INTERNATIONAL LABOUR OFFICE

Governing Body

335th Session, Geneva, 14–28 March 2019

GB.335/PFA/1/1

Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment

PFA

Date: 25 March 2019
Original: English

FIRST ITEM ON THE AGENDA

The Director-General's Programme and Budget proposals for 2020–21

The Director-General's proposals for adjustments to the Programme and Budget proposals for 2020–21

Purpose of the document

In this paper the Governing Body is invited to recommend the proposed Programme and Budget for 2020–21 as adjusted, for approval by the Conference (see draft decision in paragraph 7).

Relevant strategic objective: Not applicable.

Main relevant outcome/cross-cutting policy driver: Not applicable.

Policy implications: Recommendation on programme and budget.

Legal implications: None.

Financial implications: Recommendation on budget level for 2020–21.

Follow-up action required: None.

Author unit: Office of the Treasurer and Financial Comptroller (TR/CF).

Related documents: GB.335/PFA/1.

1. In respect of the Director-General's response to the Programme and Budget debate, this document provides financial information on the proposed adjustments to the budget.

2. Attached are two appendices summarizing the proposed adjustments to the original proposals and the revised budget totals resulting from these adjustments.

3. Appendix I contains the revised strategic budget, including the proposed adjustments.

4. Appendix II summarizes the revised proposals taking account of the revisions to cost increases and the programme adjustments. The net effect of these adjustments is to reduce the nominal level of the proposals by US$19,672,094, from US$823,775,803 to US$804,103,709.

5. In summary, the proposed reductions in constant 2018–19 dollars are as follows:

	US$
Part II: Provision for unforeseen expenditure	1 125 000
Part IV: UN resident coordinator system	4 570 014
Part IV. Building and accommodation fund	1 885 000
Part IV: Information technology systems fund	5 300 000
Part IV: Security	6 500 000
Subtotal	**19 380 014**
Provision for cost increases	292 080
Total	**19 672 094**

6. The increased cost sharing of the United Nations resident coordinator system of some US$4.6 million would be funded from efficiency gains and programme reductions in Part I of the budget. All other reductions would be reconsidered within future programmes and budgets.

Draft decision

7. ***The Governing Body:***

(a) ***recommended to the International Labour Conference at its 108th Session (June 2019) a provisional programme level of US$804,103,709 estimated at the 2018–19 budget rate of exchange of CHF0.97 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference; and***

(b) ***proposed to the Conference at the same session a resolution for the adoption of the programme and budget for the 77th financial period (2020–21) and for the allocation of expenses among member States in that period in the following terms:***

The General Conference of the International Labour Organization,

(a) in virtue of the Financial Regulations, adopts for the 77th financial period, ending 31 December 2021, the budget of expenditure for the International Labour Organization amounting to US$............ and the budget of income amounting to US$............ which, at the budget rate of exchange of CHF……. to the US dollar, amounts to CHF………, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives;

(b) requests the Director-General to present for examination and adoption by the Governing Body at its 337th Session (October–November 2019) complementary information pertaining to the results framework comprising outcomes, indicators, baselines and targets for the biennium, reflecting the relevant outcomes of the 108th Session (June 2019) of the International Labour Conference.

Appendix I

Revised strategic budget: Proposed expenditure by appropriation line

	Strategic budget 2018–19 [1]	Adjusted proposed strategic budget 2020–21	Adjusted proposed strategic budget 2020–21
	(in US$)	(in constant 2018–19 US$)	(recosted (US$))
Part I. Ordinary budget			
A. Policymaking organs	**50 735 649**	**50 735 649**	**51 558 242**
B. Policy outcomes	**627 872 964**	**628 073 901**	**635 931 680**
C. Management services	**62 171 040**	**62 270 103**	**63 024 343**
D. Other budgetary provisions	**45 457 712**	**45 157 712**	**43 203 398**
Adjustment for staff turnover	-6 420 379	-6 420 379	-6 446 399
Total Part I	**779 816 986**	**779 816 986**	**787 271 264**
Part II. Unforeseen expenditure			
Unforeseen expenditure	875 000	875 000	875 000
Part III. Working Capital Fund			
Working Capital Fund	–	–	–
Total (Parts I–III)	**780 691 986**	**780 691 986**	**788 146 264**
Part IV. Institutional investments and extraordinary items			
Institutional investments and extraordinary items	3 428 014	15 713 000	15 957 445
Total (Parts I–IV)	**784 120 000**	**796 404 986**	**804 103 709**

[1] The strategic budget proposals for policymaking organs include resources from the Official Meetings, Documentation and Relations Department and the Internal Services and Administration Department, which directly support the governance activities. To facilitate comparison with 2020–21 figures, the 2018–19 budget was revised to reflect a revised methodology of apportionment.

Appendix II

Provisional programme level for 2020–21 resulting from the adjustments proposed by the Director-General

(in constant US$)

			2020–21 provisional level (US$)
Part I.	**Ordinary budget**		**779 816 986**
Part II.	**Unforeseen expenditure**		
	Initial proposals	2 000 000	
	Net programme adjustments	-1 125 000	
	New proposal		**875 000**
Part III.	**Working Capital Fund**		**–**
Part IV.	**Institutional investments and extraordinary items**		
	Initial proposals	33 968 014	
	Net programme adjustments	-18 255 014	
	New proposal		**15 713 000**
Provisional programme level (in constant dollars)			**796 404 986**
Cost increases			
	Initial cost increases	7 990 803	
	Reduction in cost increase due to programme adjustments	-292 080	
	New proposal		**7 698 723**
	Total adjustments	*-19 672 094*	
Provisional programme level (recosted)			**804 103 709**

Comparison with 2018–19 Programme and Budget

		2018–19 budget	**2020–21 provisional level** (in US$)	**Increase/(decrease) compared with 2018–19**
Part I.	**Ordinary budget**	779 816 986	779 816 986	–
	Cost increase		7 454 278	7 454 278
Part II.	**Unforeseen expenditure**	875 000	875 000	–
Part III.	**Working Capital Fund**		–	–
Part IV.	**Institutional investments and extraordinary items**	3 428 014	15 713 000	12 284 986
	Cost increase		244 445	244 445
	Total budget (Parts I–IV)	**784 120 000**	**804 103 709**	**19 983 709**