



Governing Body

331st Session, Geneva, 26 October–9 November 2017

GB.331/PFA/PV/Draft

Programme, Financial and Administrative Section

PFA

Warning: this document is a draft and may contain omissions or errors. It is made available solely for the purpose of verification and correction. Persons referred to in this document are not to be regarded as bound by statements attributed to them. The ILO declines all responsibility for any errors or omissions which this document may contain, or for any use which may be made of it by third parties.

DRAFT MINUTES

Programme, Financial and Administrative Section

Contents

	<i>Page</i>
Programme, Financial and Administrative Segment.....	1
First item on the agenda	
Update on the headquarters building renovation project (GB.331/PFA/1).....	1
Second item on the agenda	
Proposed 2018–19 budgets for extra-budgetary accounts: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) (GB.331/PFA/2).....	3
Third item on the agenda	
Programme and Budget for 2016–17: Regular budget account and Working Capital Fund (GB.331/PFA/3).....	4
Fourth item on the agenda	
Knowledge Strategy 2018–21 (GB.331/PFA/4)	5
Fifth item on the agenda	
Information Technology Strategy 2018–21 (GB.331/PFA/5).....	9
Sixth item on the agenda	
Other financial questions: Financial arrangements for the renovation of the premises of the ILO Country Office for Brazil (GB.331/PFA/6/1)	12
Audit and Oversight Segment	13
Seventh item on the agenda	
Independent Oversight Advisory Committee:	
Revised terms of reference (GB.331/PFA/7)	13

Eighth item on the agenda Annual Evaluation Report 2016–17 (GB.331/PFA/8)	15
Ninth item on the agenda High-level evaluations of strategies and Decent Work Country Programmes (GB.331/PFA/9)	18
Tenth item on the agenda Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU (GB.331/PFA/10)	23
Eleventh item on the agenda Other audit and oversight questions	25
Personnel Segment	25
Twelfth item on the agenda Statement by the staff representative	25
Thirteenth item on the agenda Human Resources Strategy 2018–21: Agility, engagement and efficiency (GB.331/PFA/13)	26
Fourteenth item on the agenda Amendments to Staff Regulations	30
Fifteenth item on the agenda Matters relating to the Administrative: Tribunal of the ILO Recognition of the Tribunal's jurisdiction by other international organizations (GB.331/PFA/15)	31
Sixteenth item on the agenda Other personnel questions: Update on the decisions taken by the International Civil Service Commission (ICSC) at its 85th Session regarding the post adjustment index for Geneva (GB.331/PFA/16(Rev.))	32
Appendix	
Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (331st Session – 31 October 2017)	39

Programme, Financial and Administrative Segment

First item on the agenda

Update on the headquarters building renovation project (GB.331/PFA/1)

1. *A representative of the Director-General* (Deputy Director-General, Management and Reform) informed the Governing Body that the options proposed by the external property agency for the vacant freehold property adjacent to the headquarters building – plot 4057 – had been narrowed down. The Office would present more detailed options to the Governing Body in March 2018, also following discussions with the Swiss authorities. The Office was also finalizing the sale of a smaller section of plot 3957, represented by a de facto public access way at the southern corner of the ILO land. The associated building rights would be transferred to ILO land, and the proceeds from the sale would be added to the Building and Accommodation Fund for the renovation project.
2. *The Worker spokesperson*, welcoming the sound management of the renovation project to date, asked whether the Office had received any replies from member States to its requests for donations or whether it had had to raise the remaining funds for the completion of the renovation work. The hiring of a property consultancy regarding plot 4057 was welcomed, and the group looked forward to a further update on the project at the March session.
3. *The Employer spokesperson*, noting the progress made and the resulting improvements, said that it was commendable that the total budget remained within the limits of the financial plan. His group looked forward to updates on options to generate revenue to offset the loan repayments, particularly on consultations with potential tenants interested in occupying refurbished space, and on the Office's follow-up to discussions on development opportunities for plot 4057.
4. *Speaking on behalf of the Government group*, a Government representative of the Republic of Korea expressed appreciation for the Office's extensive preparations for the Governing Body session. However, delays in the production of significant, sometimes lengthy, documents were regrettable, as constituents did not have adequate time to duly consider them. The Office and constituents should reflect upon the scope of the agendas for future sessions, and the Office should conduct a realistic assessment of the workload for the Governing Body.
5. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia said that the progress on the renovation project was commendable, including the incorporation of lessons learned from work completed and the creation of a source of revenue to pay off the loan used for the renovation. The Office should continue its close collaboration with all relevant stakeholders in the project and provide a further update in March 2018.
6. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the United States, applauding progress made to date and efforts to remain within the initial budget, said that her group was not in a position to provide additional funds for the project. Seeking tenants to generate revenue to support building costs was welcome, as using member States' contributions to pay interest costs was prohibited in

certain countries' domestic legislation. The continued increase in unfunded costs not in the original scope was of concern; a cost analysis comparing the total unfunded requirements to the projected revenue should be included in the update to the Governing Body in March 2018. That update should also cover voluntary contributions secured for the renovation of the lower floors of the building.

7. *A Government representative of India* expressed appreciation for the progress on the building renovation plan, efforts regarding possible use of ILO land, and the perimeter security. He requested information on the amount of savings being generated in the budget and the reallocation thereof. The update at the next session should include a review of the specifications and financial requirements for perimeter security.
8. *A Government representative of Côte d'Ivoire* said that he welcomed the fact that disturbances relating to the renovation had been kept to a minimum. It was also commendable that the budget remained on track and that savings generated by the value engineering would be reallocated to the provision for unforeseen costs. As to the Office documents before the Governing Body, they were of high quality and would facilitate decision-making.
9. *The representative of the Director-General* said that the second audit, a draft of which had been received a few days previously, had confirmed that the renovation was on budget and on schedule, and had made no critical or significant recommendations. Responding to the question from the Government member of India, he said that savings generated were currently assigned to unforeseen costs, an approach which had been endorsed by the audit report. As to the question from the Worker spokesperson and IMEC on voluntary donations, the promotional brochures on donation packages would be finalized and sent to governments shortly, and discussions would be initiated. Regarding the possibility of securing tenants for the unoccupied space after the refurbishment, the Office was still cooperating closely with a United Nations agency interested in occupying almost all the available space, which had hired a consultant to conduct a needs assessment. Other organizations had also expressed interest, but it would be advantageous to have a single tenant. As to the budget and timeline, the project would definitely not exceed either. The Office would not use member States' contributions to pay interest rates; all interest payments would be met through the income received from the leasing of office space. The perimeter project was separate from the renovation project and hence did not increase the scope of the renovation. It had been included in the Office document because it was the most appropriate channel for bringing to the Governing Body's attention the need to undertake significant security work around the building. An update on discussions with the cantonal and federal authorities and on the potential funding would be provided in March 2018.
10. *The Director-General*, responding to the comments by the representative of the Government group regarding the documentation before the Governing Body, apologized for the late production of documents at the current session and provided assurances that documents would be provided on time in the future. As for the weightiness of the agenda and of some of the documentation, that was not entirely in the hands of the Office, as the agenda was set by the Screening Group; nevertheless, the Office and the Screening Group would take heed of the comments made.

Outcome

11. *The Governing Body noted the information contained in the report (document GB.331/PFA/1) and provided guidance to the Office.*

(GB.331/PFA/1.)

Second item on the agenda

Proposed 2018–19 budgets for extra-budgetary accounts: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) (GB.331/PFA/2)

12. *The Employer spokesperson* said that the issues affecting the Latin America and the Caribbean region were also partly the result of a lack of governance, poor and ineffective public policies, corruption and insufficient infrastructure. Given the historical problems referred to in the Office document, and also the various technological revolutions bringing about huge changes in the business world, the work of CINTERFOR was more important than ever. The lines of action planned by the Centre – in particular, synchronizing vocational training with productive development policies and technological developments, and strengthening the capacities of employers' and workers' organizations with regard to tripartism and social dialogue in vocational training – and the proposed programme of work were welcome, as was the detailed information on the income and expenditure. He supported the draft decision.
13. *The Worker spokesperson* said that workers' organizations at all levels must be actively involved in discussions to identify gaps in training systems and in the definition of policies for the creation of decent work. In the context of the Future of Work Initiative, CINTERFOR should look at the impact of technological change and innovation on education and training systems. As to tripartism and social dialogue, efforts should be made to strengthen the capacity of workers' organizations to promote the inclusion, in collective agreements at the sectoral and enterprise levels, of provisions on vocational training, including a gender equality dimension. Vocational training should include workers' rights, starting with freedom of association.
14. CINTERFOR should promote the ratification and implementation of the Employment Policy Convention, 1964 (No. 122), the Paid Educational Leave Convention, 1974 (No. 140), the Human Resources Development Convention, 1975 (No. 142), the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Human Resources Development Recommendation, 2004 (No. 195), and the fundamental Conventions. Concerning the financial schemes, countries should have a strong public and tripartite educational and vocational training system in place for all workers. The initiative to develop programmes for skills recognition and certification in migration management policies and the development of quality apprenticeship programmes and systems were welcome. An integrated approach to vocational training as lifelong learning should be adopted. In its vocational training strategies, CINTERFOR should focus on migrant workers, domestic workers, workers with disabilities and workers in the informal economy; for the latter group, guidance could be obtained from the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). Work to better synchronize vocational training with other active employment and labour market policies should be carried out in consultation with the social partners. CINTERFOR should collaborate with the International Training Centre of the ILO and its good practices should be disseminated in other regions.
15. *Speaking on behalf of the Africa group*, a Government representative of Swaziland noted that CINTERFOR member institutions were at the forefront of regional efforts to collaborate in updating the knowledge management platform; the Africa group would look to learn from that experience. The proposed programme of work was welcome. The Africa group supported the draft decision.

Decision

16. *The Governing Body approved the income and expenditure estimates of the CINTERFOR extra-budgetary account for 2018–19, as set out in Appendix I to document GB.331/PFA/2.*

(GB.331/PFA/2, paragraph 30.)

Third item on the agenda

Programme and Budget for 2016–17: Regular budget account and Working Capital Fund (GB.331/PFA/3)

17. *A representative of the Director-General (Treasurer and Financial Comptroller) said that since 1 October 2017 contributions for 2017 and prior years amounting to some 12.8 million Swiss francs (CHF) had been received from eight member States, as detailed below:*

Member States	Contribution received for 2017	Contribution received for arrears	Total contributions received in Swiss francs
Bangladesh	60	–	60
Paraguay	128	–	128
United States	37 772	12 461 298	12 499 070
Panama	8 187	–	8 187
Burundi	3 788	7 396	11 184
Myanmar	1 600	–	1 600
Samoa	30	–	30
Israel	293 000	–	293 000
TOTAL	344 565	12 468 694	12 813 259

Including contributions received between 1 October and 30 October 2017, the total contributions received in 2017 amounted to CHF302,205,108. Of that amount, CHF260,560,977 represented contributions for 2017 and CHF41,644,131 represented contributions for arrears. The balance due as of 31 October 2017 was CHF168,242,414.

18. *The Worker spokesperson expressed gratitude to those Governments which had settled their 2017 contributions in full and welcomed the fact that those contributions had been higher than for the same period in 2016. The Workers' group supported the draft decision.*
19. *The Employer spokesperson said that his group noted with satisfaction that there had been an excess of income over expenditures for 21 months up to 30 September 2017 amounting to US\$61.5 million and an increase in assessed contributions for 2017 compared to the same period in 2016. However, it was concerning that the 2017 contributions of 47 Governments remained outstanding and 19 Governments had lost their voting rights because they were in arrears. It would be useful to be able to compare the level of the Working Capital Fund to levels for previous years. He asked whether the amount of CHF35 million as at 30 September 2017 was sufficient. The Employers' group supported the draft decision.*

20. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that it was vital that member States in arrears should expedite their payments to enable the Office to carry out its mandate and to prevent loss of member States' voting rights. The usual practice of subsequently providing the Chairperson with a detailed list of any necessary transfers between items was welcome. The Africa group supported the draft decision.
21. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that the Working Capital Fund had previously been a floating amount, which had reached higher levels. Following a review by the Governing Body and the International Labour Conference, the level had been fixed at CHF35 million since 1993. The amount could fluctuate during a biennium if there were short-term delays in collection of assessed contributions. Over the previous 25 years, there had been few occurrences when temporary shortfalls had exceeded the amount available in the Working Capital Fund. Cash available in other reserves had ensured sufficient liquidity. Consequently, the current level of CHF35 million was considered sufficient to maintain regular budget liquidity.

Decision

22. *The Governing Body delegated its authority under article 16 of the Financial Regulations to the Chairperson who may approve any transfers within the 2016–17 expenditure budget that the Director-General may propose, if needed, prior to the closing of the biennial accounts and subject to the endorsement of such approval by the Governing Body at its next session.*

(GB.331/PFA/3, paragraph 11.)

Fourth item on the agenda

Knowledge Strategy 2018–21

(GB.331/PFA/4)

23. *The Employer spokesperson* said that the tripartite constituents had a shared understanding of what the ILO required in order to deliver effectively on its mission. A key part of proper governance was to ensure that the Organization's knowledge activities were grounded in constituents' needs and priorities. The Employers welcomed the initiative to strengthen evidence-based research for informed policy-making. At global level, the themes and focus of research should be based on consultation with the Employers and Workers through their respective secretariats. Support provided by the ILO at national level should focus on agreed issues and reflect national priorities identified by the social partners. Such an approach was not incompatible with the need to preserve the independence of researchers. However, they were not constituents and could not be the drivers of the Organization's knowledge-based activities; rather, the Organization should generate opportunities for research and utilize the work of researchers in pursuit of agreed aims. Unfortunately, that was not current practice; research that was not grounded in constituents' priorities or failed to heed their input had resulted in dissatisfaction regarding the balance and relevance of some research publications and inconsistencies in knowledge products and data.
24. The document highlighted the use of Decent Work Country Programmes (DWCPs) to identify knowledge gaps. While acknowledging the Programmes' capacity to collect country-level information, the Employers were hesitant as to their quality. A meta-analysis of 15 DWCP reviews in 2014 had shown that, because some constituents had been left out of the consultation loop, their priorities had not been reflected in Programme activities. In

such cases, the DWCP could not underpin effective knowledge strategies at the national or global level.

25. The document submitted to the Governing Body was not a knowledge strategy, but a broad description of how such a strategy might work. It would therefore be difficult to endorse the proposed way forward. It was unclear whether the proposed Strategy encompassed the gathering and management of data, as well as dissemination, including through the ILO website. It should harness information not for its own sake, but in support of effective action. The Employers were not asking the Office to stop gathering information on long-recognized challenges, but rather to gather such information only in order to address them more effectively.
26. Since many countries, including those in post-conflict or disaster situations, found it difficult to collect even the basic labour market information necessary for sound policy-making, particularly outside their major population centres, the Strategy should include a “keep it simple” option. In such cases, the Office should focus on constituents’ concerns and secure reliable, basic information on the core performance of labour markets, rather than rapidly evolving information gathering or introducing emerging topics.
27. The knowledge-dissemination activities proposed in the document would require diverting resources in order to tell constituents how to use the information that the Office produced and would be unnecessary if the constituents’ needs had been captured. The document also mentioned the use of workshops, a very traditional approach; the Office should be guided by or work with ACT/EMP and the IOE in promoting new information resources.
28. New information technologies went well beyond the communication tools mentioned in paragraph 40. He wondered what consideration had been given to how such technologies, and particularly those characterized as “big data”, could help the Office to better gather, harness and employ knowledge. It was also surprising that the document did not mention the upcoming International Conference of Labour Statisticians or the revision of the International Classification of Status in Employment (ICSE-93), which underpinned national labour force surveys and other employment-related data collection and was thus an important source of data on labour markets. The Office’s response to the questions that he had raised would determine whether the Employers’ group could endorse the Strategy as proposed.
29. *The Worker spokesperson* said that, while acknowledging the progress made between 2010 and 2015, her group considered it important to address existing challenges in order to guarantee the quality, relevance and accessibility of ILO research and analysis. If ILO research was to have a credible voice in dealing with other UN agencies and stakeholders, it must be of a high academic standard. The Office should expand the scope of its research, which often focused on a limited number of purely economic issues, to include legal and political ones. Key topics such as compliance, social dialogue and industrial relations, including the right to freedom of association and collective bargaining and the effectiveness of labour market institutions, were insufficiently addressed under the current research agenda.
30. With regard to the Green Initiative, the International Labour Conference at its 106th Session had called on the ILO to undertake research about the realization of fundamental principles and rights at work in the transition towards an environmentally sustainable economy. Her group expected action in that regard and encouraged efforts to improve the accessibility of research through the development of policy and technical briefs, visual representations and the use of new technologies; materials could be produced for specific target groups, including the social partners.

31. Enhancing the Knowledge Strategy also implied improving collaboration among the units involved in research, both at headquarters and in the field, including when preparing flagship reports, monitoring progress towards the Sustainable Development Goals (SDGs) and ensuring that data on them fed into Office-wide publications. With regard to SDG indicators, the Office had developed SDG notes on a number of thematic issues, and her group would welcome information as to future issues to be published and themes to be covered.
32. Lastly, she welcomed the statement, in the 2016 UN Joint Inspection Unit (JIU) report on knowledge management in the United Nations system, that the ILO was “one of the pioneering organizations to have embraced the concept of knowledge management”. The Workers’ group supported the draft decision.
33. *Speaking on behalf of the Africa group*, a Government representative of Côte d’Ivoire, while welcoming the progress made as a result of the previous strategy, said that there was a need to strengthen collaboration between headquarters and the field, improve statistics and ensure a more efficient and equitable sharing of acquired knowledge. The new Strategy would contribute to implementation of the resolution on Advancing Social Justice through Decent Work adopted by the International Labour Conference in 2016. By converting the three focus areas of that resolution into objectives, the new Strategy sought to address the needs of constituents through the various activities carried out by the ILO and to consolidate the ILO knowledge base by improving the quality of research activities, building the capacity of constituents and instituting a mechanism for sharing all the knowledge thus obtained. While those were all laudable aims, the success of the new Strategy in Africa would chiefly depend on the Organization’s capacity to identify relevant models that already existed there and disseminate them throughout the world, using an information-sharing mechanism that was accessible to all. That raised the issues of Africa’s capacity to access the new technologies mentioned in the Strategy and of the measures that the ILO should take to facilitate such access and, ultimately, to foster access to the improved knowledge base. Such a mechanism should obviously be underpinned by a capacity-building policy that would enable Africans to play a key role in improving the ILO knowledge base. Accordingly, clarification should be provided on the specific and appropriate approach that the ILO would develop vis-à-vis Africa. Nonetheless, the Africa group supported the draft decision.
34. *Speaking on behalf of IMEC*, a Government representative of Turkey said that the ILO should continue to play its pioneering role in knowledge management, improve its capacity to keep pace with technological, demographic and environmental changes, as well as globalization, and prepare itself and its constituents for future challenges. IMEC supported the ILO’s Information and Knowledge Management Gateway. There was a great need for timely data on key aspects of country-specific information, and the Office should therefore continue to improve the quality of research conducted in the context of the Gateway.
35. The Knowledge Strategy had linkages with all other strategies, plans, programmes and centenary initiatives, and it was also vital for the enhanced visibility of ILO activities. The linkages, interrelations and reciprocal impacts of the Knowledge and Information Technology Strategies should be highlighted in implementation reports. The success of the Enterprises Initiative was closely linked to the Knowledge Strategy, and reference should also be made to that Initiative in the Strategy.
36. The work done by the ILO on producing and sharing information, data and evidence-based knowledge had enabled it to participate in multilateral platforms such as the G7 and G20. Its high-quality analyses were crucial to policy recommendations and increased its influence in global policy debates. Pursuant to the Strategy, the Office should brief the Governing Body, in its progress reports, on the information and knowledge generated for such platforms.

37. A clear and detailed knowledge strategy was crucial to the ILO's effectiveness as a knowledge-based organization. While the Office had clearly defined the objectives of the Strategy, the section on implementation should be further clarified and more information provided on how the ILO would change the way it managed and shared information. Although the Strategy did not contain key performance indicators, enabling outcome A in the Programme and Budget for 2018–19 could constitute a good basis for monitoring its implementation. National peer reviews to share experience and best practices should be used only on a voluntary basis. IMEC supported the draft decision.
38. *A Government representative of Mexico* said that the ILO was the reference organization for knowledge on labour issues. Consequently, it was crucial for it to have a strategy that was tailored to current global circumstances and which adequately addressed the needs and priorities of constituents. The fundamental thrust of the new Strategy was to improve the skills of constituents to produce statistics and data and to promote the sharing of best practices pertaining to the four strategic objectives. Recalling that the JIU report recognized the ILO as a pioneer in knowledge management, he supported the efforts made by the Organization to maintain its exemplary position. The achievements of the 2010–15 strategy were noteworthy. However, in order to tackle the remaining challenges and to ensure the relevance of ILO research and analysis, the role of the constituents was crucial. Governments, together with the social partners, were best placed to define research content, needs and priorities.
39. The efficient use of resources should be evaluated based on the impact of the information generated and its effective use by end users. In that context, emphasis was placed on the tripartite sharing of experiences and best practices, and on the participation of the ILO in forums such as the G20, to better understand the needs and priorities of the major economies. His country was committed to sharing information and best practices with the ILO that could enrich the knowledge base, and it would be ready to participate in defining study priorities and topics for global and regional meetings on information sharing. He supported the draft decision.
40. *A Government representative of China* said that improving data collection, sharing knowledge and maintaining the ILO's leadership in the world of work would enable member States to learn from each other, foster decent work, meet sustainable development challenges and take advantage of future opportunities. The three objectives of the Strategy were laudable, and it was to be hoped that the Office would rely on them to strengthen cooperation with the relevant bodies and ensure that countries and regions were fully involved in the ongoing ILO work. Over the previous two years, China had hosted meetings of employment ministers from the G20 countries and from Brazil, Russian Federation, India, China and South Africa (BRICS), with contextual papers provided by the ILO. The Organization should continue to support member States in organizing such meetings in the future. He supported the draft decision.
41. *A representative of the Director-General* (Deputy Director-General for Policy) said that the point of departure for the Strategy had been the Social Justice Declaration, as updated by the resolution adopted by the International Labour Conference in 2016. The current Strategy paid close attention to the spirit of that resolution, namely that consideration must be given to the needs of ILO constituents. There was an adequate basis to do so through ACT/EMP, ACTRAV, the Governing Body, meetings, regional events and country offices of the ILO.
42. To be a knowledge leader on labour issues, the ILO should adopt a forward-looking approach to research and focus on its normative agenda. It should also remain flexible and strike a balance between constituent-driven research and its own forward-looking research, in order to increase its global influence. To meet concerns related to technology and training, the ILO needed to build the statistical capacity of member States through national statistical offices.

In that regard, the comments of the Africa group were duly noted. The Information and Technology Management Department (INFOTEC) was developing better platforms to disseminate the information generated in smarter and more global ways. Member States would also be briefed in regional meetings and at country level on research activities and findings. Peer reviews were indeed voluntary and were only one way of sharing good practice; other options would also be explored. Research independence was crucial to the ILO's credibility. The Office relied on a research review group of external labour experts to shape some of the research issues. Given the challenges in the future of work, it was important not only to be forward looking but also to have external experts critique ILO methodologies. The Office had taken careful note of the need to continue deepening its influence, in both economic and normative terms, in the world of research.

43. *The Employer spokesperson* said that clarity was needed on the status of the document: was it a strategy or the description of a strategy? Could the Office present some forward-looking proposals, to which ACT/EMP could offer nimble and responsive input? While recognizing the strong endorsement of the draft decision that had been expressed during the discussion, the Employers would like to have some further dialogue on the subject.
44. *The representative of the Director-General* said that the Office was in the process of developing both its research agenda for the following biennium and the ways in which it would connect with constituents at the regional and national levels. The document was therefore a three-pronged strategy, whose projects were still being formulated. Constituents could indeed be forward looking, but that did not mean that independent researchers would not be consulted. Those researchers had a role in developing specific research projects, and there were methodological approaches in research that were fundamental to the independence of the Organization.
45. *The Employer spokesperson* welcomed the offer to have further dialogue with the various secretariats, representatives and groups, hailing it as a positive response to the concerns raised.

Decision

46. ***The Governing Body endorsed the Knowledge Strategy 2018–21 outlined in paragraphs 11–37 of document GB.331/PFA/4 and requested the Director-General to take into account its guidance in implementing the Strategy.***

(GB.331/PFA/4, paragraph 45.)

Fifth item on the agenda

Information Technology Strategy 2018–21 (GB.331/PFA/5)

47. *The Employer spokesperson* said that the information technology (IT) infrastructure had to be upgraded to facilitate coordination between headquarters and the field. Access to network files remained a significant challenge and field staff not having access to Office mobile devices posed a security risk. ILO databases, SharePoint sites and the search function of the website should be improved. Successful implementation of the Strategy required effective training for staff and users. He requested information on the basis for the calculation of the US\$9 million to be provided each biennium to the Information Technology Systems Fund,

and on the financial management benefits of reactivating that Fund. The Employers' group supported the draft decision.

48. *The Worker spokesperson* requested additional information on: the type of large-scale projects recommended through the Business Process Review (BPR); the current status of IRIS, the Office's future plans for it, the potential cost of updating it, and any work by the BPR to examine its effectiveness; the policy on recycling obsolete hardware; and the external parties with whom partnerships would be developed. Access to the ILO network on mobile devices was important; however, work-life balance should not be forgotten, and protection of data and privacy should be prioritized. News that the rollout of IRIS in Asia and Africa was nearing completion was welcome. When implementing the Strategy, the Office should consult with staff and provide any necessary training. In future documents, it would be preferable to use ILO terminology, such as "departments" rather than "business units". The Workers' group supported the draft decision.
49. *Speaking on behalf of the Africa group*, a Government representative of Cameroon said that the Office should continue providing IT tools to ensure the smooth dissemination of information and instant access to data, which would facilitate and promote social dialogue. Staff working on such tools should receive continuous training. Good progress had been made under previous IT strategies, but work remained to be done to promote more widespread use of IT tools. The Africa group supported the draft decision.
50. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Paraguay said that it was important to maintain data security and agility in work and communications in a rapidly changing environment. More effective governance based on a clear understanding of the needs of constituents and the Office would lead to better management of resources, and the existing resources should be restructured. To guard against cyber-attacks, all cloud computing services should be fit for purpose and undergo an assessment to establish if they were aligned to the needs of the Organization prior to their use. Access to the ILO website, intranet and network should be improved to ensure adequate bandwidth and increased download capacity. The increased use and protection of additional country-specific content from sources such as NATLEX, IRIS, Labordoc and iTrack were welcome. The Office should continue the digitizing process for NORMES' online reporting, the online submission of complaints and representations, and the management of requests for assistance from tripartite constituents. His group had noted the estimated costs for the renewal of hardware and software and the criteria for determining the replacement cycle. It was vital that the Strategy took into account that all action taken must help the Organization to achieve the SDGs, the seven centenary initiatives, and specific national targets. His group supported the draft decision.
51. *Speaking on behalf of IMEC*, a Government representative of Turkey said that the late publication of the document had given members limited time to study it. Furthermore, no full strategy was presented; instead the executive summary was followed by a section on the use of the Information Technology Systems Fund and then the Strategy outcomes. A more consistent approach to strategic documents was desirable. The three outcomes and related outputs were appropriate and a core part of the Strategy. However, indicator 1.1 appeared subjective and might not result in an accurate assessment of whether tools, systems and applications were fit for purpose. In respect of indicator 2.3, he requested further information on how the described risk of electronic document storage due to concerns with litigation and international law would be accommodated.
52. The successful implementation of the Strategy would depend on the application of the lessons learned from previous strategies. Careful planning was required to ensure that the latest systems, devices and software produced the desired results, and efforts must be made to guard against the duplication of hardware, software and services. He asked whether the

US\$47,882,137 allocated to IT management in the 2018–19 budget included the provision of US\$9 million per biennium to the Information Technology Systems Fund and, if not, where that funding would come from in the next biennium. When considering the future allocation to the Fund, the Office should inform the Governing Body of: the plans to reimburse some IT costs from extra-budgetary projects; a detailed business case and cost–benefit analysis of the outcomes of the Strategy; the envisaged spending on hardware, software and projects; the savings to be made by the implementation of the IT Strategy; a detailed assessment of the unfunded projects; and measures to reduce costs, including the provision of services from low-cost locations and partnerships within the United Nations family. Delaying or not undertaking recommended work as a cost-saving measure was not desirable. Some of the risks associated with the outcomes required immediate measures in order to eliminate or reduce them, in particular, issues surrounding disruptions in services, staff training, and ownership and loss of information. He requested the Office to submit regular progress reports to the Governing Body. IMEC supported the draft decision.

53. *A representative of the Director-General* (Director, INFOTEC), responding to questions raised, said that the provision of US\$9 million to the Information Technology Systems Fund each biennium would be sufficient for the needs of the Strategy for the four-year strategy period. The cost of the initiatives had been individually calculated, and the Office could provide that breakdown. It was important to have a capital fund so that planning could be strategic and dictated by needs, rather than by the constraints of a two-year cycle. In addition, negotiating large-volume orders over an extended period yielded discounts and saved procurement time and costs, as well as administrative overhead.
54. In addition to replacing redundant technology, it was essential to keep old technology running to ensure continuity, and the Strategy enabled both things to be done in parallel more effectively. The investment projects covered by the US\$9 million (per biennium) referenced in the Strategy related to, inter alia, electronic records management and replacing the ILO website and intranet. To support mobile working, the IT Strategy included implementing a “bring your own device” policy and mobile device management software to ensure protection of official ILO data on private mobile devices. To mitigate cyber threats, implementing network access control would also help ensure that any mobile device accessing the environment fully met ILO security standards and requirements.
55. As a result of the BPR, 119 initiatives had been identified which depended on IT to automate and improve process efficiency. Those initiatives had been incorporated into the Strategy.
56. In response to the status of IRIS, it was noted that the last major upgrade of IRIS had been completed in 2012. IRIS processes had also been evaluated as part of the BPR exercise. He advised that the implementation of IRIS in the regions would be completed by the end of the 2018–19 biennium.
57. Regarding the recycling of hardware, computers no longer covered by warranty were typically replaced and donated. In support of a green ILO, the Office was ensuring that it had energy-efficient machines, introducing more cloud computing, implementing a paper-smart policy, improving the equipment that managed power in the data centre and supporting teleworking. Approximately 90 per cent of hardware components were recyclable, and the Department of Facilities Management oversaw the recycling process.
58. For major IT initiatives, the Office ensured sufficient funding for change management, including training, support and communication were included in the total cost of ownership and project budget. The IT costs of any major initiative were usually relatively low in comparison to its training and change-management costs.

59. With regard to electronic storage of data, due diligence was exercised by the Office of the Legal Adviser, the Human Resources Development Department (HRD) and the IT security unit in order to ensure the encryption and security of all data stored in the cloud or offsite. Offsite storage of ILO data was only authorized in jurisdictions that respected UN privileges and immunities.
60. *The Employer spokesperson* said that it might be necessary to review the rules governing the regular budget, as creating a specific fund for every cross-biennium strategy or activity could lead to a chaotic situation. He was of the view that the regular budget should cover such situations. With that caveat, he supported the adoption of the draft decision.

Decision

61. *The Governing Body:*

- (a) *endorsed the Information Technology Strategy 2018–21, taking into account the views expressed during its discussion; and*
- (b) *endorsed, in principle, the reactivation of the Information Technology Systems Fund, the biennial contribution to be determined in the context of future programme and budget discussions and the implementation of the IT Strategy to be adjusted according to the available level of funding.*

(GB.331/PFA/5, paragraph 76.)

Sixth item on the agenda

Other financial questions

Financial arrangements for the renovation of the premises of the ILO Country Office for Brazil

(GB.331/PFA/6/1)

62. *The Worker spokesperson* said that she agreed that renovation of the existing ILO premises was the best option as it would solve technical issues, improve working conditions and render the building safe and secure. The Workers' group therefore supported the draft decision.
63. *The Employer spokesperson* said that the existing premises of the ILO Country Office for Brazil no longer met elementary standards of functionality and regularly required expensive and disruptive repair. Of the four options, renovation – at a cost of US\$1.61 million – would make the premises functional, fully compliant with the United Nations Minimum Operating Security Standards and more cost-efficient, while safeguarding a building designed by a prestigious architect. The Employers' group therefore endorsed the draft decision.
64. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that, having noted that the costs of the proposed renovation could be covered under the regular budget, the Africa group supported the draft decision.
65. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom asked why the Office's staff could not be accommodated permanently in the United Nations House.

If the renovation was absolutely necessary, it would be useful to know whether efforts had been made to find alternative sources of financing and whether the ILO had a governance structure for capital projects. The costing for the project did not include a contingency fund; IMEC could not support financing the proposed project or any associated cost overruns through an increase in assessed contributions. Noting that the renovation would require the use of 14 per cent of the Building and Accommodation Fund, she asked how the Fund was replenished, what its optimal balance was in light of the ongoing headquarters renovation project, and whether its use would have an impact on the budget for that project.

66. *A representative of the Director-General* (Deputy Director-General, Management and Reform) said that the temporary space available at the United Nations House was in shipping containers and would not be satisfactory for a country office in the long term. In early 2017, the Office had established a governance arrangement for all field office renovations and developments, chaired by himself and with representation from the Department of Facilities Management, the Finance Department and the Office of the Legal Adviser, to provide general oversight and ensure local oversight of projects. In the case of the Brasilia Office, the inspections conducted and the advice received from experts showed that the building was in a very bad state; moreover, deferral of renovation would inevitably lead to increased costs.
67. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that the Building and Accommodation Fund was financed biennially from two sources: some US\$300,000 under Part I of the regular budget for unanticipated ongoing costs, and some US\$3 million for long-term renovations or refurbishing under Part IV of the regular budget. The Brasilia Office renovation, if approved, would have no impact on the headquarters renovation, for which the funding had been separately earmarked by the Governing Body and was not part of the unobligated portion of the Building and Accommodation Fund.
68. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom said that in light of the Office's responses, her group was in a position to accept the draft decision.

Decision

69. ***The Governing Body authorized the use of the Building and Accommodation Fund in order to cover the unfunded portion of the cost of the renovation of the premises of the ILO Country Office for Brazil, which was estimated at US\$1.15 million.***

(GB.331/PFA/6/1, paragraph 8.)

Audit and Oversight Segment

Seventh item on the agenda

Independent Oversight Advisory Committee:

Revised terms of reference

(GB.331/PFA/7)

70. *The Worker spokesperson* noted with satisfaction that informal consultations had been held during the preparation of the proposed revised terms of reference of the Independent Oversight Advisory Committee (IOAC), which were contained in the appendix to document

GB.331/PFA/7. Her group agreed with the proposed revisions and supported the draft decision. In particular, it welcomed the additional text in paragraph 17 of the proposed text, which sought to strengthen the independence of the IOAC; the provision that Governing Body members and other member States must be informed of the search process, which should include when a vacancy was advertised; and the provision to continue to engage an external consultant to screen all applications despite the cost involved. More information should be provided on the types of claims, damages or losses that might arise as a result of the new immunity provision.

71. *The Employer spokesperson* said that the proposed text strengthened the independence of IOAC members, further reduced the risk of conflicts of interest and streamlined the recruitment process. He noted with satisfaction that most of the comments made by his group during the informal consultations had been taken into account, including with respect to maintaining the provision to continue to engage an external consultant for the screening and shortlisting of potential committee members, despite the cost involved. His group supported the draft decision.
72. *Speaking on behalf of the Africa group*, a Government representative of Mauritania highlighted the important advisory role played by the IOAC and acknowledged the need to review the selection process prior to launching the 2018 process. It was important to draw on best practices in other UN organizations. His group hoped that signing an annual declaration of independence would continue to be a requirement for all IOAC members. It supported the draft decision.
73. *Speaking on behalf of IMEC*, a Government representative of Finland thanked the Office for the well-managed informal consultations during the drafting phase and noted with satisfaction that most of her group's comments had been reflected in the proposed text. IMEC agreed with the proposal to continue to engage an external consultant for screening and shortlisting candidates, in order to ensure as reliable a process as possible. The IOAC's added value could be achieved only if its recommendations were implemented. She welcomed the addition of an indemnity clause in paragraph 39, but proposed the deletion of the first sentence of that paragraph, which was too detailed. Furthermore, recalling that the ethics function in the ILO required the same independence as the internal audit function, she proposed adding a provision after paragraph 3(g) to read: "the IOAC shall be consulted and may provide advice on the performance, appointment, and/or dismissal of the Ethics Officer".
74. *A representative of the Director-General* (Treasurer and Financial Comptroller), after thanking those Governing Body members who had participated in the informal consultations, which had helped the Office to prepare a document that reflected their expectations, said that the deletion of the first sentence of paragraph 39 would be made. With regard to the proposal to add a provision after paragraph 3(g), he explained that, when reviewing the terms of reference, the Office had, among other things, considered how the question of ethics was addressed in the terms of reference of other UN organizations. Consistent with other organizations, the IOAC's mandate already included compliance and probity, made specific reference to ethical conduct and provided for the attendance of the Ethics Officer at regular meetings of the IOAC. The proposed revised terms of reference reinforced the IOAC's role with respect to ethics, through further explicit references to the Ethics Officer. The IOAC had regular exchanges with the Ethics Officer and commented in its reports to the Governing Body on that matter. It also met regularly with the Director-General and provided him with advice on all aspects of its mandate, including ethics. The mandate of the equivalent bodies in other UN organizations, with only one exception, did not extend to involvement in the appointment, dismissal or performance appraisal of the Ethics Officer. At the ILO, the ethics function was assigned on a part-time basis to an existing official, who exercised his or her ethics function independently of other functions

and reported directly to the Director-General. While the Office considered the IOAC's role with respect to ethical matters to be an important aspect of its mandate, in view of the above considerations it was unclear whether the proposal by IMEC would be practical or add value. However, as the IOAC was an organ of the Governing Body, the terms of reference should reflect the Governing Body's requirements.

75. *The Chairperson* noted that the Governing Body wished to accept the proposal to delete the first sentence of paragraph 39 of the proposed revised terms of reference, and that it did not wish to accept the proposal to add a provision after paragraph 3(g).

Decision

76. *The Governing Body approved the revised terms of reference for the Independent Oversight Advisory Committee set forth in the appendix to document GB.331/PFA/7 following the deletion of the first sentence of paragraph 39 of the terms of reference.*

(GB.331/PFA/7, paragraph 6, as amended.)

Eighth item on the agenda

Annual Evaluation Report 2016–17 (GB.331/PFA/8)

77. *The Employer spokesperson*, noting that the report was long and technical, suggested that the Office could present the information in a more reader-friendly way in the future, well in advance of the session, and consider holding informal consultations to explain the ideas contained therein. Emphasizing the value of evaluation in supporting the ILO's work in terms of strengthening accountability for results, he noted that, while there had been significant improvement with regard to results-based management performance, there continued to be concerns about weaknesses in monitoring and reporting systems. He acknowledged the Office's efforts to increase the engagement of constituents in evaluation processes, but noted that many constituents faced challenges in respect of capacity to implement evaluation recommendations and that more should be done to engage them from the project design stage. Management responses to evaluation provided a meaningful way to showcase managerial commitment to results-based management. In the case of evaluation recommendations that had been only partially addressed or in respect of which no action had been taken, the Office should continue to liaise with the relevant directors in order to monitor progress and analyse why action was not being taken. Noting with satisfaction that the capacities of constituents and ILO staff to participate in evaluation processes had been rigorously developed through training activities, he said that it would be useful to track whether constituents were applying their acquired knowledge beyond their immediate engagement with the ILO.
78. Referring to recommendation 2, he said that the ideas contained therein seemed like a good practice in order to provide learning opportunities and better shape remaining interventions and activities of high-value projects. Noting the need to strike the right balance between monitoring and implementation, he asked whether such exercises would be independent or internal. Further efforts should be made to enhance the visibility and accessibility of the knowledge and information generated through projects, to facilitate cross-learning, enable new projects to build on good practices, and reduce duplication in future work. His group supported the draft decision.

79. *The Worker spokesperson* agreed that the report was difficult to digest but provided interesting information on the progress that the Evaluation Office (EVAL) had made in putting in place a robust and mature independent evaluation function. She encouraged EVAL to continue strengthening the capacity of workers' organizations to monitor and evaluate progress made in implementing the SDGs at the country level. Turning to outcome 1, in particular in relation to proposals to improve the effectiveness of the Evaluation Advisory Committee, she emphasized that if external Committee members would be included they should be familiar with the ILO's work, in particular international labour standards and the tripartite structure. The group supported the proposed topics for evaluation in 2018–20 and also the renewal of consultations with constituents, since the low level of specific feedback received in 2017 was the likely result of the exercise being carried out during the European summer vacation period. The group agreed that high-level evaluation should coincide with overall programme and budget cycles in order to ensure that resources were available for follow-up. It welcomed the substantial progress made in establishing an independent evaluation function for biennial milestone 1.3 and agreed on the need to establish an integrated evaluation planning system, improve the use of evaluation findings and enhance evaluation methods, to more fully reflect the ILO's normative mandate and tripartite structure. The group noted that the new draft evaluation policy contained in the appendix to the report built on the 2005 policy and the findings of the second independent evaluation of the ILO's evaluation function covering the period 2011–16, and endorsed recommendation 1.
80. Concerning outcome 2 in relation to biennial milestone 2.1, she noted that workers' organizations in particular were hard-pressed at the national level to follow up on evaluations. On biennial milestone 2.2, she welcomed the collaboration between EVAL and the International Training Centre of the ILO and supported the need for more cluster evaluations to improve strategic focus and quality and the changes made by EVAL to its quality appraisal tools. Turning to outcome 3, with respect to biennial milestone 3.1, she welcomed the proposed development of a diagnostic tool to enhance the evaluability of DWCPs in the context of the SDGs, adding that it should be complemented by appropriately targeted training for constituents. The group would be interested to know the respective numbers of worker, employer and government constituents among the 1,052 trained in evaluation over the 2010–17 period. Concerning biennial milestone 3.2, the group invited the Office to make its knowledge evaluation systems more user-friendly. She welcomed the improvements made in results-based management systems and tools and their inclusion in the Programme and Budget proposals for 2016–17 and 2018–19.
81. Turning to Part II of the document, she expressed concern that the incorporation of gender sensitivity in development cooperation project design had been only partly successful. In addressing that issue, the ILO should ensure greater involvement by constituents in project formulation and implementation. Concerning the ILO's performance, she noted that almost one third of projects required improvement in ensuring that tripartite processes were embedded; that only 45 per cent of projects had included the recommended funds for financing an evaluability review after start-up; and that the number of reviews conducted was minimal and only one had led to follow-up. The group therefore supported recommendation 2, in particular the proposal to undertake evaluability reviews for high-value projects. The group supported the draft decision in paragraph 100.
82. *Speaking on behalf of the Africa group*, a Government representative of Mauritania said that regular evaluation was the best basis for good governance and ensuring transparency. Evaluation findings should be used more to guide the Organization's strategies and action plans. However, a special effort should be made to keep evaluation procedures affordable and shorter than those covered in the report. His group welcomed all the evaluation measures adopted in the 2016–17 biennium and was in favour of the draft decision.

83. *Speaking on behalf of IMEC*, a Government representative of Finland noted with satisfaction the improved use of evaluation by management and constituents and the improved effectiveness of the Evaluation Advisory Committee. Her group looked forward to discussing the evaluation strategy in March 2018. She asked the Office how evaluations could be improved in order to inform specific elements of the ILO's Strategic Plan for 2018–21 with respect to the continuation, reinforcement or discontinuation of activities mentioned in paragraph 14. The new draft evaluation policy, which was welcome, should not only promote the use of evaluation findings and employ methods which captured the Organization's normative nature and tripartite structure, but it should also be brought into line with the 2030 Agenda for Sustainable Development and the revised United Nations Evaluation Group (UNEG) *Norms and Standards for Evaluation*. Indeed, the policy's success was contingent upon cooperation with UNEG and other external networks.
84. When upgrading and expanding the use of decentralized evaluations for management, the Office should be responsive to donors' policies and their reporting and accountability requirements when they differed from its own harmonized practices, especially in the case of new partnerships. External evaluations might have the advantage of freeing up some resources for other evaluations. Nevertheless, quality control was vital in all evaluations, which must be conducted and finalized in a timely manner in order to contribute effectively to institutional learning.
85. The focus on fostering a sense of community and an evaluation culture and on enhancing knowledge, skills and tools to expand evaluation capacity was commendable. As far as the assessment of the ILO's effectiveness and results was concerned, it was vital that the evaluation policy and the Office in general should address the shortcomings identified by the meta-studies in relation to gender, goal orientation, and monitoring and constituents' engagement. The group supported an evaluation of the Evaluation Policy in five years' time and noted that, as with the previous one, it should be an external evaluation. Her group supported recommendations 1 and 2, along with the draft decision with the expectation that the Office implements these together with pending recommendations from previous years.
86. *A Government representative of India* complimented the Office on the effectiveness of its evaluation work in the biennium 2016–17 and agreed with the definition of evaluation set out in paragraph 8. He endorsed the new draft evaluation policy and was in favour of conducting evaluability reviews of high-value projects within one year of their start-up in order to ensure a robust monitoring and evaluation plan.
87. *A representative of the Director-General* (Director, EVAL) explained that the report under consideration was indeed lengthy and contained a lot of technical detail because it covered the completion of the evaluation strategy for 2011–17, a fully independent evaluation of the evaluation function and its performance, and the preparation of a new evaluation policy, which was built on inputs from constituents and staff and designed to meet international standards, including the updated UNEG *Norms and Standards for Evaluation*. The next step would be the development of an evaluation strategy for submission to the Governing Body for its approval in March 2018. That evaluation strategy could address some of the points raised by the Governing Body members.
88. The purpose of an evaluation was indeed to produce findings which would influence policy decisions and be helpful to users. Progress had been made on the enabling environment for evaluation with a greater appreciation for its intellectual value but more Office-wide efforts were needed, including for EVAL, by focusing on improving the utility of evaluation results. To that end, a specific goal of the new policy was to devise methodologies which would involve constituents more closely. Furthermore, the Office had made a tremendous effort to better consider theories of change into the programme and budget as recommended in

evaluations. Paragraph 14 on using evaluation results to reduce or upscale activities should in fact have referred to the programme and budget and not the strategic plan.

89. The current evaluation policy was flexible enough to take into consideration the accountability and learning needs of donors and the ILO. EVAL was trying to synchronize evaluation with policy decisions through the Evaluation Advisory Committee. For example, every year it produced a review of all the lessons learned with regard to the topic to be considered under a given recurrent discussion. The capacity of constituents to engage in evaluation was important and 1,500 constituents had already been trained. Numbers would probably have to increase so that constituents could contribute better to the national review process that would be part of the reporting mechanism of the SDGs. Lastly, he confirmed that evaluations had shown it was necessary to improve the gender sensitivity of projects, including on how evaluation reports capture performance on that important matter.

Decision

90. *The Governing Body took note of the report (document GB.331/PFA/8) and endorsed the recommendations in paragraphs 23 and 99 to be included in the ILO's rolling plan for the implementation of recommendations to be reported on in the annual evaluation report 2017–18. It also confirmed the priorities identified in the report for the 2018–20 programme of work for evaluations.*

(GB.331/PFA/8, paragraph 100.)

Ninth item on the agenda

High-level evaluations of strategies and Decent Work Country Programmes (GB.331/PFA/9)

91. *The Worker spokesperson*, noting the findings of the independent evaluation of the ILO's strategy and actions for creating and extending social protection floors (2012–17) set out in Part I, commended the ILO's highly relevant work in that regard. However, continued efforts to improve gender mainstreaming at country level would be needed. It also would be wise for the Office to pay particular attention to workers in the informal economy, domestic workers and workers in the digital economy. Her group endorsed recommendation 1, but considered it advisable to disseminate innovative practices to the social partners as a means of building their capacity. It supported the adoption of a more programmatic approach to reducing transaction costs as advocated under recommendation 2 and considered that explicit theories of change related to ILO projects should highlight how the latter differed from the interventions of other United Nations agencies. The Workers welcomed recommendation 5 and specifically asked to have gender considerations mainstreamed into contextual analyses, targets and indicators. They also welcomed the Office's commitment to leading partnerships that upheld ILO values and principles of rights-based protection at a time when the International Monetary Fund was promoting strategies that ran counter to universal coverage. Her group therefore welcomed the launch of the Social Protection, Freedom and Justice for Workers Network on 24 October 2017.
92. Turning to the findings of the independent evaluation of the ILO's field operations and structure (2010–16), set out in Part II, her group appreciated the participatory approach to the evaluation, seeking the views of constituents. Her group would like the proposed design of a framework of engagement for clusters of countries in recommendation 1 to be a tripartite

process. Although it was true that gender equality and non-discrimination deserved more attention, other cross-cutting policy drivers also needed to be addressed. As far as recommendation 2 was concerned, information on how reform within the United Nations might have an impact on ILO field services would be appreciated. With regard to recommendation 3, in addition to better services for constituents in non-resident countries, further ways of supporting offices that were serving a large number of countries should be explored. Her group supported recommendation 4, but in respect of recommendation 5, considered that national staff should be given wider access to training opportunities. The group agreed with recommendation 6 on communication. Generally speaking, the reform of field operational structures should be more transparent and more information should be shared both internally and with constituents.

93. Moving on to the findings of the independent evaluation of the ILO's DWCPs, strategies and actions in the Mekong subregion (2012–17), set out in Part III, her group welcomed the fact that monitoring and evaluation would be strengthened in response to recommendation 1. Building the capacity of workers' organizations in results-based management would be helpful when addressing recommendation 2. As for recommendation 6, although the Office had stated that collaboration among decent work specialists was already well established, her group had information that suggested that there was little coordination or exchange between staff working on several projects within the same sector. Therefore, it would seem that, as called for by the evaluation, there was still room for improvement in that area. With regard to recommendation 7, the Workers invited the Office to strengthen accountability in relation to gender, persons with disabilities and indigenous communities. In line with the Bali Declaration, the Workers urged the Office to use DWCPs to promote ratification and implementation of Conventions Nos 87 and 98, as in many cases workers' organizations were still not seen as social partners. The Workers' group supported the draft decision.
94. *The Employer spokesperson*, with reference to Part I, underscored the importance of social protection floors for achieving the ILO's global strategy, both through assistance at the country level and through the ILO's contribution to global policy discussions. He commended the Office on the judicious use of its relatively limited resources for capacity building. His group supported the idea of improving the Global Flagship Programme on Building Social Protection Floors for All by facilitating access to expert services. Although a number of the areas of concern outlined in paragraph 10 should be addressed, when allocating the ILO's limited resources, priority should be given to field services. At the same time, since the absence of comprehensive capacity-building strategies seemed to be the greatest threat to progress, it was essential to improve knowledge and analysis, and his group completely endorsed recommendations 1, 2 and 7. Recommendation 1 should be aligned with indicator 3.3 of the Programme and Budget for 2018–19. Employers' organizations must participate in the determination of needs in the field and in certain regions. With regard to recommendation 6, he wished to know what areas of innovation had given rise to concern and what risks should be assessed.
95. Turning to Part II, on the evaluation of the ILO's Field Operations and Structure, he said that while the Employers appreciated the fact that over two-thirds of the initiatives in the 2014 Field Operations and Structure and Technical Cooperation Review Implementation Plan had been completed, they noted that the work in respect of field operations and structure was not always fully aligned with current and future needs and that the situation in non-resident countries was especially problematic. Decision-making processes in the management of field activities required greater decentralization and more effective human resources management. He noted that, as a result of slow recruitment processes, increasing mandates and a lack of representation in many countries, the ILO could not guarantee the sustainability of its activities or whether its desired outcomes would be met. Greater flexibility in the management of financial and human resources would ensure that decisions were made more effectively. The ILO had an important role to play in supporting regional

activities, particularly when decentralization had been successful, and he welcomed the experience of the Maghreb region in that regard. However, not all regions had that same positive experience.

96. The evaluation had revealed that the extent to which programme and budget proposals were based on an assessment of needs was not clear, as budgets only marginally changed from one biennium to the next. Thus, a more detailed needs analysis was required, and constituents should be able to discuss their needs through consultations. ACT/EMP carried out a needs analysis of employers' organizations in each biennium, which had proven to be a useful approach. The provision of technical assistance should be aligned to demand rather than supply; however, that was still not the case. Therefore, he expressed support for recommendation 1 on carrying out a systematic field operations demand inventory. That initiative should involve all constituents, where possible, as well as ACTRAV and ACT/EMP. Recommendation 2, on strengthening decentralization efforts, would reduce the burden of administrative procedures related to resources management and increase agility.
97. With regard to evaluation of DWCPs in the Mekong subregion in part III, he emphasized that the focus of the evaluation had been on the better integration of programmes on entrepreneurship and enterprise development into DWCPs.
98. *Speaking on behalf of the Africa group*, a Government representative of Mauritania welcomed the strategies and plans to implement the Social Protection Floors Recommendation, 2012 (No. 202), and hoped that projects in Africa which sought to improve access to social justice would be extended to other countries with a view to promoting greater formalization of the labour sector, in order to ensure that all workers benefited from social protection. Regional efforts to implement Recommendation No. 202 should also be encouraged. While the growing number of DWCPs was welcome, more regular programme evaluations would be advisable. His group, in appreciating the quality of the high-level evaluation of strategies and programmes, supported the draft decision.
99. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of Bangladesh said that, as social protection played a key role in the social, economic and political development of countries, it was important to enhance constituents' capacities, harmonize the Office's work with national needs and priorities, replicate good practices, and develop effective global partnerships. Its work henceforth should give particular consideration to the requests for support made by member States with limited resource mobilization capacity. The social protection agenda should be implemented in a coherent manner by headquarters, regional offices and field offices, and should encompass informal workers, especially those in developing countries. The Office should focus on developing long-term sustainable approaches to social protection. ASPAG therefore looked forward to the implementation of the Global Flagship Programme on Building Social Protection Floors for All at the country level.
100. ILO country offices should participate more efficiently and more responsively in United Nations Development Assistance Frameworks (UNDAFs) in order to secure progress in realizing the Decent Work Agenda. The ILO's field operations and structure should be fully aligned with national needs and priorities and facilitate the development of technical expertise. Ensuring that field staff had the right competencies would secure a more efficient response. For that reason, national staff should have better access to training, mentoring, research and networking opportunities.
101. Notwithstanding the progress made in the Mekong subregion in the implementation of DWCPs, the reduction in financial and human resources for the ILO's gender-related activities was a matter of concern. His group therefore supported recommendation 7 and

encouraged the Office to develop robust accountability systems to guarantee that those outcomes were met. ASPAG supported the draft decision.

102. *A Government representative of Japan* expressed support for the draft decision. Regarding the ILO's field operations and structure, decentralization would enhance the agility of decision-making at the field level. Administrative staff from headquarters should move to the field to ensure that headquarters management methods were used there. The ILO should further strengthen its field presence. It was to be hoped that evaluation would lead to more efficient and effective field activities. His Government would continue to contribute to development cooperation with a focus on continuing to realize the Decent Work Agenda in the Mekong subregion. He welcomed the emphasis on ensuring that projects had long-lasting impacts and encouraged the Office to implement development cooperation more effectively, based on the evaluation.
103. *A Government representative of Thailand* expressed appreciation for the support and expertise which the ILO had provided through its national and regional offices, programmes and projects, and which were instrumental to progress in developing labour legislation and policies and strengthening institutional capacities in his country. He looked forward to continued support in that regard and endorsed the draft decision.
104. *A Government representative of India*, commenting on Part I, said that social protection activities should be determined in each country on the basis of national capacity and socio-economic conditions. He supported recommendations 1 and 7 and welcomed the proposal to provide tailor-made capacity development programmes for social partners under recommendation 1.
105. Turning to Part II of the report on the evaluation of the ILO's Field Operations and Structure, he supported recommendation 1 on a systematic demand inventory and development of a portfolio of ILO services and recommendation 6 on improving communication functions for policy influencing. As member States were at different stages of development, country-led initiatives, with technical input from the ILO, would be more effective in promoting employment-focused policies within DWCPs. He supported the draft decision.
106. *A Government representative of Bangladesh* said that despite efforts to create and extend social protection floors, only one quarter of the global population had access to comprehensive social protection systems and that figure was likely to be lower in developing countries. He agreed with the focus on academic and professional development, with the tailored approaches provided by the Global Flagship Programme on Building Social Protection Floors for All and the ILO's rights-based social protection approach. However, the provision of social protection floors required not only a willingness to do so, but also the capacity to mobilize significant resources to that end. Large numbers of informal and self-employed workers, natural disasters and changing climates in developing countries were further challenges. As his Government was prioritizing the social protection of the most vulnerable members of society, efforts to build global partnerships for the development and implementation of low-cost social protection schemes in developing countries and to replicate good social protection practices were welcome. He supported the draft decision.
107. *A Government representative of China* considered it necessary to carry out these independent, comprehensive and objective evaluations. Extending social protection coverage was crucial to the implementation of the Social Protection Floors Recommendation, 2012 (No. 202), and would contribute to achieving the 2030 Agenda for Sustainable Development. The Government of China continued to adhere to the principle of full social protection coverage, and was willing to share its experience with the ILO and other member States. He commended efforts to increase the Office's efficiency and the

quality of its field operations and structure and hoped that personnel reforms would be another step in the right direction.

108. Under the DWCPs in the Mekong subregion, the initial successes achieved by close collaboration between ILO staff and the tripartite constituent groups provided a good foundation for building on the Decent Work Agenda in those countries. His Government had contributed US\$1 million to South–South cooperation. He encouraged the Office to provide guidance to member States in the Mekong subregion on how to enhance, monitor and evaluate progress under the DWCPs to encourage the member countries to conduct social dialogue and to consolidate and expand the outcomes of DWCPs. He supported the draft decision.
109. *A representative of the Director-General* (Officer-in-Charge, Field Operations and Partnerships) stressed that, as a result of decentralization, real increases in the resources allocated to the regions had amounted to 11 per cent for the period covered (2010–16). During the 2016–17 biennium, some administrative positions had been converted into technical posts and 17 new technical posts had been created in the regions. Approximately 75 per cent of development cooperation projects were being managed in the field. Historical and political factors, as well as different needs accounted for the disparity among field structures, where a needs-based approach was therefore essential.
110. One proposal under the BPR was to speed up recruitment for development cooperation projects, to ensure that personnel could be deployed quickly to meet identified needs in the field. The evaluation had shown that activities were less effective in non-resident countries. Subregional technical teams had been deployed to try to respond to that situation and ensure greater mobility and faster response times. Enhanced communications methods and a more proactive role of UN Resident Coordinators would improve the situation. Based on the report to be submitted by the UN Secretary-General at the end of 2017, information would be provided in March 2018 on the impact of ongoing United Nations reforms on the ILO's work at the national and regional levels.
111. *A representative of the Director-General* (Deputy Director-General for Policy) noted members' comments about the need for greater focus on capacity building, the informal economy, the gender dimension and social protection, as well as the need to pay careful attention to the judicious use of scarce resources, as well as the comments about the need for the Office to respond to constituents' requests. The Office would continue to do its best in that direction; its service delivery model was designed to respond to a variety of needs at country level. It also understood the need to advocate strongly – both in national and global forums – for social protection floors as an economic and social necessity in view of some of the counter arguments put forward and counter measures taken. It would continue to evaluate ILO public–private partnerships to see if they could be extended in conjunction with its Partnerships and Field Support Department (PARDEV), ACT/EMP, ACTRAV, and the Office of the Legal Adviser. The ILO welcomed the sharing of good practices, including through South–South cooperation and other channels.
112. *A representative of the Director-General* (Assistant Director-General and Regional Director for Asia and the Pacific) welcomed the positive feedback and comments from members, in particular those from Thailand, one of the countries subjected to evaluation, and those from China and Japan, which provided valuable support and technical assistance to the countries subjected to evaluation. The situation in the countries of the Mekong subregion was complex, but the evaluation had shown that they were making every effort to achieve a good balance of the elements listed in paragraph 97, by using ILO technical assistance and policy support and by determining areas on which to focus through comprehensive social dialogue. All the recommendations had been accepted and further improvements would be made to the assistance and collaboration provided in the region, particularly in terms of results-based

management, long-term impact and coherence. Indeed, improving coherence would be the main focus in the coming biennium. Due note had been taken of the concern regarding collaboration and coherence among specialists. Some internal mechanisms to cut across departmental silos and increase collaboration between specialists and constituents had already been instituted, and that work would continue.

Decision

- 113. *The Governing Body requested the Director-General to take into consideration the recommendations in paragraphs 17–23, 52–57 and 109–116 of the three high-level independent evaluations presented in document GB.331/PFA/9 and to ensure their appropriate implementation.***

(GB.331/PFA/9, paragraph 127.)

Tenth item on the agenda

Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU (GB.331/PFA/10)

- 114. *The Employer spokesperson*** commended the ILO on giving effect to most of the recommendations contained in the six JIU reports covered in the document and on its commitment to implementing the relevant recommendations in a cost-effective manner within the available resources.
- 115. *The Worker spokesperson*** supported the Office's position on the recommendations related to public information and communications policies and practices and shared ILO concerns that a number of recommendations regarding the organizational ombudsman services might compromise their independence and effectiveness. For that reason, care would have to be exercised when considering their implementation. Her group concurred with the UN System Chief Executives Board for Coordination (CEB) members' comment that the JIU should view the subject of fraud prevention, detection and response holistically, given the resource implications of its recommendations at a time when the ILO budget was not increasing. The CEB members' endorsement of the five recommendations on strengthening national capacities for statistical analysis and data collection to support the achievement of the Millennium Development Goals and other internationally agreed development goals was welcome. The Workers also agreed that statistics played a critical role in informed policy decisions. They took note of recommendation 4 on the UNDAF evaluation designated for ILO action as well as of the CEB members' comments thereon concerning governments' tendency to prefer their own national review processes, specific donor requirements or the need for agencies to engage in evaluations as part of a programme-led process. It was true that agency-specific evaluations remained important for internal accountability and organizational learning needs. When it came to UNDAF evaluations of ILO contributions, it was necessary to remember that standards and tripartism were rarely part of UNDAF work; the added value that the ILO brought to the UN system should not be overlooked.
- 116. *Speaking on behalf of the Africa group***, a Government representative of Mauritania said that since most recommendations appeared to be relevant and to coincide with current practices, they should be implemented in order to enhance governance and transparency. The policy on succession planning was particularly important; a strategy which would give priority to

under-represented countries in succession planning was necessary. In that regard, it noted the proposed point for discussion in paragraph 23.

117. *Speaking on behalf of IMEC*, a Government representative of Canada expressed great appreciation for the JIU's contribution to efficiency, accountability and transparency within the UN and for creating system-wide coherence. IMEC was looking forward to a number of JIU reviews over 2017 that would be of relevance to the ILO. It was also pleased to note the generally positive conclusions on the work of the ILO in recent JIU reviews. The document under consideration and the accompanying documents were evidence of the ILO's constructive approach to the recommendations of previous reports.
118. With regard to recommendation 13 in JIU/REP/2016/4, IMEC noted that the ILO had not responded to a call for the fraud investigation function to have adequate capacity to investigate. Recalling elements of the Chief Internal Auditor's statement at the Governing Body session in March 2017, his group asked the ILO to provide the investigation function with sufficient financing. With regard to recommendation 16 of the same report, IMEC agreed with the ILO's advice not to make fraud reporting a standing item on the agenda of the Governing Body, because the annual report of the Chief Internal Auditor to the March Governing Body was sufficient. The fraud information and statistics referred to in recommendations 15 and 16 should, however, be included in that annual report.
119. With a view to collaboration between UN agencies at the field level and an efficient use of resources, his group welcomed JIU recommendations 2 and 3 in JIU/REP/2015/6 on enabling field staff to have access to in-person consultations with the ombudsman of other UN organizations, on including questions related to the ombudsman service in staff surveys and on using the responses to promote and increase awareness of the ombudsman service. The ILO should take a constructive approach to those recommendations. IMEC took note of the ILO's acceptance of recommendation 5 on ombudsman reporting to the legislative bodies of the UN and expressed support for its implementation through the discussion of the Mediator's report in the Joint Negotiating Committee, as that forum was sufficient. It was also very pleased that the ILO fully supported the recommendations on the contribution of the UN development system to strengthening national statistical capacities and pressed the ILO to engage proactively in the follow-up to the Quadrennial Comprehensive Policy Review. The ILO should participate in these efforts through existing networks alongside other relevant international and UN agencies. IMEC also fully supported the ILO's endeavours to push for joint UNDAF evaluations at country level.
120. *A Government representative of India* referred to several reviews included in reference document GB.331/PFA/10/REF/2. Concerning recommendation 3 in JIU/REP/2012/10, he agreed that the Staff Regulations should be revised to protect staff representatives against discriminatory or prejudicial treatment based on their status or activities as staff representatives both during and after the end of their term of office. With regard to recommendation 6 in JIU/REP/2012/9, he asked the Office to provide details of any cost-benefit analysis underpinning its decision not to accept the recommendation relating to lump-sum payments to cover travel-related expenses. With reference to recommendation 1 in JIU/REP/2012/4 on the 15 recruitment benchmarks, particularly those aimed at securing equitable geographical representation and diversity in the human resources of UN organizations, he pointed out that India represented almost a sixth of the global workforce and had always stressed the need to ensure geographical balance at the ILO. The reiteration of the commitment to ensure greater geographical diversity in the 2018–21 human resources strategy was therefore welcome, although it should also include gender balance. He requested an update on implementation progress in respect of the need to revise the formula for calculating the desirable range of posts and on progress towards the objective of geographical diversity. He wished to know if there was a mechanism to follow-up on recommendations still pending after three years.

121. *A representative of the Director-General* (Director, Strategic Programming and Management Department (PROGRAM)) said that more information on succession planning and staff recruitment and on the Office's implementation of the recommendation thereon would be supplied during the debate on the human resources strategy 2018–21. Mobility was one of the key elements of the Office's human resources policy. As for the mechanism to follow up on recommendations, he noted that, as requested by the Governing Body, the Office's reports focused on recommendations commented on by the CEB. Regarding recommendations pending beyond three years, the Office continually monitored the status of their acceptance and implementation. Lastly, he took note of the comments made by IMEC in respect of field staff's access to the ombudsman. Discussions and consultations would continue on ways of securing such access in the interest of the Organization and of staff.
122. *A representative of the Director-General* (Treasurer and Financial Comptroller), responding to IMEC, said that the capacity to investigate was monitored very closely by the Office and the Independent Oversight Advisory Committee. The latter considered the workload and resource situation of the Internal Audit Office, which includes the investigation function, at each of its meetings. In his Programme and Budget proposals for 2018–19, the Director-General had proposed a further allocation of US\$300,000 to that Office for investigation purposes, which the Governing Body had supported. If the Chief Internal Auditor had difficulty in coping with an increased workload within existing resources in the course of a biennium, available resources were redeployed to allow the Office to discharge its investigation function. He noted the comments made by IMEC and said that the Internal Auditor would continue to report on fraud investigations on an annual basis.

Outcome

123. *The Governing Body noted the information contained in the report (GB.331/PFA/10) and provided guidance to the Office.*

(GB.331/PFA/10.)

Eleventh item on the agenda

Other audit and oversight questions

124. There was no document under this agenda item.

Personnel Segment

Twelfth item on the agenda

Statement by the staff representative

125. The statement by the staff representative is reproduced in the appendix.

Thirteenth item on the agenda

Human Resources Strategy 2018–21

Agility, engagement and efficiency (GB.331/PFA/13)

126. *The Worker spokesperson* expressed support for the three expected changes in organizational management outlined in the paper and welcomed the efforts of the Office and Staff Union to enhance human resource policies. A new employment contract framework was key to the Office's employment and career development. To achieve the highest standards of efficiency, competence, independence and integrity, conditions of service must be attractive, permanent contracts should be granted to a certain number of staff and decent conditions should be offered to staff on short-term contracts. A progressive contractual policy for project-based staff would boost efficiency and competence in the delivery of ILO development cooperation programmes.
127. The commitment to speed up the recruitment of development cooperation staff and efforts to improve gender equality in professional and senior positions were welcome. Cooperation with the ILO International Training Centre in Turin on staff development, training and capacity building was fully supported, as was continued ILO engagement with the International Civil Service Commission (ICSC) to ensure that ILO specific needs and values related to social dialogue and labour relations were taken into account. The Workers supported the draft decision.
128. *The Employer spokesperson* said that it was difficult to respond to the document, because the absence of concrete information on how the Office would proceed made it hard to understand how the expected outcomes would be achieved. It was impossible to assess whether or how well the ILO's human resources plans had been followed in recent years, given that the previous strategy had been developed and approved under the aegis of the previous Director-General, and thus superseded by the reform programme implemented by the current Director-General.
129. Turning to the three expected changes in organizational management, he asked for detailed information on how the new employment contract framework would address the ILO's most critical human resources challenges. It was unclear how measuring the number of staff who changed position or duty station would provide a measure of the Organization's agility in responding to a challenging and volatile external environment, or how tracking the percentage of performance reviews completed – a routine process – would gauge progress in strengthening internal governance and accountability.
130. While it was indeed important to have an engaged workforce, there was a disconnect between the generally stated objectives and how the ILO planned to measure progress in that regard. Again it was unclear how measuring the recruitment time for staff funded by donors would provide insight into the improvement of competencies and commitment. However, measuring the improvement in representation of less-than-adequately represented nationalities, and in gender equality in senior positions would provide valuable insight on those important objectives.
131. Digitalizing paper processes might improve human resources services, but a more effective method might be to adopt a more service-oriented approach that paid particular attention to enabling easy transition of new officials into their jobs, facilitating greater mobility, enabling more career development opportunities and enhancing the motivation of employees at all stages of their career. The Employers supported the draft decision.

132. *Speaking on behalf of ASPAG*, a Government representative of Japan expressed appreciation to the Office for the comprehensive proposal on the human resources strategy, a crucial element for the ILO to attain its goals. He urged the Office to tackle the under-representation of ASPAG countries and to report periodically on progress made. The Office should review indicator 2.1.2, as a target of raising the recruitment of staff from less-than-adequately represented nationalities by 25 per cent by 2021 might lack validity, since the target would be easily attained, given low recruitment in 2017 compared to a significant increase forecast by 2021. Gender diversity was a vital consideration in recruitment; the ILO's Women at Work Centenary Initiative would offer an opportunity for it to lead the way by demonstrating its commitment in that area. Since the linguistic requirement in the Staff Regulations played a key role in recruiting talented candidates from various countries, the group requested the Office to explain how that requirement was being implemented in practice. Hiring staff with extensive knowledge and experience of employment, labour and world-of-work issues as well as with linguistic skills would help the ILO to attain its goals. Finally, the Office's attitude towards information disclosure on human resource management was less satisfactory than that of other international organizations; for example, the latest Staff Regulations were not publicly available. Given that understanding current regulations was essential for productive discussions on the human resources strategy, ASPAG encouraged the Office to deal with the issue immediately.
133. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia thanked the Office for the report, which meticulously outlined the human resources strategy that was aligned with the ILO's Strategic Plan for 2018–21. However, he said that the document provided insufficient information on the outcomes and lessons learned from implementing a range of new tools, processes and procedures to strengthen the efficiency and effectiveness of human resource services. More concrete information would be appreciated on the achievements and lessons learned from implementing the previous human resources strategy within the framework of the BPR initiated in 2016, which should inform the new human resources strategy. While the efforts of the Office to ensure greater diversity among its staff were appreciated, the target of increasing the number of less-than-adequately represented nationalities by 25 per cent by 2021 was found to be very low, and it was not clear whether it covered both regular budget and development cooperation project positions. Geographical representation criteria should also apply to higher posts and not be limited to staff in lower positions. With regard to risk assessment, his group wished to know precisely how the key risk factors of lack of financial resources and capacity to meet major human resource IT development needs could be mitigated. In order to create synergies among various strategies, ensure coherence and maximize their impact, the human resources strategy should be implemented not in isolation from other strategic initiatives such as the Knowledge and Information Technology Strategies but in harmony with them so as to maximize impact. The Africa group did not support the draft decision and proposed an amended text, which would read: "The Governing Body takes note of the Human Resources Strategy 2018–21 and requests the Director-General to revise the document, taking into account the discussions, and present [it] for consideration at the 332nd [Session of the] Governing Body in March 2018."
134. *Speaking on behalf of IMEC*, a Government representative of Canada said that the Human Resources Strategy 2018–21 was vital to efforts to engage with and motivate staff and to ensure a healthy work–life balance, in order to for them to deliver the results that constituents expected. However, further consideration should be given to talent management programmes, teleworking and flexible work arrangements. IMEC agreed with the choice of indicators and the intended focus of the Strategy. The group strongly supported an active ILO mobility policy; however, indicator 1.1 should be broken down into two separate indicators on functional and geographical mobility, as otherwise the target could be met solely by changes in positions at headquarters. Reducing recruitment times was important, as experience from the past had shown that delays in recruitment of key staff sometimes had

significantly affected the ability of ILO development projects to deliver expected results, and indicator 2.1.1 came with an ambitious but achievable target; in addition, it should reflect the need for a competence-based and transparent recruitment process. Indicator 2.1.3 on gender equality in professional and senior positions was welcome. She requested an update on the situation regarding gender balance, particularly in P5 and D positions. She noted that the ILO should demonstrate a leading role when it came to promoting and realizing gender equality. She asked how the gender component of the Strategy would be aligned with the UN System-Wide Strategy on Gender Parity and requested the Office to publish its data on the implementation of the System-Wide Action Plan on Gender Equality and the Empowerment of Women 2.0. She asked how the results of the independent evaluation of the ILO's field operations and structure 2010–16 had been reflected in the Strategy. The focus on reducing work-related stress and burnout was welcome, and the Administration should have a zero-tolerance approach to discrimination and harassment. Which tools would be used to eliminate and prevent future incidents? Strengthening internal governance and accountability would help, and the Office should consider implementing management accountability compacts similar to those used at the UN and the World Health Organization. IMEC supported the draft decision.

135. *Speaking on behalf of the BRICS countries*, a Government representative of China said that the Strategy should focus on recruiting staff of the highest standards of competence, efficiency and integrity. Recruitment responsibilities should be devolved to the regional offices wherever possible, in particular for entry-level positions and internships, to accelerate the process of diversification of the workforce. Internship programmes should be used to build capacity for young people and promote recruitment from less-represented regions and countries. Additional statistics on geographical representation and gender balance of interns in Geneva and information on the recruitment requirements would be welcome. Equitable geographical representation and gender balance should be pursued both with regard to the field offices and at the policy-making level. Priority should be given to achieving the target for less-than-adequately represented nationalities under indicator 2.1.2. The development of staff and leaders should be aligned with the responsibilities and targets contained in the DWCPs. He requested an update on the Strategy in March 2018.
136. *A Government representative of the Islamic Republic of Iran* said that securing the highest standards of efficiency, competence and integrity was vital in the recruitment of staff. The principle of equitable geographical distribution was also of paramount importance, and member States' contributions and populations should be given higher priority. He supported the draft decision.
137. *A Government representative of the Republic of Korea* said that she supported the Office's approach of recruiting the most talented people from across the world and making its human resources services more efficient. Retaining and managing human resources would be the Office's greatest challenge in getting ready for transformative change in the world of work before the centenary. Skills upgrading was needed for staff members, and the Performance Management Framework should be extended to increase staff accountability for performance. The proposed recognition of high-performing staff members was welcome. The Office should listen to member States and ensure equitable geographical distribution and gender parity in recruitment for professional and higher positions both at regional offices and headquarters. Additional information on the baselines for the indicators of the Strategy would be welcome, to verify that the targets set were sufficiently challenging. She supported the draft decision.
138. *A Government representative of China* welcomed the pragmatic approach to human resources reform adopted by the Office. He supported the goals of the Strategy, in particular those relating to a mobile and engaged workforce, the development of staff and leaders, the improvement of human resources services through digitization, and enhanced cooperation

with the International Training Centre of the ILO and the ICSC on human resources reform. The target for less-than-adequately represented countries was particularly welcome, and China stood ready to assist the Office by recommending candidates for the Junior Professional Officer programme and the internship programme. The concerns of under-represented countries should also be taken into account in recruitment to P and D positions. Regular progress reports concerning the indicators and targets of the Strategy would be valuable. He supported the draft decision.

139. *A representative of the Director-General* (Director, HRD) said that the strategy document differed from those in the past in that it contained indicators and targets that would facilitate the Governing Body's assessment of the Office's performance. The concerns of a number of member States relating to geographical representation, especially of less-than-adequately represented nationalities, were noted. An average over the previous four years could be used as the baseline. However, there would potentially be a reduction in the number of vacancies in regular budget positions from 1 January 2018, owing to the Governing Body's decision to increase the mandatory age of separation to 65 years.
140. The gender component of the Strategy was well aligned with the UN System-Wide Strategy on Gender Parity, which had been developed with the help of the Office. Information on the current situation relating to gender parity could be found in document GB.329/PFA/INF/4. Around 45 per cent of professional and higher positions were occupied by women, which was not far from achieving parity. Women outnumbered men in P2 and P3 posts, and gender parity had been achieved in P4 posts. However, only around 35 per cent of P5 posts and 39 per cent of D1 posts were currently held by women, therefore work was required in that respect.
141. The Office had reported to the Governing Body in March 2016 on the Human Resources Strategy for 2010–15, in which much progress had been made in creating leadership and management development programmes, increasing geographical and functional mobility, raising rates of compliance with the Performance Management Framework, concluding new agreements on maternity protection and devising policies and procedures for combating harassment. The geographical diversity criteria were applied only to the recruitment of staff financed by the regular budget. Both gender equality and geographical diversity should indeed be applied throughout the grading structure, not just lower grades. The issue of risk assessment was addressed in paragraph 31 of the document, and included workforce planning, contingency planning and the creation of standard operating procedures for most human resources functions. Synergies did exist with the IT and knowledge strategies, and also the development cooperation strategy.
142. IMEC's proposal to break down the mobility indicator into separate indicators for geographical mobility and functional mobility was feasible and would be given due consideration. Reducing the length of time required for recruitment was included in the Strategy; the corresponding indicators were shown in the document. As to field operations, HRD and PARDEV, alongside other departments and regional offices, were examining how to further enhance human resources support.
143. The Organization had a zero-tolerance approach to harassment and misconduct, and new procedures were in place. A list of sanctions imposed on staff members found guilty of misconduct had been published earlier in 2017.
144. Young persons recruited to the ILO's internship programme were subject to a selection process that took into account geographical diversity and gender equality. Around 130 interns per year were assigned to headquarters and approximately 100 to field operations. In addition to gaining important experience, interns participated in training that provided them with knowledge of the labour market. While the relative inexperience of most

interns made it difficult for the Office to hire them to regular positions, the programme was an important pipeline for ILO recruitment in the long term.

145. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia said that, having reviewed the response of the Office to its concerns, the group requested that the matters be incorporated in the strategy document at the earliest opportunity so that it could endorse the draft decision. If that was not possible during the current session of the Governing Body, the group would revert to its proposal to defer the decision to the March 2018 session.
146. *A representative of the Director-General* (Deputy Director-General, Management and Reform) said that the design of the Human Resources Strategy 2018–21 had taken into account the outcomes and lessons learned from the previous strategy, particularly on performance management, recruitment processes, leadership development, the Organizational Health Index and the BPR. As a result of modified recruitment strategies, the number of staff appointments from less than adequately represented or non-represented countries had more than doubled from the 2013–14 biennium to the 2015–16 biennium, and the number of applications received from candidates from those countries had also doubled; however, greater improvement was necessary. Those recruitment strategies would be continued and further initiatives would be introduced. Reviews of the Human Resources Strategy would examine potential affirmative action programmes, the composition of selection panels and requirements for language and experience.
147. The overall risk strategy for the Office had been established within the framework of the programme and budget, and included human resources risks and mitigation strategies, namely: resources shortfall, qualified talent shortfall and internal human resources capacity. There was also a matrix in place linking the Human Resources Strategy with strategic plans related to information technology, knowledge sharing and development cooperation, among others.
148. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia thanked the Office for the explanations it had provided in response to his group's concerns about matters that had not been explicitly or fully captured in the Office document, and requested the Office to put those concerns and the responses on record. He supported the draft decision, on the understanding that the issues would be addressed in the next Office document on the HR Strategy.

Decision

149. ***The Governing Body endorsed the Human Resources Strategy 2018–21 and requested the Director-General to take into account the guidance provided by the Governing Body in implementing the strategy.***

(GB.331/PFA/13, paragraph 32.)

Fourteenth item on the agenda

Amendments to Staff Regulations

150. There was no document under this agenda item.

Fifteenth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Recognition of the Tribunal's jurisdiction by other international organizations (GB.331/PFA/15)

151. *The Employer spokesperson* said that his group supported the draft decision.
152. *The Worker spokesperson* said that it was regrettable that the World Meteorological Organization (WMO) had decided to discontinue its recognition of the Tribunal's jurisdiction despite its staff association having expressed a preference to the contrary. The Workers' group supported the draft decision.
153. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia said that his group welcomed the recognition of the ILO Administrative Tribunal's jurisdiction by the ASEAN+3 Macroeconomic Research Office (AMRO). He encouraged the Office to continue cooperating with the WMO in relation to any outstanding issues pertaining to its withdrawal. The Africa group supported the draft decision.
154. *Speaking on behalf of IMEC*, a Government representative of the United States commended the work of the judges of the ILO Administrative Tribunal. IMEC welcomed AMRO's recognition of the Tribunal's jurisdiction. However, it was concerning that the WMO had decided to discontinue its recognition of the Tribunal's jurisdiction just one year after the Permanent Court of Arbitration's withdrawal. IMEC sought assurance from the Office that the withdrawals were not part of a broader trend suggesting that an escalating financial burden and protracted delays in judgment delivery had led to a loss of confidence in the Tribunal's processes and jurisprudence.
155. Regarding the workload and effectiveness of the Tribunal, IMEC recognized the Director-General's ongoing efforts to work with the European Patent Organisation (EPO) to improve its internal policies with a view to reducing the number of complaints filed against the EPO and thus enable the Tribunal to discharge its backlog. The group requested a full report on those efforts and on the progress in clearing the backlog at the March 2018 session of the Governing Body.
156. IMEC considered that the Director-General should continue to explore, in consultation with the Tribunal, all possible means for ensuring its effective and unhindered operation and requested a report on the possible measures to enhance the functioning of the Tribunal at the March 2018 session of the Governing Body. IMEC supported the draft decision.
157. *A representative of the Director-General (Legal Adviser)* said that there was no indication of a broader trend of member organizations withdrawing from the jurisdiction of the Tribunal. While financial reasons were mentioned in the context of the withdrawal of the Permanent Court of Arbitration and delays in the delivery of judgments were cited by the Legal Counsel of the WMO as the main reason behind the WMO's decision to withdraw from the jurisdiction of the Tribunal, there was nothing to suggest that an escalating financial burden was causing dissatisfaction among member organizations. Nor was there reason to suspect a loss of confidence in the Tribunal's jurisprudence. It was indicative that the Permanent Court of Arbitration had decided to resolve the employment disputes of its staff

through recourse to a single arbitrator who was bound to apply the case law of the ILO Administrative Tribunal.

- 158.** According to statistics provided by the Registry of the Tribunal, there had been a clear reduction in the number of complaints filed against the EPO in the first nine months of 2017 as compared to the same period in the previous two years. Furthermore, detailed information had been received from the President of the European Patent Office concerning an Executive Council decision of June 2017 on the comprehensive reform of the EPO internal justice system, including the appointment of external chairpersons to its appeals committee and disciplinary committee. The Office could prepare the two reports requested by IMEC for the subsequent session, subject to the approval of the Screening Group.

Decision

159. *The Governing Body:*

- (a) approved the recognition of the Tribunal's jurisdiction by the ASEAN+3 Macroeconomic Research Office (AMRO), with effect from 31 October 2017;*
- (b) took note of the intention of the World Meteorological Organization (WMO) to discontinue its recognition of the jurisdiction of the Administrative Tribunal;*
- (c) confirmed that the WMO would no longer be subject to the competence of the Tribunal with effect from 31 October 2017;*
- (d) requested the Director-General to follow up with the WMO regarding the payment of any outstanding costs.*

(GB.331/PFA/15, paragraph 18.)

Sixteenth item on the agenda

Other personnel questions

Update on the decisions taken by the International Civil Service Commission (ICSC) at its 85th Session regarding the post adjustment index for Geneva (GB.331/PFA/16(Rev.))

- 160.** *The Worker spokesperson* said that the ICSC decision had raised significant managerial, methodological and legal concerns in all Geneva-based staff agencies, particularly regarding the rental data and housing sub-index calculations. She fully supported the Office in pursuing dialogue with the ICSC in its review of the survey methodology and its application. She agreed with the Office on the need to implement decisions arising from the common system bodies. However, it was important to ensure that the Office was not exposed to financial liabilities arising from potential legal challenges. That was why it was better to wait until the ICSC review of the survey methodology before proceeding to implement the ICSC decision. The Workers' group supported the draft decision.

161. *The Employer spokesperson* said that ensuring the fair treatment of Office staff was of greater importance than maintaining internal equity and consistency within the UN common system. The ICSC recommendations should therefore be disregarded and no reductions in staff remuneration should be made. The principle of equity required a solid methodology, but questions had been raised as to the ICSC's methodology, analysis and recommendations. The lack of consensus as to the facts and analysis supporting the decision was very troubling, as were the prospect of legal challenges and the potential negative impact on the Organization's ability to attract, retain and motivate staff members and to service constituents. The Employers could support the draft decision to postpone a final decision until the March 2018 session of the Governing Body if additional information leading to understanding between the ICSC and Geneva-based agencies was likely to emerge beforehand. If the Commission's methodology and application were determined to be sound, the Employers would seek ways to alleviate the financial impact on ILO staff.
162. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia said that he welcomed the efforts of the Director-General and the heads of other Geneva-based UN agencies to clarify the survey methodology and its application, and the ICSC's commitment to review, in collaboration with representatives of the administrations and staff associations, the post adjustment salary methodology and application. It was therefore reasonable to wait for the outcome of that process before implementing the ICSC decision. He asked whether there would be any legal and administrative implications for the ILO of delaying implementation. The Africa group supported the draft decision.
163. *Speaking on behalf of IMEC, ASPAG and the Eastern Europe group (EEG)*, a Government representative of Canada said that the issue should not be on the agenda of the Governing Body, as ICSC decisions should be implemented automatically by all agencies in the UN common system and did not require the Governing Body's approval. In terms of procedure, the ILO website had not indicated that there would be a document and draft decision on the matter until the document's publication, which had occurred at a late stage, with no prior indication that it would be late.
164. Consistent policies and system-wide standards were important because they maintained a level playing field for work of equal value, prevented organizations from competing for staff, allowed for central maintenance of salary scales and allowance schedules, and facilitated a contemporary approach to workforce planning and inter-agency mobility. The post adjustment was designed to provide staff with the same purchasing power at all duty stations; uneven application would challenge the future of the common system. The ICSC had confirmed that its data collection and processing had been conducted in accordance with the approved methodology, and any changes resulting from the review would not take effect until the next round of cost-of-living surveys. Therefore, the ICSC decision should be implemented in full for both new and existing staff within the newly established timelines. IMEC, ASPAG and the EEG could not accept the draft decision of the Office and proposed the following new wording:

The Governing Body:

- (a) notes that the application of the revised post adjustment index for all Geneva-based staff in the Professional category and above on the basis of the results of the 2016 round of cost-of-living survey will be implemented in full – for both new and existing staff – in line with the timelines set out by the ICSC at its 85th session; and
- (b) welcomes the decisions of the ICSC, as set out in its annual report of 14 August (ref. A/72/30 in paragraph 127):

“The Commission decided to:

(a) reaffirm that the collection and processing of the data from the baseline cost-of-living surveys for 2016 were carried out by the secretariat in accordance with the approved methodology;

(b) take note of the findings in the documents prepared by the Geneva statisticians, and of staff federations, on various aspects of the post adjustment methodology, and the secretariat's response to those findings, and to provide both documents to the Advisory Committee on Post Adjustment Questions; and

(c) request the Advisory Committee to continue its work on improving the methodology underpinning the post adjustment system, in collaboration with representatives of the administrations and staff federations of the United Nations common system."

- 165.** *Speaking on behalf of the Nordic countries*, a Government representative of Finland, supporting the IMEC statement, said that the Office should implement the ICSC decision in full and without delay. The decrease in the post adjustment resulted from the lower cost of living in Geneva; that did not constitute a "wage cut". It was important to preserve unity within the common system. Prolonged, unnecessary discussion would divert time and attention from the UN's core work of delivering on the SDGs and would put its reputation at risk.
- 166.** *A representative of the Director-General* (Deputy Director-General, Management and Reform) said that the Office document referred to the ILO's legal obligation to implement the decisions of other bodies in accordance with the principles established by the ILO Administrative Tribunal. The Office was proceeding with caution to ensure that implementation of the ICSC decision would be based on appropriate methodologies, which was a matter still under review. The ICSC decision was due to be implemented as from February 2018, and the recommendations of the ICSC Advisory Committee on Post Adjustment Questions would be available by the end of that month. By postponing a final decision on application of the revised post adjustment index until the March 2018 session, the Governing Body would be able to take into account the outcome of the review of the survey methodology, any issues identified and the recommendations made by the ICSC Committee.
- 167.** *The Director-General* said that the Office fully appreciated the importance and sensitivity of the issue and the contrasting concerns expressed by the constituents. As to process, he had clearly stated at the previous session in June 2017 that the matter would be placed on the agenda of the current session. The need to maintain and support the integrity and authority of the ICSC and of the common system was precisely what had moved the Office in its recent engagement with the ICSC. The choice between respecting the integrity of the common system and ensuring fair and legal treatment of staff was not an insoluble dilemma.
- 168.** The only engagement of the ILO and other organizations with the ICSC had been to seek assurances as to the validity and accuracy of the methodology applied; there had been no attempt to negotiate on salary levels. Although not termed as such, when staff members received less pay at the end of the month, that was indeed a wage cut. It was essential to the authority of the ICSC and of the UN common system that the ILO exercised due diligence in verifying the accuracy and appropriateness of the methodology used by the ICSC and the decisions it had reached. The Office document explained why there were management, technical and legal challenges. It was to be hoped that those challenges would be resolved through sincere, objective and productive dialogue with the ICSC. Deferring a final decision on implementation until March 2018 would allow the Governing Body to consider the situation in fuller knowledge of the facts. That would mean a two-month delay in the implementation of the ICSC decision. The ILO remained committed to the integrity and authority of the ICSC and to the necessity of preserving the common system.

169. *The Employer spokesperson* said that he had been in contact with several governments and was sympathetic to their concerns; however, he believed that there was real value in making another attempt to resolve, at the expert level, differences of fact regarding methodology and application. The Governing Body did not currently have a full picture of the situation that would enable it to take a decision. In any event, his group could not support the amendment proposed by IMEC.
170. *The Worker spokesperson* said that, while the situation was a difficult one, her group supported the draft decision in its original wording.
171. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia said that his group, which was largely composed of ministers of labour, had attempted to engage with IMEC in a search for a balance between the integrity of the UN common system and the fair treatment of staff. His group supported the draft decision as proposed by the Office.
172. *The Employer spokesperson* asked whether the Office could assure constituents that the Governing Body, at its March 2018 session, would be presented with a set of facts regarding the methodology and its application that both the ICSC and the Geneva-based organizations agreed to.
173. *The Director-General* said that, while he could not speak for the ICSC, the Office would make every effort to meet the Employers' request at the next session.
174. *Speaking on behalf of IMEC, ASPAG and the EEG*, a Government representative of Canada said that some members of the groups that she represented had read an ICSC report which might not have been available to other Governing Body members. It might be useful to delay action on the draft decision for a few days so that that information could be shared and discussed.
175. *A Government representative of Australia* supported the request for consideration of the item to be deferred until later in the session.
176. *A Government representative of the Russian Federation* said that his country and the EEG supported the proposal made by IMEC.
177. *The Worker spokesperson* said that a few days' delay was unlikely to resolve the issue; she would prefer to adopt the draft decision as proposed by the Office.
178. *The Employer spokesperson* said that if there were particular considerations that were of concern to IMEC, that group should clarify them. Similarly, any information that was specific to that group should be shared, so that the Governing Body could take a more informed decision on the matter.
179. *A Government representative of Swaziland* said that there was a clear majority in support of the draft decision and she saw no need to delay the adoption of the draft decision.
180. *Speaking on behalf of IMEC, ASPAG and the EEG*, a Government representative of Canada said that she would be happy to engage in further discussion with the Employers' and Workers' groups. However, it was clear that the ILO had a mandate with respect to workers and the world of work, and she respected the views of the majority of Governing Body members.

Decision

181. *The Governing Body:*

- (a) *noted that a review of the methodology and of the conclusions of the report of the team of statisticians would be undertaken by the International Civil Service Commission (ICSC) before its 86th Session; and*
- (b) *decided that the application of the revised post adjustment index for all Geneva-based staff in the Professional category and above on the basis of the results of the 2016 round of cost-of-living surveys would be considered for final decision at its 332nd Session in March 2018.*

(GB.331/PFA/16(Rev.), paragraph 10.)

182. *Speaking on behalf of IMEC*, a Government representative of Canada said that the Governing Body should consider a number of points ahead of its next session. The Office's commitment to the UN common system was undoubted; however, the delay in the implementation of the ICSC decision regarding the post adjustment index would weaken that system and lead to an inconsistent application of the ICSC mandate to staff within it.
183. As to the draft decision in the document, not all of the information on which it was based had been shared, particularly with the social partners. For instance, the Office had shared the views of its own statisticians on the survey methodology, but not the response of the ICSC or explanations of the decision, which had been known to governments. The unbalanced presentation had led to poor decisions based on incomplete facts. The group sought the Office's assurance that all relevant documents from the ICSC would be provided to constituents well before the March 2018 session of the Governing Body so that they would receive adequate consideration and result in better-informed decision-making. An ICSC representative could also be invited in order to dispel any misunderstandings.
184. She requested clarification regarding: the action the Office would take once the ICSC review was complete; the proposed date of implementation of the ICSC decision; the circumstances under which ILO management would propose not to implement the decision at all; the advice that would be given to staff; and the manner in which the ILO management would engage with the union in social dialogue to facilitate implementation of the decision to be taken at the March 2018 session. The Governing Body members would also welcome information on the implications of the decision it had taken at the current session, including the financial implications. IMEC strongly supported and encouraged communication between the ICSC and all stakeholders. Lastly, she expressed dismay that the group's request for additional time for consultations had not been granted; it was expected that that courtesy would be extended to all parties in the future.
185. *The Director-General* welcomed the recognition of the fact that the ILO had always been, and would remain, committed to upholding the UN common system. All the Office's efforts had been undertaken with that objective in mind. It was his firm hope that, after its discussion in March 2018, the Governing Body would be in a position to implement the ICSC decision and that the concerns about inconsistency would be resolved. The Office had never sought to withhold information; indeed, it would not be in its interests to do so. The Office would be able to provide the Governing Body with the fullest possible information in March 2018 about the outcome of the ongoing dialogue between the ICSC and its Advisory Committee on Post Adjustment Questions, and the ILO and other organizations. Nobody desired greater transparency on the issue than ILO management.

- 186.** There would be no financial cost to not implementing the ICSC decision, because the decision had not been known at the time the Programme and Budget for 2018–19 was approved. If the ICSC decision was implemented as it stood, the savings would be approximately US\$250,000 per month. The Office would carefully prepare its document for the March 2018 session and endeavour to provide all parties with all the information they desired. He welcomed the proposal to invite the ICSC to make its views known in person, subject to the approval of the steering group, or through documentation. It was his hope that the Governing Body would be able to reach a decision in March 2018 that would allay IMEC's concerns and meet the approval of all parties.

DRAFT

Appendix

Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section (331st Session – 31 October 2017)

Mr Chairperson,

Mr Director-General,

Ladies and gentlemen, members of the Governing Body,

Dear colleagues,

It is my honour to address you today as the elected Chairperson of the ILO Staff Union, which represents around 70 per cent of the staff. This is a great opportunity for me to talk to you about industrial relations within the Office, the morale of the staff and their position on the items on the Governing Body's agenda.

Of particular interest to the staff are two documents on, respectively, the Human Resources Strategy for the next five years (document GB.331/PFA/13) and the decisions taken by the International Civil Service Commission (ICSC) regarding the post adjustment for Geneva (document GB.331/PFA/16(Rev.)).

The first of these documents is subtitled "Agility, engagement and efficiency". Naturally, these words drew the attention of the staff representatives, who were very interested in the long-term strategy prepared by the Human Resources Development Department (HRD) since, as we all know, an organization's value is often measured not only by the competence and motivation of its staff, but also by their well-being, all of which are needed to help them to achieve their goals. The staff representatives therefore took due note of the document and would like to take this opportunity to share with you their position on several of the issues mentioned therein that have a direct impact on staff working conditions.

While the Staff Union is pleased to note that the Office wants "to be able to attract, develop, engage" and, above all, "retain" staff, it really hopes that these good intentions are not merely a strategy on paper and that they are followed by specific action in favour of staff. It also hopes that "agility", a current buzzword, does not threaten job security. The Union will therefore make every effort to ensure, on the one hand, that staff retain their acquired rights with regard to contracts without limit of time and, on the other, that colleagues working on development cooperation projects are no longer considered expendable depending on the needs of the Organization. These colleagues, who now account for 40 per cent of the ILO's workforce, are entitled not only to contracts of the same duration as the projects for which they were hired, but also to prospects for genuine career advancement and incorporation into the Organization, since they helped it to achieve its goals. This issue has, of course, been discussed during the negotiations on a new contracts policy, which are still under way.

With regard to staff recruitment and selection, the Staff Union would like to make two remarks:

- First, while it agrees that the Organization needs to diversify its workforce, it hopes that this initiative will not be limited to geographical or gender diversity. The term "diversity" has a far broader meaning and should also include ways to better integrate persons with physical or mental disabilities. Above all, the Staff Union hopes that this issue will be incorporated into the rules set out in the Staff Regulations rather than including them in the internal ad hoc practices, which give rise to numerous equity and justice problems and are a factor in the upsurge in legal complaints, which are never in

the Organization's interests. If the rules must be changed, the Union is prepared to resume its place at the bargaining table, at which time it will reaffirm that it is essential for the Organization to introduce a comprehensive programme to identify, recruit, integrate and support young people from all countries – including under-represented or unrepresented countries – so that they can plan their long-term career with the Organization calmly and, above all, legitimately.

- Our second comment concerns the targets listed in paragraph 19 of the document. The Union notes that, as a result of the intervention of the private corporation charged with conducting the Business Process Review (commonly referred to as the BPR), everything must now be quantified. As an attentive, involved witness to the recruitment and selection procedures, the Union wonders where the data presented was gathered. The human and financial resources allocated to the ILO recruitment service are so minimal and so piecemeal that, in all probability, these targets cannot be met without a relentless work overload for the staff. The point is not to streamline at all costs but, in an Organization that should serve as a model, to make it possible to recruit or select the best person in every service or office set up worldwide, and that process cannot be reduced to the bare bones. “Quick and dirty” is unacceptable if we want the quality needed in the recruitment and selection of our staff.

The document also makes several references to staff members' need for a healthy environment and good working conditions. All of the colleagues whom I represent doubtless have a wealth of individual and collective experience to share with regard to their daily lives in the Organization, where the pressure continues to grow, where they are required to record the progress of their work to the nearest half-hour and where General Service staff are doing four or five jobs at the same time, particularly in the field; some of them are performing tasks far above their grade level and having to run whole offices in the absence of the director and the experts, who are overwhelmed by the burden of missions in neighbouring countries. This situation has a significant impact on the Organization's ability to act and on its independence in meeting constituent needs. I also feel compelled to mention the working conditions of our colleagues on development cooperation projects; for reasons of economy, some of them are sent to so-called “fragile” States that may lack the minimum safety standards, while others are working on month-to-month contracts with no idea of what their career prospects may be. Doing more with less; abolishing posts when the incumbent retires; using subcontractors in areas that are already stripped to the bone, such as security; spreading uncertainty and frustration – it all has a cost in terms of health and staff morale and, as a result, the incidence of work-related illness is rising continually. Is this what the Organization wants for its staff as it prepares to celebrate its centenary? Is the future of work less important in the ILO itself than it is elsewhere? The Organization should be wary of false economies.

The Staff Union would also like to raise the issue of internal governance. While the administration seems to be satisfied with ILO governance, the staff representatives believe it is premature to say – as indicated in paragraph 12 of document GB.331/PFA/13 – that “significant investments have been made in advancing internal governance and accountability”. Much remains to be done with respect to transparency and accountability in cases of misconduct in order to increase staff trust in the administration's decisions in this area. While the concept of zero tolerance is much talked about within these walls, it cannot reasonably be based on a piecemeal and simplistic approach, lacking the clear vision of a comprehensive accountability framework. The Staff Union would like the Organization, in the interests of the ILO and its staff, to have a comprehensive and coherent system with guidelines and procedures in place, to ensure that the persons concerned will be treated fairly, irrespective of their place in the hierarchy, and that their rights will be respected, in line with the ILO accountability framework adopted in 2010 and in keeping with the other organizations in the United Nations system.

Of course, I cannot end my comments on the Human Resources Strategy without discussing one issue that the staff representatives consider to be fundamental: where is social

dialogue in all of this? You have to wait for the penultimate page of the document, which focuses primarily on staff matters, to find any reference to the Staff Union (“the staff representatives”) and that it has been placed under the category of “synergies and cross-cutting issues”.

Finally, some good news: instead of not being included at all, the Staff Union will be involved in everything!

At any rate, this is how the staff representatives interpret it. They will be ready to take part in all future discussions, consultations and negotiations that will be held in the formal setting of the Joint Negotiating Committee on all the topics covered in the five-year strategy. This will ensure that the promises made in paragraph 27 of the document are kept, which refers to “a conducive work environment and smooth industrial relations”.

Last but not least, ladies and gentlemen, members of the Governing Body, let me now turn to the final document, GB.331/PFA/16(Rev.). I am sure you will all have something to say about this. You all know that one of the special characteristics of the international civil service is the two-tier system for determining its conditions of service and working conditions. Some aspects may be determined within each organization through a kind of bargaining framework; but when it comes to determining salaries and allowances, the ICSC is recognized as the competent body, under the delegated authority of each organization. This is what we know as the “United Nations common system”.

I am not going to go back over all of the events that have taken place because the six-month fight – including mass demonstrations and work stoppages, supported by global petitions and acts of solidarity by some of the most remote duty stations in the field – cannot be summarized in just a few minutes. However, I can tell you what, in the light of new developments, staff are still unwilling to accept. Make no mistake about the purpose of this action. This is not an isolated fight of affluent civil servants at a headquarters location determined to maintain their salary at any cost. ILO staff are responsible and devoted, and prepared to accept decisions concerning their conditions of service, as long as those decisions are substantiated, justified and fair. This fight is about probity; it is about the seriousness and reliability of analyses. It is a fight that they believe to be justified, a fight for their salaries to be determined according to surveys applying measurable, transparent criteria to the situation of the countries where they are based; surveys that do not contain over 50 officially acknowledged mistakes, as was the case, for instance, with the 2016 survey for Geneva salaries. It is a global fight for all United Nations staff – whether based in Nairobi, Jakarta, Haiti, Addis Ababa or Bangkok – who, in respect of staff surveys, have suffered for years from a lack of transparency and technical clarity and, ultimately, from a lack of accountability and admissibility on the part of the body conducting the surveys.

The July 2017 session of the ICSC was a case in point. The session was intended to clarify a number of issues and to put minds at rest, in the hope of steering the figures back in the right direction and allowing the staff representatives to leave in the knowledge that, by entrusting the ICSC with determining their salaries, they were relying on the pillars of good faith, reliability and competence.

Having been there in person, I can tell you that this was far from true. It was even agonizing in many respects. In addition to some very far-fetched data being used to justify a sudden salary cut of close to 8 per cent – while all national indicators show otherwise – staff representatives witnessed with dismay how overt contempt and arrogance were directed at some of the highest bodies representing the United Nations and at major global trade union federations which, alarmed by the seriousness of the situation, had offered to have a dialogue, but whose letters had not even been read. They were appalled at the content and form of the discussions, and at the weakness of the technical arguments. Not once was the methodology questioned by the entity using it. The staff’s distrust of and anger at the ICSC further increased when their representatives learned that the recommendations adopted at the session, and which could have led to positive action in favour of the staff, were not based on any sound technical arguments. Thus, the unilateral decision to reintroduce a temporary

cushion in the form of a margin at an arbitrary rate appears to be a short-term token gesture intended to appease staff. In any event, it would not solve the underlying problem: the methodology and how long-term calculations are made. In its July decision, the ICSC undertakes to review the methodology and to hold discussions with all the parties concerned. This is a wise decision. Furthermore, we have just learned that other organizations in the United Nations system recently decided to stay their hand pending receipt of up-to-date information to enable them to make an informed decision. ILO staff are therefore counting on the members of the Governing Body to follow suit, as they consider it to be premature, not to say risky, to do otherwise at the current time. Time must be set aside for discussions on reviewing the methodology – and staff representatives should be involved in those discussions. The salaries of staff based in Geneva and, indirectly, in the other headquarters locations and in all other duty stations can only be fairly determined on the basis of reliable facts.

As the staff representative, it is my duty to inform all of you, ladies and gentlemen, members of the Governing Body, that trust would otherwise be destroyed forever, and ILO staff would be more determined than ever to contest, by any means necessary – including before the various relevant tribunals – any decision that is technically unfounded. Indeed, our colleagues at the United Nations secretariat and other organizations have already started down that path, with over 250 legal appeals having been lodged with the Registry of the United Nations Dispute Tribunal to date and more expected.

As I said earlier, we must be wary of false economies. It is therefore important to think in the long term and to assess any potential losses.

This regrettable episode has, in any case, highlighted one fact: there is no collective bargaining mechanism in place for the United Nations system. Currently, the salaries of 60,000 international civil servants are determined using methodologies that are certainly very complex, but above all incredibly opaque – whose arcane calculations are jealously guarded by the heads of the duty stations – and are non-negotiable. The events of the first half of 2017 have only served to confirm the belief of all United Nations staff members (both at headquarters locations and in the field) that, against the backdrop of upcoming reforms, the United Nations can no longer harbour this Commission in its current form. It employs seventeenth-century methods, and with each passing day becomes less trustworthy and credible, posing a growing problem for both the staff and the organizations. ICSC working methods must therefore be overhauled as a matter of urgency and a dependable formal framework for labour relations established within the United Nations system. The reputation of the United Nations is at stake and the ILO will doubtless have a role to play in the reform process.

Thank you,

Catherine Comte-Tiberghien
Chairperson of the Staff Union Committee