) that it adopt the draft scale of assessments for 2011 as set out in the appendix to the report of the Government members of the Committee on Allocation Matters. [1]

2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessments for 2011 and to make appropriate proposals to the Conference.

[1] GB.307/9/3, reproduced as Annex 3 to this report.

V. Composition of the Administrative Tribunal of the International Labour Organization

1. At its 306th Session (November 2009), the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee (see Annex 4 to this report), to propose to the International Labour Conference at its 99th Session (June 2010) that it renew the terms of office of Mr Gordillo, Mr Rouiller and Mr Frydman for three years, and that it adopt a resolution in the following terms:

> The General Conference of the International Labour Organization,
>
> *Decides*, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the terms of office of Mr Agustín Gordillo (Argentina), Mr Claude Rouiller (Switzerland) and Mr Patrick Frydman (France) for three years.

INTERNATIONAL LABOUR OFFICE

GB.307/PFA/1/3
307th Session

Governing Body

Geneva, March 2010

Programme, Financial and Administrative Committee

PFA

FOR DECISION

FIRST ITEM ON THE AGENDA

Programme and budget

Programme and Budget for 2008–09: Treatment of the net premium earned

1. This paper proposes a derogation from the Financial Regulations to enable unforeseen gains of 29,739,934 Swiss francs (CHF) arising from the operation of the Swiss franc assessment system, to be transferred to the Building and Accommodation Fund as an indirect contribution by member States towards the cost of refurbishing the ILO headquarters building.

2. The Committee will no doubt recall the decision of the International Labour Conference in June 2008 [1] to approve a similar derogation authorizing the transfer of some CHF32 million arising in 2006–07 to the Building and Accommodation Fund.

3. In June 1989, the International Labour Conference decided to introduce a system of Swiss franc assessments combined with the forward purchasing of the biennial dollar requirements to avoid the disruptive effects on the implementation of the Organization's approved programme and budget and unforeseeable and major increases in member States' assessed contributions. [2] The Conference also decided that the "net premium" earned from forward purchasing of the dollar requirements would be distributed in the ratio of one-half to member States and one-half to the incentive scheme for early payment of member States' contributions. [3] The net premium earned consists of the difference between the spot rate at the date of entering into the forward purchase contracts and the actual exchange rate paid due to the interest rate differentials between the US dollar and Swiss franc after

[1] ILO: Second report of the Finance Committee of Government Representatives, *Provisional Record* No. 11-2, International Labour Conference, 97th Session, Geneva, 2008.

[2] ILO: *Provisional Record* No. 15, International Labour Conference, 76th Session, Geneva, 1989.

[3] Financial Regulations, article 11.5.

allowing for any gains or losses from the operation of the Swiss franc assessment system. [4] Since its introduction for the 1990–91 biennium, the system has returned net premiums to member States totalling CHF61 million.

4. The amount of the net premium for the current biennium, subject to completion of the biennial audit, is CHF29,739,934. Should the amount of the net premium change during the final stages of the biennial close, amendments would be made to any decisions taken by the Governing Body related to the current paper. Should member States agree to forego their share of the net premium earned during 2008–09 and agree to its transfer to the Building and Accommodation Fund the financing requirements for the refurbishment of the headquarters building would be significantly reduced.

5. The last financing plan for the refurbishment of the headquarters building presented to the Governing Body at its 304th Session (March 2009) [5] included the sale of two non-strategic plots of land adjacent to the headquarters site. The objective of the Office is to optimize the value obtained from any sale or disposition of the land. However, the uncertainties currently present in the real estate market make it difficult to predict with any assurance the amount that would be ultimately realized from these disposals. The transfer of the net premium to the Building and Accommodation Fund would mitigate this risk and avoid the Organization having to sell or dispose of more land holdings than was absolutely necessary.

6. The financing plan also included the possibility of a CHF50–75 million loan, which in turn, would be financed from income generated from leasing of vacant office space in the refurbished building. The exact amount of the loan required would depend, in part, upon the value received from the disposal of non-strategic plots of land, the final technical solutions adopted for the refurbishment and an international procurement process. Nevertheless, reliance on future rental income to finance loan funds includes certain risks; notably the demand for office space at the time the refurbished building is available and during the term of the loan, market rentals and interest rates at that time.

7. The transfer of the net premium to the Building and Accommodation Fund would be an important part of the total financing plan and represent a contribution, albeit indirect, by member States. It would bring the confirmed funds available for the project to a total of CHF96 million, thus reducing significantly the need for funds from additional sources, in particular from the sale of ILO land, from a commercial loan or from specific contributions from member States.

8. Such a decision would require a derogation of article 11.5 of the Financial Regulations by the International Labour Conference and would apply only in respect of the net premium earned in 2008–09. The resolution proposed below is consistent with the final text approved by the Conference in 2008. [6]

[4] idem.

[5] GB.304/PFA/BS/2.

[6] ILO: Second report of the Finance Committee of Government Representatives, *Provisional Record* No. 11-2, International Labour Conference, 97th Session, Geneva, 2008, p. 7.

9. ***The Committee may wish to recommend that the Governing Body propose to the 99th Session (June 2010) of the International Labour Conference that, in derogation of article 11.5 of the Financial Regulations, the 2008–09 net premium earned of CHF29,739,934 be credited to the Building and Accommodation Fund to finance partially the refurbishment of the headquarters building and that it adopt a resolution in the following terms:***

The General Conference of the International Labour Organization,

Noting that the operation of the Swiss franc assessment system has resulted in a net premium earned of 29,739,934 Swiss francs in the 2008–09 biennium,

Decides, in derogation of article 11.5 of the Financial Regulations, to transfer the full amount of the net premium earned amounting to 29,739,934 Swiss francs to the Building and Accommodation Fund, and that the one-half share of the net premium earned during 2008–09, amounting to 14,869,967 Swiss francs that would have been distributed to member States through the Incentive Fund, be recognized as a payment in advance by each member State for their respective share of any future assessments that may be made upon them for the purposes of renovating the headquarters building.

Geneva, 10 March 2010.

Point for decision: Paragraph 9.

Annex 2

INTERNATIONAL LABOUR OFFICE

Governing Body

GB.307/9/1(Rev.)
307th Session

Geneva, March 2010

(Extract)

NINTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

First report: Financial questions

…

(c) Programme and Budget for 2008–09: Treatment of the net premium earned

13. The Committee had before it a paper [3] on the treatment of the net premium.

14. The representative of the Government of the United Kingdom, speaking on behalf of Governing Body members Australia, Austria, Belgium, Canada, Czech Republic, France, Hungary, Italy, Lithuania, Mexico, Poland, Portugal, Republic of Korea, the Russian Federation, Sweden, United Kingdom and United States, and non-members of the Governing Body Cyprus, Denmark, Finland, Greece, Israel, Netherlands, New Zealand and Norway, recalled that the derogation from the Financial Regulations agreed two years previously had been made on a one-off, exceptional basis. She considered that a second consecutive derogation from the Financial Regulations could weaken the incentives for payment on time and would result in some member States paying their contributions later in future years.

15. She concluded that any government that wished to donate its share of the net premium earned to the Building and Accommodation Fund as a voluntary-earmarked contribution should be able to do so. She did not support the point for decision.

16. The representative of the Government of Japan expressed concerns regarding three points: first, the need to have a master plan which would include a financial risk assessment before deciding on the transfer of funds to the Building and Accommodation Fund; second, the implementation of all financial measures described in Options 2 and 3 of the proposal

[3] GB.307/PFA/1/3.

made the previous March to raise funds to the fullest extent; and, lastly, the possibility that, even under the current two options, a surplus in the Building and Accommodation Fund was projected. The speaker did not support the point for decision.

17. The representative of the Government of Germany noted that the problems in the financial and property markets, as well as the negotiations with the Swiss authorities, had become rather arduous. However, she said that countries were being asked to renounce funds due to them at a very bad time.

18. She expected the Office to prepare a document giving more accurate information on the situation to provide a risk assessment and to elaborate why the case for derogation seemed to be compelling. Those documents would help the Committee to take a decision on that point.

19. The representative of the Government of Spain explained that Spanish law was very clear regarding the treatment to be given to the part of the net premium that must be returned to its treasury. At the current stage, the Government of Spain could not approve or oppose the point for decision.

20. The representative of the Government of Argentina, taking into account the information provided in paragraph 7 and the explanations provided by the Director-General on 17 March, considered that a decision could be taken. The speaker welcomed further discussions on the question.

21. The representative of the Government of France recalled that it was in the interest of all parties to respect and follow the Financial Regulations. He questioned whether derogation of a rule that was considered by all parties as satisfactory was in the best interest of the Office. He also questioned whether it was in the interest of the Organization to transfer the net premium to the Building and Accommodation Fund, knowing that the financing plan presented the previous year was exemplary and that there was a risk of weakening the incentives for States to pay contributions on time. The speaker endorsed the statement of the representative of the Government of the United Kingdom and did not support the point for decision.

22. The representative of the Government of Switzerland considered the allocation of the net premium an extremely important and urgent matter which should be dealt with as soon as possible. He underlined that a derogation from the Financial Regulations could again be justified, and once again on an exceptional basis, since uncertainties persisted as in any project with regard to the sale of land or with respect to finding suitable investors for a public–private partnership.

23. The speaker supported the view expressed by others that more details and a clear assessment of the projected funding were needed. That included adequate risk management strategies which took into account volatilities in the real estate market. He was prepared to favourably consider the transfer of the net premium to the Building and Accommodation Fund while ensuring transparency in accounting and insisting on a coherent strategy for dealing with the Fund.

24. The representative of the Government of Australia noted that the basis for their non-support of the decision point was the lack of a detailed plan and an overall long-term strategy for financing renovations of the ILO headquarters. She advised that, if these plans were provided, Australia would be willing to consider support for transfer of the net premium to the Building and Accommodation Fund.

25. The representative of the Government of South Africa, speaking on behalf of the Africa group, said that further consultations within the group were needed in order to reach a position on the point for decision.

26. Sir Roy Trotman, speaking on behalf of the Workers' group, acknowledged that the matter had political implications. His group shared the concerns of the Government members, who had to go back to their capitals in order to take a decision. The Workers' group considered that time should be taken to have further discussions in order to achieve consensus on the transfer of the net premium to the Building and Accommodation Fund. Such transfer would prevent the Organization from having to secure funds in the near future, with the risk of having to do it at the expense of ILO operational activities in support of constituents.

27. Ms Horvatic, speaking on behalf of the Employers' group, mentioned that the Employers' group had already expressed its views, and took note of the divergent views expressed by Government representatives and requested the Office to continue consultations with all constituents with a view to reaching a solution later in the current session of the Governing Body.

28. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) explained that the resolution proposing the transfer of the net premium to the Building and Accommodation Fund was almost identical to that approved in 2008. The purpose for which the funds were being transferred was clearly stated in the point for decision and, furthermore, in accordance with the Financial Regulations, Governing Body approval would be required before any of the transferred funds could be used. The various aspects of the renovation process would continue to be monitored by the Building Subcommittee.

29. He explained that under the usual procedure, half of the net premium was distributed to member States on a pro rata basis, in accordance with the scale of assessments, while the other half was used to reward early payment of contributions by means of the Incentive Fund, from which 132 member States would benefit with respect to 2008–09.

30. In response to the question from the representative of the Government of France, he emphasized that contributions made by member States by foregoing their share of the Incentive Fund would be treated as an advance payment to be offset against future assessed contributions for the headquarters renovation project, should such an assessment be made. Those member States would thus not be assessed twice.

31. He stressed that various factors, for example the estimated costs of the project, which had been calculated in 2006 with a margin of plus or minus 20 per cent, and the amount of rental income that could be expected from leasing office space to finance commercial borrowing, were still uncertain.

32. Encouraging progress had been made in discussions between the Office, the Swiss authorities and others to secure funding to implement the plan presented in November 2006. Only the most urgent work had so far been carried out. The current intention was to sell two plots of land held by the Office, a move already approved by the Governing Body, and consider raising further funds through loans. Until the plots of land had been sold, however, their final value would not be known, nor would the size of any loan or additional financing. The sooner funding became available, the sooner work could start on preparing the master plan.

33. The Director-General, highlighting the importance of the decision to be taken, stressed the need for governments to balance their understandable concern for national interest against their collective interests as Members of the ILO. The Organization's governance structures should prioritize its needs, particularly with regard to ensuring low levels of risk and high levels of financial stability. The plan presented in March 2009, although sound, had been prepared before the impact of the financial crisis on the ILO and its constituents had become known. In a new economic climate, making use of the unexpected windfall provided by the net premium would give the ILO greater financial stability, while failure to act could harm the Organization's public image and give rise to perceptions of a missed opportunity. Although transfer of the net premium to the Building and Accommodation Fund would require derogation of article 11.5 of the Financial Regulations, provision existed for such a procedure where the Committee, the Governing Body and, ultimately, the Conference deemed there to be sufficient cause.

34. He expressed the view that prompt payment of contributions by member States could not be attributed solely to the possibility of receiving funds from the net premium. If a biennium saw a net premium of zero, many member States would nevertheless continue their long-held practice of timely payment, as a matter of principle. He urged those countries that stood to benefit most from the distribution of the net premium to consider their collective responsibility as ILO Members. The first responsibility of the Office was to propose actions that entailed the least possible risk for the Organization. Deciding to transfer the net premium to the Building and Accommodation Fund was one such action, and he urged the Committee to support it.

35. The representative of the Government of Australia, speaking on behalf of the Asia–Pacific group (ASPAG), did not support the point for decision but presented an alternative proposal for consideration by the Committee. He noted that there was general support in ASPAG for the proposal. Other Government members had expressed support for the proposal but had not had sufficient time to obtain approval from their capitals. He suggested that in order to allow time for further discussion, his proposal should be submitted to the Finance Committee of the International Labour Conference at its meeting in June 2010. This would allow time for member States to consult with their capitals so that they would be in a position to finalize the proposal.

36. The basis for the proposal, which had been circulated to regional coordinators and to the Workers' and Employers' groups, might offer a practical way to reach consensus on the issue. The amount of the net premium earned was significant and many Governments had expressed the opinion that the proposal was not sufficiently justified in the absence of a comprehensive plan to redevelop the headquarters building, a complete plan for financing the renovation and a long-term strategy for maintaining and renovating all ILO properties around the world. ASPAG could conditionally support a derogation from the Financial Regulations for the proposed transfer to the Building and Accommodation Fund if certain conditions were considered to have been met by the Governing Body during its March 2011 session. If the proposed conditions were met, the approved derogation would remain effective. If, in the opinion of the Governing Body, the conditions were not met, then the approved derogation would automatically be revoked and funds returned to member States in accordance with the Financial Regulations.

37. The proposed amended point for decision would read:

The Committee may wish to recommend that the Governing Body propose to the 99th Session (June 2010) of the International Labour Conference that, in derogation of article 11.5 of the Financial Regulations, the 2008–09 net premium earned of CHF29,739,934 be credited to the Building and Accommodation Fund to finance partially the refurbishment of the headquarters building, subject to the following conditions:

(a) that the Office prepare a comprehensive plan, including all aspects and time frames for the redevelopment of the ILO building;

(b) that the Office prepare a comprehensive plan, including consideration of risk management, for the financing of the redevelopment of the ILO building;

(c) that the Office develop a long-term strategy for the financing of future maintenance and redevelopment of ILO buildings and properties, based on funds accumulation to avoid any future ad hoc call on funds from member States; and

(d) that the plans and strategy referred to in (a), (b), and (c) be submitted to and approved by the Governing Body in November 2010 (or March 2011).

Should the Governing Body determine that the abovementioned conditions are not satisfied, the derogation of article 11.5 referred to above is revoked and the funds will be credited to member States in accordance with article 11.5, within one month of the Governing Body decision.

38. The speaker observed that minor drafting adjustments might be required to the text to meet legal requirements and further proposed that consideration be given to the use of the word "endorsed" rather than "approved" in subparagraph (d) of his proposal. He said that the proposed amended point for decision called for a full plan on all aspects of building redevelopment for consideration by Committee members. The financial plan should set out all options, including using the net premium earned, any surplus, sale of land, renting of properties, etc. Given the size of its property portfolio, the Organization needed a robust long-term strategy which considered needs, time frames, and financing for maintenance of all of its buildings to ensure that Government members knew in advance what they would be expected to pay.

39. The representative of the Government of South Africa, speaking on behalf of the Africa group, reminded the Committee that most countries were just emerging from a financial crisis. The process of recovery was incomplete and extensive demands were still being placed on the ILO to support the recovery. He said that the goal of the Organization was to seek to achieve social justice for all and that objective entailed both obligations and sacrifices. The speaker stressed the importance of providing a conducive work environment. He supported the point for decision in the Office paper.

40. The representative of the Government of Austria reminded the Committee that many member States were suffering from budget deficits. She said that any derogation from the Financial Regulations required adequate justification. The justification offered by the Office for the proposed transfer had not been convincing. She did not want a repetition of the 2008 decision to derogate from the Financial Regulations, nor did she wish to see a precedent established. She said her Government did not support the point for decision and suggested that the budget surplus for 2008–09 be transferred to the Building and Accommodation Fund.

41. The representative of the Government of the United Kingdom expressed disappointment that there was no useful new information in the informal paper provided by the Office. The paper speculated on possible income but the figures provided were, in his view, neither factual nor risk assessed. He said that the March 2009 financing plan should not be cast aside until problems in the plan were revealed and other options could be evaluated. The speaker said it was important for the Office to maximize the resources it could obtain from the sale of land or rental income.

42. He reminded the Committee that a similar derogation had been previously approved, and expressed concern that a second derogation would set a precedent. The Office had not guaranteed that another derogation might not be proposed again in the future. He was concerned that the proposal to transfer the funds earmarked for the Incentive Fund placed a higher burden on a limited number of member States. The Incentive Fund served an important purpose in encouraging member States to pay as early as possible. Those early payments were important to the financial health of the Office.

43. All constituent groups should play their part and an unusually high burden should not be placed on loyal contributors and donors. He did not support the point for decision and suggested that the income surplus from 2008–09 be transferred to the Building and Accommodation Fund.

44. The representative of the Government of Brazil highlighted the growing importance of the ILO and the increasing demands on the Governing Body and the Office, in the face of which the Organization must adapt continuously in terms of both working methods and resources. The proposed cost of transferring the net premium to the Building and Accommodation Fund seemed a small price to pay in the circumstances, and he therefore expressed support for the point for decision contained in paragraph 9 of the Office paper, without excluding the possibility that other proposals might achieve consensus.

45. The representative of the Government of the United States did not support the point for decision. She underlined the importance of renovating the headquarters building and supported the ongoing negotiations for the financing options approved by the Governing Body. She said that if the Office wished to mitigate risks in financing, article 11.9 of the Financial Regulations could provide a mechanism. Therefore, she supported the use of the Special Programme Account to finance those important renovations.

46. The representative of the Government of Nigeria supported the statement made by the Africa group. Though fully aware of the previous decision in March 2009 on the financial plan for renovation of the headquarters building, he believed the net premium should be used quickly in order to avoid losing it altogether. He said that both risk assessment and risk aversion should be considered. He said the present was the best time to decide to use the net premium, in view of the urgency of the building renovation. He supported the point for decision.

47. The representative of the Government of Germany stated that she had already given her Government's position but she welcomed the constructive approach from ASPAG. She recognized the pressure of time and the need for the Office to have some security in its planning, as delays led to increased cost. She stated that decisions needed time. Flexible solutions should be found to be discussed at the forthcoming session of the Conference. She supported the need for a master plan, a long-term strategy and an evaluation of the associated risks. She suggested that the Office take time to prepare a first draft of the master plan incorporating risk management.

48. The representative of the Government of France said that the current Financial Regulations protected the Organization from risk, encouraged States to pay their assessed contributions promptly and ensured that the Office had sufficient flexibility to manage funds effectively and implement programme activities as planned. The Office proposal, however, entailed a collective risk for the sake of a project that had yet to be approved. The Financial Regulations were very clear. It was inconceivable that retroactive changes should be made to the rule that had prompted States to decide when to pay their assessed contributions for 2008–09. The derogation approved in 2008 should remain an exceptional measure. In the face of the current economic crisis, priority should be given to social considerations, not to buildings. He asked what would happen to the 50 per cent of the net premium for 2006–07 that had been treated as an advance payment against possible calls for assessed contributions from member States if no such calls were made.

49. While expressing support for the renovation of the headquarters building, he maintained that more time was needed to study the various options available. There was no call for hasty decisions to be made on the basis of alarmist scenarios. Although the costs of the project might rise, the potential income from selling land or rents would also increase. Land prices had continued to rise even during the economic crisis.

50. The proposed renovations raised the issue of building maintenance. The Office should make it a priority to ensure that sufficient funds were allocated in the regular budget for the upkeep of buildings, and States should not be expected to contribute if that had not been done. Other avenues, including using the 2008–09 regular budget surplus to fund the renovation, should be explored before a decision was taken that might discourage donors from making voluntary contributions to the Organization. Recalling that the net premium consisted of two halves allocated separately, he asked why the Office's proposal dealt with both parts together.

51. The Incentive Fund was an exemplary mechanism. Derogating once more from the Financial Regulations with regard to the Incentive Fund would mean amending the Regulations in all but letter and would pose a real risk to the Organization's financing. The Organization should not go down that route, and he therefore opposed the point for decision.

52. The representative of the Government of Argentina, welcoming the additional information provided by the Office, expressed support for the proposal made by the representative of the Government of Australia, even it was not the optimal solution. The issue should be debated further before a decision was taken.

53. The representative of the Government of Canada expressed the view that the Financial Regulations should not be set aside for reasons of convenience, but only in truly exceptional situations. The proposed derogation gave cause for concern on two accounts. First, it was unfair and financially short-sighted to effectively eliminate the early payment incentive, which could result in fewer early payments and additional financial burdens for the Organization. Without an incentive for prompt payment, some member States, such as Canada, might choose to re-examine their long-standing practice of providing early payment to the ILO. She suggested that consideration should be given instead to transferring the surplus from the 2008–09 Programme and Budget to the Building and Accommodation Fund. Using the Incentive Fund as a windfall, thereby placing the burden on the largest and most responsible donors, was unacceptable.

54. Second, the current proposal was an example of poor financial planning. A well-developed and elaborated renewal plan, approved by member States, should be put in place before allocating funds, especially when those funds were the collective resources of member States, not the Organization. The exceptional nature of the current situation, which would justify a second derogation from the Financial Regulations, had not yet been demonstrated.

Article 41 of the Financial Regulations stipulated that they could not be amended except where an alteration or addition was urgently required. The fact that the value of the net premium could not have been foreseen did not constitute an exceptional or urgent circumstance. The uncertainties and lack of thorough or sound analysis with respect to the 2009 funding plan also demonstrated poor financial planning, which should be addressed systematically, not through ad hoc approaches.

55. While fully supporting efforts to plan for the renovation of the headquarters building, she expressed strong concern at the disregard for sound financial management practices and donor countries' views. Financing decisions must be based on a comprehensive capital master plan and financial risk assessment, and any potential shortfalls must be properly dealt with through the regular programme and budget process. The net premium should be returned to contributing governments; however, the proposal made by the representative of the Government of Australia went a long way to addressing one of her fundamental concerns.

56. The representative of the Government of India underlined the importance of respecting financial regulations, but also expressed the view that such regulations should be flexible enough to cater to emerging needs and priorities. Transferring the net premium to the Building and Accommodation Fund would avoid having to use funds earmarked for important ILO programme activities. Delaying the urgently needed renovation of the headquarters building could lead to further costs in terms of cancellations and added expenditure. He expressed support for the point for decision, but requested that a plan for the renovation of the headquarters building, indicating works to be carried out, time-lines, total requirement of funds and current fund availability be prepared by experts and placed before the Governing Body for the information of all member States.

57. The representative of the Government of Sweden, speaking also on behalf of Denmark, Finland and Norway, endorsed the statement by the representative of the Government of the United Kingdom during the Committee's previous discussion of the agenda item, and reiterated that the Nordic countries were not in a position to support the point for decision.

58. The representative of the Government of Italy did not support the point for decision but could support the proposal made by the representative of the Government of Australia, on the clear understanding that it would be recommended to the Finance Committee of the International Labour Conference in June 2010. That would allow more time to consider the proposal and for the Office to provide the required information.

59. The representative of the Government of Mozambique acknowledged the efforts made by many countries to pay their assessed contributions to the ILO promptly, but emphasized the importance of ensuring security and physical well-being of those in the headquarters building, particularly in view of the ILO's role in societies in his region. He supported the proposal to transfer the net premium to the Building and Accommodation Fund, in derogation of the Financial Regulations.

60. The representative of the Government of China voiced concerns about the derogation from the Financial Regulations but expressed support for the proposal made by the representative of the Government of Australia, given the urgency of renovating the headquarters building.

61. The representative of the Government of Panama said that the use of the net premium was a financial decision to be taken by the Governing Body and presented to the Conference. He expressed support for the Office proposal, which would ensure that the headquarters building could be renovated promptly and avoid future calls for assessed contributions by member States.

62. The representative of the Government of Uruguay echoed the view that the Financial Regulations should be applied in all but exceptional circumstances. In the current case, however, although the net premium could potentially be used for ILO activities aimed at improving quality of life at country level, Uruguay stood ready to make an exception to its own financial rules and agree to the transfer of the net premium to the Building and Accommodation Fund. If funds were not made available now, governments might be asked to contribute much more in the future.

63. The representative of the Government of Mexico expressed support for the proposal made by the representative of the Government of Australia.

64. The representative of the Government of the Islamic Republic of Iran endorsed the statement made by ASPAG. Referring to the need to uphold the important role of the Organization in the world of work, he supported the amended point for decision as proposed by ASPAG.

65. The representative of the Government of the Czech Republic said that, for the same reasons as those set out by the representatives of the Governments of Austria, Denmark, Finland, France, Norway, Sweden and the United Kingdom, he did not support the point for decision.

66. The representative of the Government of Pakistan supported the proposal to transfer the net premium to the Building and Accommodation Fund.

67. The representative of the Government of Côte d'Ivoire endorsed the statement by the Africa group and supported the point for decision.

68. Sir Roy Trotman, speaking on behalf of the Workers' group, expressed sympathy with many of the comments made by Government representatives. From the perspective of workers and taxpayers, the Governing Body should guide the Organization towards greater efficiency in carrying out its standard-setting and supervisory roles. He therefore supported the proposal made by the representative of the Government of Australia, although the conditions set might require slight adjustment. He urged the Committee to support the proposal.

69. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller), responding to questions asked, confirmed that the proposal made by the representative of the Government of Australia, if approved, would be submitted as a recommendation to the Conference and discussed by the Finance Committee of Government Representatives, at which all member States were represented. The Finance Committee would then report to the Conference in plenary sitting.

70. In response to the question asked by the representative of the Government of France regarding the net premium for 2006–07, he explained that, in the absence of a direct assessment on member States for the renovation of the headquarters building, no refund of the advance payment was envisaged. He said that, as had been suggested in the Office's information paper, the proposed point for decision could be amended to the effect that, if the net premium were to be transferred to the Building and Accommodation Fund and there were to be a surplus of funds available at the end of the renovation project, the surplus could be returned to member States, taking account of advance payments made by those who had contributed their shares from the Incentive Fund.

71. In response to comments concerning lack of sufficient detail or technical studies on the renovation project, he recalled that a comprehensive, independent study had been carried out in 2006, setting out time-lines, cost estimates and work schedules, although they would now need to be updated.

72. Mr Julien, speaking on behalf of the Employers' group, made a number of points. First, the discussion under way was providing almost mathematical proof that the Governing Body had a real need to redefine the demarcation lines between the mandates of its committees and the way in which it organized its work.

73. Second, the Employers' group noted that the issue of the renovation of the building was the source of major differences in viewpoint among governments, particularly with regard to the urgency, estimated cost and extent of the work. It seemed difficult to adopt any position on the matter in view of the uncertainty surrounding the project as presented.

74. Third, the handling of the matter had dragged on, which only added to the degree of uncertainty. He was aware that the delay could not be ascribed to the Office, which was endeavouring to resolve the situation, but was due to reasons that had nothing to do with the Organization. He considered that a set of complete scenarios on the whole of the updated renovation project would have facilitated discussions.

75. Fourth, he stressed that a political commitment was needed from the States at the present stage so that a technical solution of some kind could be contemplated. However, the economic and financial scenarios relating to the renovation of the building displayed too many areas of uncertainty to enable that kind of political commitment to be made.

76. Fifth, the Employers observed that the ILO was increasingly reliant on voluntary contributions. They considered it important not to deprive the Office of the revenue possibilities provided by prompt contributors and not to break the key relationship of trust between the member States and the Office, that being the cornerstone of the system of voluntary contributions.

77. Sixth, the question of the net premium should be discussed in conjunction with that of the budget surplus. He recalled that the object of the discussion was primarily the financing of the building renovation work and he felt that the issue of the budget surplus was central to that discussion.

78. Seventh, governments which paid their contributions on time should not be penalized. The need to add to the Building and Accommodation Fund was widely recognized but the question of the use of the first instalment of the net premium needed to be examined in greater depth in the weeks ahead through a political dialogue between the Office and governments.

79. Eighth, if the Governing Body failed to reach an agreement, it was unlikely that the Conference, with three times the number of participants, would find a solution.

80. Finally, tripartism presupposed an agreement among the three groups. However, the Government group, the most important with regard to budgetary matters, was unable to reach an agreement on the issue. It therefore seemed to make more sense to invite the Governments and the Office to continue their discussions. The Employers' group could make no further comments in the current context.

81. The Chairperson thanked the Committee for the frank and open discussion, during which all the groups had clearly expressed their positions. She said it was important for the decision to represent a tripartite consensus. She deferred further discussion of the agenda item to allow for further consultations on the proposed amended point for decision.

82. At its next sitting, the Chairperson reopened discussion on the item.

83. The representative of the Government of Australia, speaking on behalf of ASPAG, explained that the intention behind the proposal he had made at the Committee's previous sitting was to improve the planning processes within the ILO relating to the maintenance and development of ILO properties and to develop a comprehensive plan for financing such work in both the long and short term. While the issue was being discussed in terms of the possible use of the net premium, his proposal was in fact much broader in scope. With regard to planning, it envisaged a comprehensive plan for the immediate redevelopment of the headquarters building and a longer term strategy for the maintenance and possible redevelopment of all ILO properties. Concerning financing, all sources and mechanisms for funding the immediate work should be considered, while for the longer term strategy a range of financial options would be required for consideration. The fundamental aim of the proposal was to ensure that sufficient time was available to make decisions about the renovation of the headquarters building and to guarantee proper planning in current and future maintenance and development work. The Office had indicated its support for the approach proposed. Unless agreement could be reached, the ILO would have to rely on additional loans to fund building work, which would cost more in the long run.

84. Speaking on behalf of the Government of Australia, he reported that following consultations among Committee members, various amendments had been suggested to the proposed point for decision, and he understood it now enjoyed wide support. The text of the revised point for decision, incorporating those amendments, had been circulated. He added that, in paragraph (c) of the amended point for decision, the words “this amount” should be altered to “the amount not required”. He concluded by calling on the Office to ensure that appropriate project management skills be engaged to oversee the development and implementation of the building and financial plans and strategies.

85. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller), advised the Committee that owing to the short period of time available to prepare and translate the documents, the point for decision had not followed the normal legal review process. That would be undertaken immediately and the final report of the Committee would ensure that the French and Spanish texts were aligned to the English text.

86. The representative of the Government of Tunisia, speaking on behalf of the Africa group, said that, although the group had not had the opportunity to hold consultations, its prime objective was to support the Director-General and achieve consensus on the issue.

87. The Chairperson expressed gratitude to all those who had facilitated agreement on the issue, particularly the representative of the Government of Australia.

88. ***The Committee recommends that the Governing Body propose to the 99th Session (June 2010) of the International Labour Conference that:***

(a) in derogation of article 11.5 of the Financial Regulations, the one half of the 2008–09 net premium earned, amounting to CHF14,869,967 that is not distributed through the Incentive Fund, be credited to the Building and Accommodation Fund to finance partially the renovation of the headquarters building, subject to the following conditions:

(i) that the Office prepares a comprehensive plan for the renovation of the ILO building, including financial and technical aspects, risk management and time frames, leading to a capital master plan;

(ii) that the Office develop a long-term strategy for the financing of future maintenance and renovation of ILO buildings and properties, based on an accumulation of funds to avoid any future ad hoc call on member States; and

(iii) that the plans and strategy referred to in (i) and (ii) above be submitted to the Building Subcommittee of the Programme, Financial and Administrative Committee, and endorsed by the Governing Body in March 2011;

(b) should the Governing Body determine that the conditions are not satisfied, the derogation from article 11.5 of the Financial Regulations referred to in paragraph (a) above be revoked and the funds be credited to Members in accordance with article 11.5 of the Financial Regulations;

(c) should the Governing Body determine, on the basis of the financial plan, that the amount of the 2008–09 net premium transferred to the Building and Accommodation Fund is not fully required for the funding of the renovation of the headquarters building, the amount not required be returned to member States;

(d) it adopt a resolution in the following terms:

The General Conference of the International Labour Organization, meeting in its 99th Session, 2010,

Noting that the operation of the Swiss franc assessment system has resulted in a net premium earned of 29,739,934 Swiss francs in the 2008–09 biennium,

1. *Decides*, in derogation of article 11.5 of the Financial Regulations, to transfer the one half of the net premium earned, amounting to 14,869,967 Swiss francs that is not distributed to the Incentive Fund, to the Building and Accommodation Fund of the International Labour Office to finance partially the renovation of the headquarters building subject to the following conditions:

(a) that the Office prepares a comprehensive plan for the renovation of the ILO building including financial and technical aspects, risk management and time frames, leading to a capital master plan;

(b) that the Office develops a long-term strategy for the financing of future maintenance and renovation of ILO buildings and properties, based on an accumulation of funds to avoid any future ad hoc call on member States;

(c) that the plans and strategy referred to in (a) and (b) above be submitted to the Building Subcommittee of the Programme, Financial and Administrative Committee, and endorsed by the Governing Body in March 2011.

2. *Further decides* that should the Governing Body determine that the conditions are not satisfied, the derogation from article 11.5 of the Financial Regulations referred to in paragraph 1(a) above be revoked and the net premium be distributed to Members in accordance with article 11.5 of the Financial Regulations.

3. *Further decides* that should the Governing Body determine, on the basis of the financial plan, that the amount of the 2008–09 net premium transferred to the Building and Accommodation Fund is not fully required for the funding of the renovation of the headquarters building, the amount not required be returned to member States.

89. The Director-General welcomed the consensus achieved, which demonstrated the commitment of all groups and governments to the building renovation project. The approach chosen would protect the Special Programme Account and safeguard the interests of those States that benefited from the Incentive Fund. He expressed appreciation to all those who had supported the Office proposal as well as those who had worked to find a solution.

…

Annex 3

	INTERNATIONAL LABOUR OFFICE	GB.307/9/3 307th Session
	Governing Body	Geneva, March 2010

NINTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Report of the Government members of the Committee on Allocations Matters

1. The Government members of the Programme, Financial and Administrative Committee of the Governing Body met on 18 March 2010. The meeting was chaired by Ambassador Md. Abdul Hannan, Chairperson of the Government group of the Governing Body. He also acted as Reporter.

Assessment of the contributions of new member States
(First item on the agenda)

2. The Committee had before it a paper [1] on the assessment of the contribution of the Republic of Maldives.

3. ***The Government members recommend to the Governing Body 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 that the contribution of the Republic of Maldives to the ILO budget for the period of its membership in the Organization during 2009 be based on an annual assessment rate of 0.001 per cent.***

[1] GB.307/PFA/GMA/1.

Scale of assessments of contributions to the budget for 2011
(Second item on the agenda)

4. The Government members considered a paper [2] proposing a scale of assessments for ILO member States for 2011.

5. The representative of the Government of Mexico noted that the proposed scale of assessments indicated that the contributions of some member States would increase while others would decrease. He requested clarification as to whether the increases and decreases balanced out.

6. The representative of the Government of the Bolivarian Republic of Venezuela noted that 22 member States would see a decrease in their contribution while 116 member States would see an increase. He noted that the contribution of his own country would increase by 57 per cent. He provided his understanding of how the assessment rates were determined and requested the Office to provide further clarification.

7. The representative of the Government of Australia expressed concern that some member States, such as her own, would experience a significant increase in their assessment rate.

8. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) clarified that, as had been the practice in the ILO since 1948, the proposed scale of assessments was based on the scale voted on by the United Nations, adjusted for the fact that nine members of the United Nations were not Members of the ILO.

9. Every three years the United Nations Committee on Contributions met to propose a scale of assessments for member States, most recently for 2010–12. The scale was based on the following elements and criteria:

(a) estimates of gross national income;

(b) average statistical base periods of three and six years;

(c) conversion rates based on market exchange rates;

(d) a debt-burden approach;

(e) a low per capita income adjustment;

(f) a minimum assessment of 0.001 per cent;

(g) a maximum assessment rate for the least developed countries of 0.01 per cent; and

(h) a maximum assessment rate of 22 per cent.

[2] GB.307/PFA/GMA/2.

10. ***The Government members recommend to the Governing Body 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 2011 as set out in column 3 of the appendix to this paper, 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.***

Geneva, 18 March 2010.

(Signed) Md. Abdul Hannan
Reporter

Points for decision: Paragraph 3;
Paragraph 10.

Appendix

Scale of assessments

	State	ILO assessments 2010 Col.1 %	UN assessments 2010-2012 Col.2 %	Draft ILO scale of assessments 2011 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
1	Afghanistan	0.001	0.004	0.004	0.003
2	Albania	0.006	0.010	0.010	0.004
3	Algeria	0.085	0.128	0.128	0.043
4	Angola	0.003	0.010	0.010	0.007
5	Antigua and Barbuda	0.002	0.002	0.002	-
6	Argentina	0.325	0.287	0.287	(0.038)
7	Armenia	0.002	0.005	0.005	0.003
8	Australia	1.788	1.933	1.934	0.146
9	Austria	0.888	0.851	0.852	(0.036)
10	Azerbaijan	0.005	0.015	0.015	0.010
11	Bahamas	0.016	0.018	0.018	0.002
12	Bahrain	0.033	0.039	0.039	0.006
13	Bangladesh	0.010	0.010	0.010	-
14	Barbados	0.009	0.008	0.008	(0.001)
15	Belarus	0.020	0.042	0.042	0.022
16	Belgium	1.103	1.075	1.076	(0.027)
17	Belize	0.001	0.001	0.001	-
18	Benin	0.001	0.003	0.003	0.002
19	Bolivia, Plurinational State of	0.006	0.007	0.007	0.001
20	Bosnia and Herzegovina	0.006	0.014	0.014	0.008
21	Botswana	0.014	0.018	0.018	0.004
22	Brazil	0.877	1.611	1.612	0.735
23	Brunei Darussalam	0.026	0.028	0.028	0.002
24	Bulgaria	0.020	0.038	0.038	0.018
25	Burkina Faso	0.002	0.003	0.003	0.001
26	Burundi	0.001	0.001	0.001	-
27	Cambodia	0.001	0.003	0.003	0.002
28	Cameroon	0.009	0.011	0.011	0.002
29	Canada	2.978	3.207	3.208	0.230
30	Cape Verde	0.001	0.001	0.001	-
31	Central African Republic	0.001	0.001	0.001	-
32	Chad	0.001	0.002	0.002	0.001
33	Chile	0.161	0.236	0.236	0.075
34	China	2.668	3.189	3.190	0.522
35	Colombia	0.105	0.144	0.144	0.039
36	Comoros	0.001	0.001	0.001	-
37	Congo	0.001	0.003	0.003	0.002
38	Costa Rica	0.032	0.034	0.034	0.002
39	Côte d'Ivoire	0.009	0.010	0.010	0.001
40	Croatia	0.050	0.097	0.097	0.047
41	Cuba	0.054	0.071	0.071	0.017
42	Cyprus	0.044	0.046	0.046	0.002
43	Czech Republic	0.281	0.349	0.349	0.068
44	Democratic Republic of the Congo	0.003	0.003	0.003	-
45	Denmark	0.739	0.736	0.736	(0.003)
46	Djibouti	0.001	0.001	0.001	-
47	Dominica	0.001	0.001	0.001	-
48	Dominican Republic	0.024	0.042	0.042	0.018
49	Ecuador	0.021	0.040	0.040	0.019
50	Egypt	0.088	0.094	0.094	0.006
51	El Salvador	0.020	0.019	0.019	(0.001)
52	Equatorial Guinea	0.002	0.008	0.008	0.006
53	Eritrea	0.001	0.001	0.001	-

State	ILO assessments 2010 Col.1 %	UN assessments 2010-2012 Col.2 %	Draft ILO scale of assessments 2011 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
54 Estonia	0.016	0.040	0.040	0.024
55 Ethiopia	0.003	0.008	0.008	0.005
56 Fiji	0.003	0.004	0.004	0.001
57 Finland	0.564	0.566	0.566	0.002
58 France	6.304	6.123	6.126	(0.178)
59 Gabon	0.008	0.014	0.014	0.006
60 Gambia	0.001	0.001	0.001	-
61 Georgia	0.003	0.006	0.006	0.003
62 Germany	8.581	8.018	8.021	(0.560)
63 Ghana	0.004	0.006	0.006	0.002
64 Greece	0.596	0.691	0.691	0.095
65 Grenada	0.001	0.001	0.001	-
66 Guatemala	0.032	0.028	0.028	(0.004)
67 Guinea	0.001	0.002	0.002	0.001
68 Guinea-Bissau	0.001	0.001	0.001	-
69 Guyana	0.001	0.001	0.001	-
70 Haiti	0.002	0.003	0.003	0.001
71 Honduras	0.005	0.008	0.008	0.003
72 Hungary	0.244	0.291	0.291	0.047
73 Iceland	0.037	0.042	0.042	0.005
74 India	0.450	0.534	0.534	0.084
75 Indonesia	0.161	0.238	0.238	0.077
76 Iran, Islamic Republic of	0.180	0.233	0.233	0.053
77 Iraq	0.015	0.020	0.020	0.005
78 Ireland	0.445	0.498	0.498	0.053
79 Israel	0.419	0.384	0.384	(0.035)
80 Italy	5.081	4.999	5.001	(0.080)
81 Jamaica	0.010	0.014	0.014	0.004
82 Japan	16.631	12.530	12.535	(4.096)
83 Jordan	0.012	0.014	0.014	0.002
84 Kazakhstan	0.029	0.076	0.076	0.047
85 Kenya	0.010	0.012	0.012	0.002
86 Kiribati	0.001	0.001	0.001	-
87 Korea, Republic of	2.174	2.260	2.261	0.087
88 Kuwait	0.182	0.263	0.263	0.081
89 Kyrgyzstan	0.001	0.001	0.001	-
90 Lao People's Democratic Republic	0.001	0.001	0.001	-
91 Latvia	0.018	0.038	0.038	0.020
92 Lebanon	0.034	0.033	0.033	(0.001)
93 Lesotho	0.001	0.001	0.001	-
94 Liberia	0.001	0.001	0.001	-
95 Libyan Arab Jamahiriya	0.062	0.129	0.129	0.067
96 Lithuania	0.031	0.065	0.065	0.034
97 Luxembourg	0.085	0.090	0.090	0.005
98 Madagascar	0.002	0.003	0.003	0.001
99 Malawi	0.001	0.001	0.001	-
100 Malaysia	0.190	0.253	0.253	0.063
101 Maldives, Republic of	0.001	0.001	0.001	-
102 Mali	0.001	0.003	0.003	0.002
103 Malta	0.017	0.017	0.017	-
104 Marshall Islands	0.001	0.001	0.001	-
105 Mauritania	0.001	0.001	0.001	-
106 Mauritius	0.011	0.011	0.011	-
107 Mexico	2.258	2.356	2.357	0.099
108 Moldova, Republic of	0.001	0.002	0.002	0.001
109 Mongolia	0.001	0.002	0.002	0.001
110 Montenegro	0.001	0.004	0.004	0.003
111 Morocco	0.042	0.058	0.058	0.016

State	ILO assessments 2010 Col.1 %	UN assessments 2010-2012 Col.2 %	Draft ILO scale of assessments 2011 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
112 Mozambique	0.001	0.003	0.003	0.002
113 Myanmar	0.005	0.006	0.006	0.001
114 Namibia	0.006	0.008	0.008	0.002
115 Nepal	0.003	0.006	0.006	0.003
116 Netherlands	1.874	1.855	1.856	(0.018)
117 New Zealand	0.256	0.273	0.273	0.017
118 Nicaragua	0.002	0.003	0.003	0.001
119 Niger	0.001	0.002	0.002	0.001
120 Nigeria	0.048	0.078	0.078	0.030
121 Norway	0.783	0.871	0.872	0.089
122 Oman	0.073	0.086	0.086	0.013
123 Pakistan	0.059	0.082	0.082	0.023
124 Panama	0.023	0.022	0.022	(0.001)
125 Papua New Guinea	0.002	0.002	0.002	-
126 Paraguay	0.005	0.007	0.007	0.002
127 Peru	0.078	0.090	0.090	0.012
128 Philippines	0.078	0.090	0.090	0.012
129 Poland	0.501	0.828	0.828	0.327
130 Portugal	0.527	0.511	0.511	(0.016)
131 Qatar	0.085	0.135	0.135	0.050
132 Romania	0.070	0.177	0.177	0.107
133 Russian Federation	1.201	1.602	1.603	0.402
134 Rwanda	0.001	0.001	0.001	-
135 Saint Kitts and Nevis	0.001	0.001	0.001	-
136 Saint Lucia	0.001	0.001	0.001	-
137 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
138 Samoa	0.001	0.001	0.001	-
139 San Marino	0.003	0.003	0.003	-
140 Sao Tome and Principe	0.001	0.001	0.001	-
141 Saudi Arabia	0.748	0.830	0.831	0.083
142 Senegal	0.004	0.006	0.006	0.002
143 Serbia	0.021	0.037	0.037	0.016
144 Seychelles	0.002	0.002	0.002	-
145 Sierra Leone	0.001	0.001	0.001	-
146 Singapore	0.347	0.335	0.335	(0.012)
147 Slovakia	0.063	0.142	0.142	0.079
148 Slovenia	0.096	0.103	0.103	0.007
149 Solomon Islands	0.001	0.001	0.001	-
150 Somalia	0.001	0.001	0.001	-
151 South Africa	0.290	0.385	0.385	0.095
152 Spain	2.969	3.177	3.178	0.209
153 Sri Lanka	0.016	0.019	0.019	0.003
154 Sudan	0.010	0.010	0.010	-
155 Suriname	0.001	0.003	0.003	0.002
156 Swaziland	0.002	0.003	0.003	0.001
157 Sweden	1.072	1.064	1.065	(0.007)
158 Switzerland	1.217	1.130	1.131	(0.086)
159 Syrian Arab Republic	0.016	0.025	0.025	0.009
160 Tajikistan	0.001	0.002	0.002	0.001
161 Tanzania, United Republic of	0.006	0.008	0.008	0.002
162 Thailand	0.186	0.209	0.209	0.023
163 The former Yugoslav Republic of Macedonia	0.005	0.007	0.007	0.002
164 Timor-Leste	0.001	0.001	0.001	-
165 Togo	0.001	0.001	0.001	-
166 Trinidad and Tobago	0.027	0.044	0.044	0.017
167 Tunisia	0.031	0.030	0.030	(0.001)
168 Turkey	0.381	0.617	0.617	0.236
169 Turkmenistan	0.006	0.026	0.026	0.020

State	ILO assessments 2010 Col.1 %	UN assessments 2010-2012 Col.2 %	Draft ILO scale of assessments 2011 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
170 Tuvalu	0.001	0.001	0.001	-
171 Uganda	0.003	0.006	0.006	0.003
172 Ukraine	0.045	0.087	0.087	0.042
173 United Arab Emirates	0.302	0.391	0.391	0.089
174 United Kingdom	6.645	6.604	6.607	(0.038)
175 United States	22.000	22.000	22.000	-
176 Uruguay	0.027	0.027	0.027	-
177 Uzbekistan	0.008	0.010	0.010	0.002
178 Vanuatu	0.001	0.001	0.001	-
179 Venezuela, Bolivarian Republic of	0.200	0.314	0.314	0.114
180 Viet Nam	0.024	0.033	0.033	0.009
181 Yemen	0.007	0.010	0.010	0.003
182 Zambia	0.001	0.004	0.004	0.003
183 Zimbabwe	0.008	0.003	0.003	(0.005)
TOTAL	6130.000	99.969	6133.000	0.000

Annex 4

INTERNATIONAL LABOUR OFFICE

GB.306/PFA/19/3
306th Session

Governing Body

Geneva, November 2009

Programme, Financial and Administrative Committee **PFA**

FOR DECISION

NINETEENTH ITEM ON THE AGENDA

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal

1. Pursuant to article III of its Statute, the Administrative Tribunal consists of seven judges appointed for three years by the Conference of the International Labour Organization. The present composition of the Tribunal is as follows:

– Ms Mary G. Gaudron (Australia), President: term of office expires in July 2011;

– Mr Seydou Ba (Senegal), Vice-President: term of office expires in July 2012;

– Mr Agustín Gordillo (Argentina): term of office expires in July 2010;

– Mr Claude Rouiller (Switzerland): term of office expires in July 2010;

– Mr Giuseppe Barbagallo (Italy): term of office expires in July 2012;

– Ms Dolores M. Hansen (Canada): term of office expires in July 2012;

– Mr Patrick Frydman (France): term of office expires in July 2010.

2. There are three judges whose terms of office are due to expire in July 2010: Mr Gordillo, Mr Rouiller and Mr Frydman. They have expressed their willingness and availability to accept a new three-year term.

3. The Director-General, after consultation with the Officers of the Governing Body, wishes to propose the renewal of the terms of office of Mr Gordillo, Mr Rouiller and Mr Frydman for three years.

4. ***The Committee may accordingly wish to recommend to the Governing Body that it propose to the 99th Session of the International Labour Conference, the renewal, through the draft resolution below, of the terms of office of Mr Gordillo, Mr Rouiller and Mr Frydman for three years.***

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the terms of office of Mr Agustín Gordillo (Argentina), Mr Claude Rouiller (Switzerland) and Mr Patrick Frydman (France) for three years.

Geneva, 10 November 2009.

Point for decision: Paragraph 4.

Annex 5

INTERNATIONAL LABOUR OFFICE
GB.306/9/2(Rev.)
306th Session
Governing Body
Geneva, November 2009

(Extract)

NINTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Second report: Personnel questions

…

V. Matters relating to the Administrative Tribunal of the ILO
(Nineteenth item on the agenda)

…

(c) Composition of the Tribunal

69. The Committee had before it a document [6] on the composition of the Tribunal.

70. Sir Roy Trotman, speaking on behalf of the Workers' group, supported the point for decision.

71. Mr Julien, speaking on behalf of the Employers' group, supported the point for decision.

72. ***The Committee recommends that the Governing Body propose to the 99th Session of the International Labour Conference, the renewal, through the draft resolution below, of the terms of office of Mr Gordillo, Mr Rouiller and Mr Frydman for three years:***

The General Conference of the International Labour Organization

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the terms of office of Mr Agustín Gordillo (Argentina), Mr Claude Rouiller (Switzerland) and Mr Patrick Frydman (France) for three years.

…

[6] GB.306/PFA/19/3.