INTERNATIONAL LABOUR OFFICE

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GB.335/PFA/PV

Programme, Financial and Administrative Section **PFA**

MINUTES

Programme, Financial and Administrative Section

Contents

Programme, Financial and Administrative Segment

First item on the agenda

The Director-General’s Programme and Budget proposals for 2020–21 (GB.335/PFA/1)

1. *The Director-General* presented his Programme and Budget proposals for 2020–21 (his statement is reproduced in Appendix I).

Introduction and results framework (chapters 1, 2 and 3)

2. *The Worker spokesperson*, highlighting the ongoing challenges in realizing social justice 100 years after the creation of the ILO, said that the Programme and Budget proposals for 2020–21 should deliver on the Organization’s mandate to realize decent work and social justice through the four pillars of the Decent Work Agenda and increased policy coherence. The ILO’s success must be measured on its capacity to safeguard its mandate, its normative function and the added value of tripartism in the context of the United Nations (UN) reform process. With regard to the risk register, her group sought clarification as to why the ILO’s tripartite nature had been identified as a risk in the register for 2020–21, while this was a comparative advantage that increased its positive impact in the context of the UN reform.

3. Concerning the development of a new results framework, the Workers supported the continued relevance and centrality of the Decent Work Agenda’s four inseparable, interrelated and mutually supportive strategic objectives. The strategic objectives, as defined by the ILO Declaration on Social Justice for a Fair Globalization (Social Justice Declaration), should not be re-interpreted, and the alignment with the 2030 Agenda for Sustainable Development (the 2030 Agenda) should not be used to redefine the concept of decent work. Therefore, her group expected that the integrity of all four strategic objectives would be preserved when policy outcomes were identified in November. The inclusion of other decent work indicators as well as the Sustainable Development Goals (SDG) indicators would be pertinent in the results framework. The Workers had noted that indicators would be developed for short-term outputs and medium-term outcomes, whereas targets would be set only for outputs, and had asked whether limiting targets to outputs might be perceived as doubting the Office’s capacity to influence policy implementation and compliance with legislation. Her group agreed that increased effort would be required to build the statistical capacity of the Office and member States, and therefore supported the allocation of additional resources to labour statistics in the biennium 2020–21 in order to measure SDG indicator 8.8.2.

4. In terms of the key areas of future ILO action, more should be done to ensure universal respect for the right to freedom of association and collective bargaining including through increased ratification of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). Respect for international labour standards would be central to the ILO’s contribution to the UN reform and delivery of the 2030 Agenda; the Workers therefore expected to see ratification and implementation targets in relation to the results indicators established for each policy area, and adequate resources allocated. In the face of globalization and technological change, the ILO should address the needs of all workers, not only the most vulnerable and disadvantaged. The Programme and Budget for 2020–21 should include a policy outcome on collective bargaining and industrial relations in order to address growing concerns relating to income inequality. The role of the social partners in shaping socio-economic policies should be reflected in increased allocation of human and financial resources. Changing production patterns influenced by the digital society and the platform economy must be addressed by strengthening labour institutions, rights at work, employment relationships and labour protection measures, in addition to a focus on addressing occupational safety and health challenges. Turning to the four cross-cutting policy drivers, the ILO's 2015 *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, with the effective participation of the social partners, should form the basis for the driver on a just transition to environmental sustainability. The policy driver on gender equality and non-discrimination should address structural obstacles to gender equality and help design policies that would generate greater opportunities for women to access decent and well paid jobs. The Office should consult constituents following the 108th Session of the International Labour Conference in order to further develop the programme and budget proposals to be discussed at the upcoming October–November session of the Governing Body.

5. The Workers' group supported the possibility of the ILO influencing initiatives of and partnering with, other UN organizations as part of the implementation of the 2030 Agenda, as long as tripartism and international labour standards were promoted and not diluted in the process. Priorities identified by ILO constituents should remain the highest priority. Close consultation and cooperation with the constituents would be required for future programmes and budgets. The group asked which external experts the Office was planning to consult for the preparation of the results framework.

6. Concerning chapter 3 of the document, the ILO Staff Union should be consulted on UN reform-related initiatives concerning common premises, harmonized processes and pooled resource management, as well as on issues that affected staff employment, including the removal of clerical support functions. The Workers asked the Office to confirm how long the Business Process Review would be continued by a team financed by savings identified as a result of its work, and what would happen when savings were no longer possible. With regard to Decent Work Country Programmes (DWCPs), these should be based on the priorities of ILO constituents and shape national development strategies and United Nations Development Assistance Frameworks (UNDAFs). New DWCPs should cover the four strategic objectives and include relevant decent work indicators for each objective. The discussion of innovative financing modalities during the current session would determine the mandate that the Governing Body would provide to the Office in that respect. Lastly, diversity among staff should go beyond geographical diversity and gender balance to include persons from workers' and employers' organizations.

7. *The Employer spokesperson* said that the Programme and Budget proposals for 2020–21, as the first in the Organization's second century, must meet constituents' needs. Decisions on the Organization's strategic outcomes would have to be made in the light of the outcome document of the Centenary Session of the International Labour Conference, especially considering the possibility of using the programme and budget as a follow-up mechanism to the outcome of the Conference. The involvement of the tripartite constituents in the consideration of any document that may have an impact on the programme and budget was therefore key. It was important for the Office to prioritize new and unfinished areas of work to facilitate decent work, including: fostering an environment that favoured productivity growth in order to enable enterprises to create decent jobs; anticipating skills needs and providing constituents with effective capacity building; developing expertise and disseminating good practices on job transition support schemes; supporting countries to have dynamic labour markets and better tackle informal employment; promoting research and action on sustainable social protection systems; ensuring the balance, relevance and effectiveness of international labour standards and non-binding forms of normative guidance; and strengthening social dialogue and the role of the social partners. The Programme and Budget for 2020–21 should fully integrate the decision that would be made on the ILO-wide strategy for institutional capacity development. Policy outcomes and outputs should be designed in such a way that the constituent organizations, including the social partners, were better able to influence policy, improve legislative implementation and give value to their members. The work of the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV) was paramount in that regard, particularly in light of the Governing Body's previous decision on the preliminary overview of the Programme and Budget proposals for 2020–21, amended by his group to include a reference to strengthening constituents' institutional capacities. He proposed that the specific language of the amended decision be maintained in the draft decision currently before the Governing Body.

8. Given the need to prioritize, his group wished to know whether the Centenary Initiatives would be continued in 2020–21. Expressing concern regarding the increase in unfinanced commitments through action plans or road maps, he asked how the outcomes of general or recurrent discussions could be used more effectively to inform the programme and budget. When such outcomes were not integrated into the Office's biennial planning, constituents had unrealistic expectations of capacity development and technical cooperation. Given the planned review of the enabling outcome on effective knowledge management for the promotion of decent work in November 2019, he reiterated that the ILO's knowledge strategy should be based on constituents' needs. He expressed disappointment that ACT/EMP and the International Organisation of Employers (IOE) had not been involved in the development of an implementation plan for the knowledge strategy 2018–21. He reiterated the previous request that an update in that regard be discussed by the Governing Body and called for timely consultations so that the Office could provide an update at its next session.

9. The programme and budget was not aspirational; it should take into account constituents' needs and preferred future scenarios, and help the ILO to reposition itself in the context of UN reform and realize the Decent Work Agenda. The methodology used to develop the new results framework was a positive step in response to previous conference discussions and towards addressing the External Auditor's 2016 finding that the ILO's results-based management system had yet to manifest better results and accountabilities in line with the ILO strategic objectives. Noting that the results framework would be based on a theory of change, he asked the Office to provide the rationale for adopting that approach and its advantages. The theory of change should properly frame the root causes of the challenges facing the world of work and help constituents to construct visible solutions in their local contexts. Recognizing the complexity of measuring many areas of the ILO's work, he noted that the proposed chain of results aimed to improve its accountability and help constituents to achieve the intended outcomes and strategic objectives. However, in order to change people's lives, the ILO's proposed outputs must be based on constituents' evolving needs.

10. *Speaking on behalf of the Asia and Pacific group (ASPAG), the Eastern European group, the group of Latin American and Caribbean countries (GRULAC), the group of industrialized market economy countries (IMEC) and the Western European group*, a Government representative of Poland thanked the Office for publishing the Programme and Budget proposals for 2020–21 in a timely manner and for organizing briefings for regional groups, and expressed appreciation for the Office's commitments and efforts to increase efficiency and effectiveness. Preparing a budget for 2020–21 prior to the adoption of the outcome document of the Centenary Session of the Conference was a challenging task. Moreover, as many member States were facing economic constraints and the demand for technical support was growing, the Office would have to prioritize its activities. The

Governments that she represented remained open to further discussion on the programmatic elements of the programme and budget proposals.

11. *Speaking on behalf of ASPAG*, a Government representative of the Islamic Republic of Iran said that as the first programme and budget of the ILO's second century, the Programme and Budget proposals for 2020–21 should be more efficient and accountable to constituents' needs. He welcomed the new results framework, which would clarify how the ILO was performing and enhance its accountability. He expressed the hope that the new framework, based on a theory of change, would yield considerable advantages compared to past fragmented approaches. The Office should promote synergies across outcomes, cross-cutting policy drivers and results, which should be captured in the document. Underlining the importance of the Global Commission on the Future of Work's report, he noted that the theory of change should respond to the major trends that had an impact on the world of work. The ILO should maximize its influence in promoting decent work for all through direct cooperation with member States and through its contribution to the multilateral system. In that regard, it was crucial that the ILO should both contribute to and benefit from the UN reform. In order to succeed, the programme and budget should be inclusive and respond to the needs of all constituents. ASPAG asked the Office to consider a more proportionate distribution of financial and human resources to the region. His group was closely following the Human Resources Strategy 2018–21, supporting the Director-General's efforts to ensure greater transparency and fairness in recruitment and human resource management. However, despite efforts to achieve geographical diversity, many qualified applicants from his region were still not being recruited to the ILO. He endorsed the reinforcement of the Organization's knowledge leadership and encouraged the Office to take key lessons learned into account.

12. *Speaking on behalf of the Africa group*, a Government representative of Eswatini welcomed the Programme and Budget proposals for 2020–21, which contributed to the implementation of the Strategic Plan for 2018–21 and the Human Resources Strategy 2018–21. The document reflected the Governing Body's resolve, at its 334th Session, to focus on building the institutional capacities of the tripartite constituents during the current biennium. The Office had emphasized the importance of strengthening the ILO's collaboration with other development partners and the unified UN system to maximize its resource mobilization potential; in that regard, he noted with appreciation that the Office would be co-chairing the United Nations Sustainable Development Group's (UNSDG) Strategic Results Group on strategic partnerships. The fact that the efficiency gains accrued from initiatives to strengthen operations would be redeployed in programmes for the respective ILO tripartite constituents was commendable. His group looked forward to the breakdown of programme proposals, between March and August 2019, into specific policy outcomes complete with outputs, performance indicators, targets and funding.

13. *Speaking on behalf of GRULAC*, a Government representative of Brazil said that all efforts to make efficiency savings were timely and welcome. Although his region would tend to favour a zero nominal growth budget in the current climate, it recognized the importance of the proposed nominal increase for the successful implementation of the ILO's mandate. Nevertheless, he urged the Office to present a new plan containing well-defined priorities for immediate needs, predictable resource requirements for medium-term needs and ways in which those needs could be met by efficiency savings. In order to meet the Organization's security needs, the proposed security work could be incorporated into phase 2 of the headquarters building renovation project to yield efficiency savings. He regretted that no resources were allocated in the proposals to the pending legal cases concerning the decisions of the International Civil Service Commission (ICSC) regarding the post adjustment index for Geneva.

14. In June 2018, the Governing Body had decided that resource allocation for various programmatic priorities in the 2020–21 biennium would only be determined in the second half of 2019, in the light of the outcome of the Centenary Session of the International Labour Conference. It was therefore essential that the Governing Body did not take decisions at the current session that pre-empted such an outcome. GRULAC appreciated the commitment displayed in the proposals to aligning results with the 2030 Agenda for Sustainable Development and to making the ILO a key participant in the UN reform process.

15. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom commended the Office's commitment to increased effectiveness, efficiency and value for money, and welcomed the inclusion of a risk management plan in the programme and budget proposals. IMEC attached importance to further strengthening results-based management in the ILO. To that end, IMEC supported efforts to develop a new results framework to operationalize the ILO's strategic objectives and allow it to clearly demonstrate the value of its work. Developing the theory of change in the design of ILO programmes should serve to make it easier for the Office, as well as constituents, to follow a process where the impact of the ILO was clearly visible and logically linked to change on the ground.

16. With respect to accountability, she noted with concern that the proposals appeared to assign significant responsibility for achieving the ILO's strategic objectives to a diverse set of stakeholders. Any revised strategy must enable constituents to assess the ILO's performance in achieving those objectives. Moreover, the proposed results framework did not accurately reflect the four strategic objectives of the Decent Work Agenda, as set out in the Social Justice Declaration. She cautioned against conflating decent work objectives with those pertaining to social justice and changes in people's lives. In addition, the proposals focused more on outputs than on outcomes, which would make it even more difficult to assess the impact of ILO action. IMEC stood ready to work with the Office on the development of an improved results framework, which needed to include a gender equality perspective, for the Governing Body's consideration in November 2019.

17. While the positive approach to UN reform outlined in the document was welcome, some areas of ILO action must remain priorities through any transformative changes in the world of work. First and foremost, normative action must remain at the heart of the ILO's work in order to ensure the effective and efficient functioning of its long-standing and well-respected supervisory system. Furthermore, fundamental rights at work, strengthening labour inspectorates and improving workplace safety and health would be essential to the achievement of the Decent Work Agenda. In addition, the role of development cooperation was integral to the work of the ILO and should be reflected in the regular budget. In that regard, IMEC welcomed the anticipated elaboration of a development cooperation strategy that would expand partnerships and cooperation with other international organizations. Lastly, the group supported the ongoing efforts of the Office to improve the quality, academic rigour and independence of the ILO's research with a view to improving policy impacts.

18. *A Government representative of China* expressed support for the Office's commitment to aligning the programme and budget proposals with the 2030 Agenda for Sustainable Development, the increase of US$2.9 million in the budget for front-line technical services, and the proposed new results framework. Indicators contained in the framework could be improved to comprehensively evaluate progress towards achieving decent work. The budget proposals should reflect the actual needs of member States and increase support for developing countries, particularly for employment creation and the improvement of social protection systems. As member States were in urgent need of ILO technical support to achieve the SDGs, he urged the Office to implement the resolution concerning effective ILO development cooperation in support of the SDGs, adopted by the International Labour Conference in 2018. Given that many member States, including China, remained under-represented in the ILO workforce, he called on the Office to take practical measures to ensure that the relevant targets of the Human Resources Strategy 2018–21 were achieved as soon as possible.

19. *A Government representative of Brazil* said that his Government would welcome further efforts to streamline existing strategic objectives, the Decent Work Agenda, the objectives of the ILO's Strategic Plan for 2018–21, and the policy outcomes and cross-cutting drivers that had been used to guide and assess the activities of the Office. As it was unlikely that clear consensus around the complex decisions regarding the results framework and its theory of change would be achieved during the October–November Governing Body session, he would welcome inter-sessional tripartite consultations on a future proposal with a view to streamlining the framework. Given that efforts towards fiscal responsibility were currently under way in many member States, it did not seem fitting to expect them to increase contributions to the strategic budget as proposed, and his Government was not in a position to assume additional financial commitments.

The strategic budget (chapter 4)

20. *The Employer spokesperson* said that his group supported an increase in real terms to the budget so that the Office would be able to effectively fulfil its mandate as it entered its second century. The Information Technology Strategy 2018–21 was crucial, as it would improve Office-wide information technology (IT) systems, enhance staff productivity and facilitate outreach to constituents, and it was important that the premises of the ILO should meet the security requirements of the UN Department of Safety and Security (UNDSS). His group's concerns relating to the funding of the offices of the UN resident coordinators were known. He welcomed the fact that the US$940,800 of efficiency gains would be used to strengthen policy outcomes, as the ILO's services were needed in countries where labour standards were under pressure by various labour market transformations. He recalled his group's appreciation of the additional allocation for ACT/EMP and encouraged the Office to continue strengthening the capacity of employers' organizations. Given that the private sector was, and would continue to be, a key provider of jobs, the budget for employers under policy outcome 10 should be expanded. Although the budget for Employers' activities had been increased in recent years, it remained less than half of the budget for Workers' activities. The Employers considered that there should be an equal budget for equal value and would not continue to accept inequities in the future. Lastly, the Employers wished to draw attention to the need for a transparent strategic budget that would allow the Governing Body to appreciate how the budgets for policy outcomes were calculated, as well as an enhanced accountability framework that would indicate where funds were allocated and delivered. Moreover, the Governing Body should be informed of how individual policy departments and regions would attribute their budgets to future policy outcomes. While the Office had already developed a resource-tracking tool to monitor allocations, it should also conduct an ex post facto financial analysis of the programme and budget and take that analysis into consideration when drafting future programme and budget proposals.

21. *The Worker spokesperson* said that while the Workers were usually in favour of an increase in real terms to the budget, they were surprised that none of the proposals entailed an increase to the ILO's front line and policy areas in spite of a growing demand for ILO services. With regard to the proposed increase in the ILO's contribution to the UN resident coordinator system, her group remained concerned that the resident coordinators were not accustomed to working with the social partners and were not familiar with the normative mandate of the ILO. It therefore needed assurances that the resident coordinators would duly take into account the concerns of workers and the normative mandate of the ILO in country-level activities. Noting a reference to reorganization in paragraph 112, she asked whether the Office was considering making changes to the way in which ACTRAV and ACT/EMP functioned and said that the Staff Union must be consulted on any changes that would affect ILO staff. Also, noting the lack of provision made in respect of the pending legal challenges to the decisions to reduce the remuneration of Geneva-based international staff, she asked what would happen should the Administrative Tribunal rule in favour of the staff and what sort of impact it would have on the budget for 2020–21. Lastly, she said that the Workers would be willing to meet with the Employers to discuss how the budget was distributed within various outcome indicators, including outcome 10.

22. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that the delayed ratification of the Instrument for the Amendment of the Constitution of the International Labour Organisation, 1986, had seriously undermined efforts to optimize the functioning of the Organization, as equitable representation had not been realized in the ILO's governance structures. Given that promotional activities surrounding the ratification of the Instrument had been met with limited success, other measures must be explored and included in the programme and budget for the next biennium. The Africa group welcomed the development of an action plan under the Human Resources Strategy 2018–21 to ensure geographical diversity and gender balance among its staff. Full information on the current composition of ILO staff should be provided so that the Governing Body would be able to effectively monitor the implementation of the plan and ensure that progress was being made. The Africa group considered that it lacked sufficient information to make an informed decision on the proposed budget for the Building and Accommodation Fund, as it was unclear which properties would be refurbished and what the costs of the refurbishments would be. The refurbishment of the ILO Regional Office for Africa in Abidjan, Côte d'Ivoire, should be a priority, and the building should undergo a comprehensive assessment in that regard. The Africa group noted with concern the information contained in paragraph 99, particularly the lack of provision made in respect of the pending legal challenges to the decisions to reduce the remuneration of Geneva-based international staff. The Office should explain the absence of contingencies in the budget, as well as the mitigation measures envisaged should the Administrative Tribunal rule in favour of the staff. Lastly, the Office should indicate whether it had considered a staggered approach to the proposed increase to the budget.

23. *Speaking of behalf of ASPAG*, a Government representative of China said that his group would welcome further clarification on the proposed changes to the IT system and to security. The proposed budget increase would be problematic for various States in the region in the light of public financing constraints.

24. *Speaking of behalf of IMEC*, a Government representative of the United Kingdom said that while her group fully supported the work of the ILO and considered that it should be adequately funded to fulfil its mandate, it should also strive to be as efficient and effective as possible and to prioritize its work so as to achieve the maximum impact on behalf of its constituents. IMEC would have welcomed more time to understand the reasons for the departure from zero-real-growth budgets and noted with concern that the Office was requesting US$31.7 million for extraordinary expenditure. Given that efficiency savings resulting from the ILO reform and from the continuous improvement process had enabled the redeployment of some US$58 million, it was unclear why the Office had not prioritized the institutional infrastructure required to ensure that the ILO remained fit for purpose in the redeployment of those efficiency savings, and why the additional US$2.9 million of efficiency savings and US$5.6 million of efficiency gains identified in paragraph 17 were not being directed towards the extraordinary expenditure set out in the proposed budget. By redeploying all efficiency savings to front-line work, the Office had increased its regular spending on policy outcomes, when it could have shared the savings across policy outcomes and infrastructural needs. Referring to the reallocation of efficiency savings across organizational priorities and needs in the Programme and Budget proposals for 2010–11, [1] she asked why the Office had not adopted a similarly balanced approach in subsequent programme and budget proposals.

25. Recognizing that the average amount of unforeseen expenditure over the previous ten biennia had been considerably in excess of its regular provision, she agreed that the regular amount should be increased, but through a readjustment of priorities within the ordinary budget. The increase in the ILO's contribution to the UN resident coordinator system should be covered with existing resources. Similarly, the proposed increase to the Building and Accommodation Fund should be sourced from efficiency savings or a reprioritization of the budget, and its project proposals required further explanation, particularly on their relative urgency. The Information Technology Systems Fund should be funded from those same sources and its project proposals had similar shortcomings. Information on how the ILO's approach to IT investment compared to other UN agencies would be welcome. Regarding security, she asked whether the proposed measures were essential to meet UNDSS requirements or if alternatives existed. In the meantime, IMEC would endorse the implementation of measures (a)–(d) of phase 1 through internal adjustments to the ILO security budget and a review of the cost sharing of security allocations with the regions. In the interests of efficiency, any further security work should be considered alongside the proposed phase 2 of the headquarters building renovation project. She requested clarification on the rationale for funding all of the increased costs from the regular budget and stated that some costs could be equally covered by extrabudgetary or voluntary contributions and a more realistic assessment of the need to increase assessed contributions was necessary. She welcomed proposals from the Office on further efficiency savings.

26. *A Government representative of Brazil* indicated that the comments he made on behalf of GRULAC during the previous part of the debate were also relevant to the discussion of the strategic budget.

27. *A Government representative of the United States* said that her country recognized the relevance of the ILO's constitutional mandate and its Decent Work Agenda to the 2030 Agenda and the SDGs, but emphasized that each country must work towards implementing those goals in accordance with its own national policies and priorities. Expressing support for a zero nominal growth budget and concern about the justifications for increased spending on the UN resident coordinator system and the Information Technology Systems Fund, she urged the Office to review these and other proposed increases with a view to covering the costs from efficiency savings.

28. *A Government representative of China* said that his country was willing to increase its contributions to the ILO provided that improvements in efficiency and quality of services continued. He expressed concern about the proposed budget increase for 2020–21, particularly in view of the significant economic pressure on many member States, including China. He requested the Office to find alternative financial sources, such as through improving internal management efficiency or selling surplus land. He also requested the Office to provide more information on security.

29. *A Government representative of the Russian Federation* said that his country welcomed the details included in the Programme and Budget proposals for 2020–21 but suggested removing the "adjustment for staff turnover" row from table 2 on page 19 in order to avoid confusion. He thanked the Office for providing numerous clarifications to member States and welcomed the steps taken to increase efficiency savings. Noting the redeployment of some US$58 million from administrative processes to front-line technical work, he requested

[1] GB.304/PFA/3.

that in the future the Office provide information on which departments were assigned additional posts and on the decision-making process – specifically, who and how – on the deployment of efficiency savings. He expressed concern about the 5 per cent nominal increase in the proposed budget 2020–21. While acknowledging the arguments adducing the proposed budget increase, he questioned the need to increase contributions from member States. The Office should, in the first instance, cover those costs by using available resources, seeking additional savings or sourcing voluntary funding. The proposed IT upgrades seemed ambitious for a single biennium. He suggested spreading those upgrades, and their associated costs, across several biennia. Multilingualism at the ILO was currently unsatisfactory. The legal basis for identifying "official" and "working" languages was unclear and the imbalance in staff employed in language services was unjustified. The Office must pay equal attention to all languages used in its day-to-day work, including through appropriate staffing and financial support for language services.

30. *A Government representative of Bangladesh* said that the effective and efficient delivery of services to constituents was crucial in view of the unprecedented changes affecting the world of work. The proposed budget increase for 2020–21 sought to increase contributions from member States and support from development cooperation partners and yet a reduction in funding from donors had been identified as a risk in the programme and budget proposals. In that context, he stressed the importance of reallocating resources in a balanced manner, particularly to developing countries. In view of the proposed increase in contributions to the UN resident coordination system and the already significant sum being spent on country-level programme implementation, the Office should make adjustments to ensure the costs of service delivery did not increase further.

31. *A Government representative of the Republic of Korea* said that his country, while supportive of investments in IT and security infrastructure, was concerned about the 4 per cent real increase in the budget, particularly as the ILO had maintained zero real growth in previous years. He encouraged the ILO to keep budget increases to a minimum, such as by utilizing efficiency savings or expanding the expenditure timeframe in order to distribute the budget increase over a longer period.

32. *A representative of the Director-General* (Director, Strategic Programming and Management Department (PROGRAM)) thanked members for their inputs, which would help the Office to finalize the Programme and Budget for 2020–21, and recalled that the Governing Body would have another opportunity to review the proposed results framework in October–November 2019. Responding to comments, he said that the Office had no intention of reinterpreting the ILO's strategic objectives. Figure 1 had been provided simply to highlight the links between the Decent Work Agenda and the 2030 Agenda – with a focus on SDGs 8, 1, 10 and 16 and corresponding indicators under the ILO's custodianship – and to illustrate how the ILO could contribute to achieving social justice through decent work. Members' concerns about the wording and the link to SDG indicators had been duly noted and would be considered to further develop the results framework keeping in mind the need to remain focused.

33. As to the concerns regarding the risk of diluting the Office's ambitions in terms of the results framework outputs, he noted that the introduction of three levels – outputs, outcomes and the strategic objectives – was based on specific recommendations made by independent assessments and audits and was part of the follow-up to the 2016 Conference resolution on Advancing Social Justice through Decent Work. This would help align the ILO's results frameworks' structure with that of other UN entities. The proposed outputs would be formulated differently than in the past and in fact would be more ambitious, corresponding to change related, inter alia, to the development of capacities of governments, employers' and workers' organizations. Shared responsibility for the strategic objectives meant that the

Office should be evaluated on its effectiveness in respect of generating quality outputs that lead to sustainable outcomes, for example in terms of influencing policy changes.

34. *A representative of the Director-General* (Treasurer and Financial Comptroller) explained that the strategic risk register clearly acknowledged that while tripartism was a unique strength of the ILO, it could also present unique challenges. The aim was to ensure that managers recognized risks and implemented measures to mitigate or avoid them for this and any other risk. With respect to the pending decision by the ILO Administrative Tribunal on the ICSC decision on staff pay, he confirmed that the calculation of cost increases presented in the Director-General's proposal was based on current costs and did not speculate on the outcome of the complaint. The estimates of salary costs in the budget had always been based on official UN or ICSC data. Due to the cost reductions resulting from the ICSC cut in staff remuneration the Director-General's proposed cost increases had been estimated at only 1 per cent for the biennium. If the post adjustment was to be increased to its March 2017 level, the proposals for 2020–21 would not be sufficient to cover the cost and a supplementary budget or resource redeployment would need to be considered.

35. The proposed increase in the provision for the Building and Accommodation Fund was intended to fully implement the Governing Body's 2011 decision regarding the long-term strategy for the financing of periodic refurbishment and renovation of all ILO buildings, given that only half of the agreed target for that provision was included in the current budget, with the existing provision having been provided through resource redeployment. In addition to the headquarters building, the ILO owned properties in eight locations worldwide, all of which would need refurbishment at some stage. The intention was to ensure funds would be available to cover such work when it would be required.

36. As set out in the IT Strategy 2018–21 and summarized in Information Annex 3, the main reason for investment in IT was obsolescence. As the first two years of the period covered by the IT Strategy were not funded, only the highest priority items had been included in the proposal for 2020–21. The proposal was limited to items that could be delivered at least partially in the biennium.

37. The proposal by the Russian Federation on the provision in the strategic budget for staff turnover would be explored, based on the understanding that it was a matter of presentation, rather than of recalculation.

38. *A representative of the Director-General* (Deputy Director-General, Management and Reform), noting that the Business Process Review would be continued by a business innovations unit, said that time efficiencies of an average of 20 per cent had been identified across the departments that had already been subject to a review, the realization of which was ongoing. Where efficiency savings had an impact on staffing numbers, the changes were being realized progressively through natural attrition and job redesign. The increase in the retirement age had an impact on when those efficiency gains would be fully realized. The business innovations unit was currently conducting a review of the International Labour Standards Department and would then continue to work more broadly across the Policy portfolio, in particular in support services, and on field operations, with a focus on administrative and back-office processes, considering also a number of UN reform initiatives. Some activities in the Management and Reform portfolio would be revisited. The Business Process Review initiative was intended to be ongoing and self-funded, paid for by the savings identified. A number of other UN entities were interested in the approach taken by the ILO in that respect and saw the ILO as a leader in that area.

39. With regard to the security perimeter, he explained that the Programme and Budget proposals for 2020–21 presented the first opportunity to request funding for that work, which was directly linked to the change in Switzerland's security risk level from minimal to low, as endorsed by the UNDSS. Full compliance with the required measures for that new risk level would involve a double ring of security, in the form of a perimeter fence for the property as the outer ring, and improved security for the building as the inner ring. As a minimum course of action, if requested, the Office could provide a proposal based on implementing only the inner ring, in the knowledge that it would not fully comply with UNDSS requirements. Proposals could also be provided, if requested, on including security measures in phase 2 of the headquarters building renovation project. The latter approach, while reducing the scale of costs involved, would nonetheless not absorb the full costs of improving security.

40. With respect to the suggestion that all seven languages used by the ILO should be given equal attention, he noted that such a move would involve a significant increase in the costs of providing translation and interpretation services. Over the biennium, the increase in costs would be approximately US$37 million, which would give a total cost of US$78 million.

41. *The Director-General* said that the Office had taken note of the Governing Body's keen desire for a strong focus in the planning of future programming priorities and in particular the points raised by the non-governmental groups. As agreed, however, the decisions on programming priorities would be taken after the Centenary Session of the International Labour Conference. He did not see the need to maintain the Centenary Initiatives as such after the Centenary Session, as they would have served their purpose by that point. However, the consequences of all seven Initiatives, in particular the Future of Work Initiative, would live on in the ILO's future activities, which would clearly be guided by the work achieved.

42. In response to suggestions that the Office had not sufficiently substantiated the cases for the proposed institutional investments, he recalled that the Governing Body had approved the IT Strategy 2018–21 at its 331st Session (October–November 2017); constituents had previously engaged in in-depth discussions on the Office's proposals for the Building and Accommodation Fund; detailed documents had been submitted to the current session of the Governing Body on the issue of security; and the Governing Body was aware of the key issues pertaining to the unforeseen expenditure and the UN resident coordinator system. Further information to justify the investments could, however, be provided if necessary.

43. As to whether resources raised through efficiency savings could be redeployed to cover institutional investments to be funded through proposed budget increases, he recalled that previous suggestions to invest in those areas in a zero-real-growth context had been rejected by the Governing Body. Furthermore, the Office had already made a number of investments in those areas, including substantial investments in IT funded from budgetary surpluses. The Office would return to the Governing Body later in the current session with revised budget proposals after exploring how to reduce the amounts involved to their critical minimum; discussing whether investments could be staggered or time frames extended to minimize immediate outlays; and examining the possibility of absorbing investment costs through the internal redeployment of resources within existing levels of the budget without impinging on key programmatic areas. However, institutional investments were unavoidable and a departure from the path of zero real growth might still be required.

44. *The Worker spokesperson* said that she understood the difficulties facing the ILO, especially given the need to prepare the Organization for the future. Her group had continually voiced its preference for a slight budgetary increase to fund policy areas to enable the ILO to deliver on its mandate and serve its constituents. It would be important to strike a balance between the necessary investments and delivering on ILO policy areas without diminishing policy services.

45. *The Employer spokesperson* said that the prioritization of short-term gains and postponement of improvements would likely incur higher costs and complications in the long term. To safeguard the ILO – the only global tripartite forum – the Governing Body would need to find a balance between financial efficiency and service delivery. The ILO needed to be able to continue to strengthen policy areas and focus on certain programmes and regions that required more attention than others. It was vital to ensure that the ILO was functioning optimally; indeed, constituents regularly proposed suggestions on how the Office could improve. However, the Office could only improve with support from constituents. The Governing Body had responsibility for the oversight of the ILO's work and should seek to reduce the financial pressure on the Office where possible. For instance, now that it had been informed of weaknesses in the Office's IT systems, the Governing Body could be held responsible in the event of a cyberattack.

46. Clarifying his earlier comment on linguistic diversity at the ILO, *a Government representative of the Russian Federation* said that there was no need to increase the budgetary allocation to language services; rather, the language services already provided should receive equal treatment. The Office should indicate the basis on which it made a distinction between official and working languages. It was also unacceptable that some language services were not afforded the same level of staffing as others.

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

(GB.335/PFA/1/1)

Draft resolution (chapter 5)

47. *The Director-General* presented his proposals for adjustments to the Programme and Budget proposals for 2020–21 (his statement is reproduced in Appendix II).

48. *The Employer spokesperson* expressed regret that extreme cost-cutting measures had been made to various components of the proposed institutional investments, including with regard to the IT Strategy and the security of the ILO headquarters building. Not only was it financially prudent to make those necessary institutional investments now, doing so would also demonstrate that the ILO cared for its staff in line with its human-centred agenda.

49. Referring to the budget for the UN resident coordinator system, he recalled that the decision to double the ILO's contribution for 2019 had been made on an exceptional basis by the Governing Body at the 334th Session. The Governing Body had not given the Office the green light to increase its contribution to finance the resident coordinator system in subsequent biennia, especially as it was unclear how that investment would benefit the ILO. His group had specifically requested the Office to present the challenges and implications of the UNDS repositioning for the ILO to the Governing Body and to revisit the additional costs. The Office was now proposing to fund the system at the expense of policy outcomes. The proposed budgetary reductions provided a solution that was unsustainable and would hinder the ILO's ability to execute its core work. Furthermore, in the context of UN reform, the Governing Body had repeatedly emphasized the need to leverage the ILO's comparative advantage, notably its normative mandate and tripartism. It was therefore unreasonable to put the Governing Body in a situation in which the means and resources to strengthen tripartism were being reduced in order to finance the UN reform, with uncertain benefits for the tripartite constituents.

50. The amount originally proposed for policy, field operations and partnerships, and employers' and workers' activities must be safeguarded. Therefore, he proposed the inclusion of a new subparagraph (b) to the draft decision, to read:

(b) recommended to the Conference that a provisional programme level of US$501,699,846 estimated at the 2018–19 budget rate of exchange of CHF0.97 to the dollar be earmarked for "policy, field operations and partnerships, and employers' and workers' activities" under part I. Ordinary Budget;

51. In addition, in order to be consistent with the Governing Body's decision on the preliminary overview of the programme and budget at its 334th Session in October–November 2018, he proposed amendment to subparagraph (b) of the proposed resolution contained in the draft decision, so that it would read:

(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, taking into account the relevant discussions of the 108th Session (June 2019) of the International Labour Conference, and including a particular focus on strengthening the institutional capacities of tripartite constituents as requested in the GB/334/PFA/1 decision (October–November 2018).

52. *The Worker spokesperson* said that that her group had taken note of the budget adjustments. She indicated that the proposal to finance the ILO's contribution to the UN resident coordinator system by reducing funding for policy outcomes was regrettable. She asked whether that issue was likely to reoccur in the future. She expressed concern that the resident coordinators were not used to working with the social partners and were not familiar with the normative mandate of the ILO.

53. With respect to the Employers' proposal to include a new subparagraph (b) in the draft decision, she said that, in order to maintain the level of funding for policy outcomes, cuts would have to be made in other areas of the programme and budget, and she was not sure that consensus could be reached on that at the current session. With respect to the proposal to amend subparagraph (b) of the proposed resolution, she said that the text should remain as originally drafted, as priorities would have to be set after the Centenary Session. However, she supported the intent of the Employers' proposed amendment, which could be reflected in a new subparagraph (b) in the draft decision but outside the proposed resolution, which would read:

(b) requested the Director-General to take into account its guidance on developing the Programme and Budget proposals for 2020–21, with a particular focus on strengthening the institutional capacities of ILO tripartite constituents;

54. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that the proposed budget cuts seemed to be no more than a temporary reprieve and risked escalating costs when the deferred items were reinstated in the future. He reiterated his request for the Office to provide a costed buildings maintenance plan, along with a demonstration of budget availability for future maintenance. He also requested clarification on the potential impact on the status of ILO-owned properties of the UN reform initiative relating to common premises. The Building and Accommodation Fund should be funded at the recommended level and the budget line item retained at the level initially proposed to avoid rendering ILO-owned properties uninhabitable due to inadequate financing.

55. It would be irresponsible to ignore the security risk assessment that had been done. Therefore, he proposed reinstating the US$10 million in the budget for 2020–21 to cover the first phase of the security programme. The remainder could be considered for inclusion in the 2022–23 biennium, or spread out over subsequent biennia.

56. Given the Office's assurances that doing so would not result in a collapse of the current systems, the Africa group supported the proposed deferral of the budget items for the IT

Strategy relating to electronic records management, mobile device management and the replacement of the intranet.

57. There had already been a Governing Body decision on the issue of the funding for the UN resident coordinator system, at its 334th Session, which should support the amount proposed. However, the funds earmarked for that purpose should not prejudice in any way the budget line item for policy, field operations and partnerships, employers' and workers' activities.

58. Subject to the points raised, the Africa group would support the draft decision. However, it would also be willing to accept the new subparagraph (b) of the draft decision proposed by the Employers' group, as sub-amended to read:

(b) recommended that out of the estimated provisional programme level budget, an amount of US$501,699,846 under Part I be an exclusive budget for policy, field operations and partnerships, and employers' and workers' activities;

59. He also agreed with the amendment proposed by the Employers' group to subparagraph (b) of the proposed resolution, although the sentence should end after "of the International Labour Conference", because the proposed addition to the sentence was reflected in his previous sub-amendment.

60. *Speaking on behalf of IMEC, GRULAC, ASPAG and the Eastern European group*, a Government representative of Canada recalled that the Governing Body had approved a modified process for preparing the Programme and Budget for 2020–21 so that the proposals could take into account the outcome of the discussion on the future of work at the Centenary Session of the Conference. Under that process, it had been agreed that, at its 335th Session, the Governing Body would consider the strategic budget of expenditure by appropriation line, divided into parts and items as mandated by the Financial Regulations. The amendment proposed by the Employers' group was not consistent with that decision. Furthermore, if adopted, it would cut across the agreed process for the development of the results framework for 2020–21 and would undermine efforts for the ILO to take a results-based approach to its work.

61. *A Government representative of Brazil* said that he was speaking on behalf of a significant majority of governments from Latin America and the Caribbean. His group favoured a zero nominal growth budget. However, further information would be welcomed before establishing a definitive position. The Office should clarify the precise make-up of the amount of the nominal increase. More information would also be appreciated about the maintenance element, including how much could be saved as a result of the building renovation, and whether those savings would contribute to the Building and Accommodation Fund. With regard to security, he asked whether the new proposal replaced the whole US$25 million plan or just the first part. He also asked for clarification on what issues might be involved in the potential renegotiation with the host country, and whether any consideration had been given to the group's proposal that the security plan could be integrated into phase 2 of the renovation project, thereby benefiting from economies of scale. It was important to support the Office's efforts to manage flexible voluntary contributions, and more information would also be appreciated on how those resources were being managed. He noted the proposed amendment by the Employers' group, but said that it was important for the Office to have the flexibility to mobilize resources and to be in a position to make savings in order for the Organization to achieve its objectives. Recalling the agreement to wait until after the Centenary Session of the Conference before taking certain decisions, he said that his group preferred the original version of the draft decision.

62. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom asked why it was not possible to fund more of the increased cost-sharing arrangement for the UN resident coordinator system from the efficiency savings that had been identified, which had been earmarked to be redeployed to front-line technical services. With the economies from the management budget line, such a solution could significantly reduce or completely cover the required amount, without recourse to funding earmarked for policy outcomes. Security was of critical importance so it was a concern that, under the revised proposal, the Organization would not be able to fully meet UNDSS standards. She asked for clarification on whether allocating a further US$1.35 million would provide the full amount needed for the construction of a security perimeter. If so, the Director-General should review that element of the proposed budget. IMEC was concerned by the short-sighted reduction of the annual provision for the future refurbishment and renovation of ILO-owned buildings. Selling land to finance renovation would not be an option available again in the future. IMEC welcomed the proposal to apply equitable cost recovery to include extrabudgetary-funded activities to meet some of the Organization's investment costs.

63. *Speaking on behalf of Australia, Canada, France, Germany, the Netherlands and Norway*, a Government representative of Australia said that, considering the financial constraints faced by governments, the ILO should strive to achieve a zero growth budget. The proposed cuts to security plans in search of savings were a concern, as upgrading headquarters security to meet UNDSS requirements was a priority. The redeployment of funds within the budget during the biennium was permissible under ILO regulations, and the Office should regularly review its priorities in order to maintain the effective operation of the Organization. She therefore asked the Office to continue to find efficiency savings and redeploy existing funding to the areas identified as requiring increased funding. Phase 2 of the headquarters renovation project might offer some possibilities. She also called on member States to pay their dues in full and on time, and asked the Office to reach out proactively to States in arrears. The Centenary year was crucial in guiding the ILO's prospective activities and ensuring its integrity into the next century. Therefore, the group could in principle support the revised and constrained approach being put forward to the Conference.

64. *A Government representative of Switzerland* said that, in the light of the new proposals concerning the security perimeter, her Government's offer of assistance – as the host country – would have to be reviewed. The ILO was responsible for financing all the measures that had been identified, as they were all on the property of the Organization. Switzerland would be prepared to coordinate with regard to the creation of a "two ring" approach involving securing the full perimeter around the building. The reduction to 0.75 per cent of the annual provision for the renovation of ILO-owned buildings was a short-term solution that would not eliminate the cost of renovations. The annual provision should be made from the regular budget.

65. *A Government representative of the United States* said that trying to meet the many mandates of the Organization on a fixed budget was clearly a challenge, and that lower-priority activities should be reduced in order to fund higher-priority mandates. Although her Government strongly supported the mission, mandate and work of the ILO, it generally supported zero nominal growth across the UN system; therefore, it did not support a budgetary increase and could not support the draft decision.

66. *A Government representative of Brazil* said that in view of the serious efforts being made by so many member States towards fiscal responsibility and long-term fiscal sustainability, it seemed unfair to expect them to increase the budget as had been proposed. Brazil favoured zero nominal growth in budget proposals, and was not in a position to assume additional financial commitments to international organizations, including the ILO. He could not support a decision on any increase in the budget and reserved the right to consider the issue in due course and to make a final assessment on the budget proposals presented at the 108th Session (2019) of the International Labour Conference.

67. *A Government representative of China* aid his Government noted that the Office had reduced its proposal for extraordinary investments. China's assessed contribution was due to increase by 50 per cent and, while his Government would assume its responsibility to support the work of the UN and its specialized agencies, including the ILO, the increase would place pressure on its taxpayers and financial authorities. He therefore hoped that the ILO would continue its internal management reform, improve efficiency, reduce costs, explore new resources and seek innovative ways to address infrastructure investment. His Government proposed maintaining the principle of zero real growth for the 2020–21 budget, although it would not object to any majority agreement by the Governing Body.

68. *A Government representative of Japan* said that Government members were accountable to their taxpayers for ILO budget increases and must be consulted on proposed large increases well in advance of the publication of the programme and budget proposals on the website. Her Government expected the Office to make further efficiency savings.

69. *The Director-General* said that the level of concern expressed at the reductions to the institutional investments originally proposed was striking. He agreed with those concerns and had been obliged to make the reductions because the Government representatives, in particular, had indicated that they could not agree to the original levels, given fiscal constraints. The revised investments represented the absolute minimum required to sustain the vital functions of the Organization. The Organization and the Office would continue to make efficiency savings and to redeploy those funds to meet some of the needs that had become evident over the course of the discussion. Some members had argued that he had gone too far in making reductions and others that he should have made further cuts, but he believed his revised proposed budget to be an accurate reflection of the will of the Governing Body.

70. Turning to the internal distribution of resources among the different budget lines, he noted that the amendment proposed by the Employers' group was a departure from the agreed procedure. The amendment aimed to protect the planned operational budget for policy, field operations, partnerships and employers' and workers' activities. However, that implied reductions in support services, which encompassed information and technology management and buildings and security, funding for which the Employers' group also wished to protect. Protecting both lines was not mathematically possible. Nonetheless, the discussion could be reopened at the Governing Body's session in October–November 2019.

71. The Governing Body's decision in November 2018 on the UN resident coordinator system applied to 2019 only. However, there had been no material change that would lead the Governing Body to take a different decision in future, and it would be required to invest in the system as proposed for the sake of coherence. Given the Governments' clear indication that the investment could not come from increased contributions, it must be included in the regular budget. The Office had endeavoured to balance the different budget lines. It was always difficult to decrease funding for substantive policy activities, but no further cuts to management and support functions were currently possible. He urged the Governing Body to revert to the original draft decision contained in GB.335/PFA/1/1, which provided a balanced, prudent and reasonable response to both the Governing Body's views and the needs of the Organization.

72. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that the cost-increase figures cited by the representative of GRULAC were correct; the revised increase in real terms was 1.57 per cent and the provision for cost increases was slightly lower than in the original proposals at 0.97 per cent. The cost increases followed two biennia that had seen nominal budget decreases, which had been indirectly returned to member States through lower nominal budgets. In a zero nominal growth situation, the Organization would be required to absorb any cost increases which would result in further real cuts to budgets in policy, regions, management and support.

73. The Organization owned a number of properties around the world, in various states of repair. Major renovations were being undertaken at the property in Brasilia, using the Building and Accommodation Fund, while others were awaiting investment. The Facilities Management Branch was reviewing all the properties and would provide an overview of the major work required and an indicative schedule. The Governing Body could decide where to redeploy the savings in maintenance costs resulting from the renovations at headquarters in the context of future budget proposals made by the Director-General. There had already been a series of reductions to the budget of the Internal Services and Administration Department, which dealt with building maintenance, that had come about partly through efficiency gains and partly in anticipation of the gains from the renovations. Those savings had been redeployed principally in policy areas, a strategy that would continue.

74. *A representative of the Director-General* (Deputy Director-General for Management and Reform), speaking about the ILO headquarters' security issue, thanked the representative of the Swiss Government for confirming that the host State's responsibility ended at the border of the ILO property. The Swiss Government had generously offered to fund the perimeter fence, provided that it was part of the package of security improvements needed to comply with UNDSS standards. The fence alone would cost US$4 million, with the full package of security improvements estimated at US$25 million, including US$7.6 million for a reception centre external to the main building and US$3.4 million for connections between the two. It had therefore been proposed to use the US$3.5 million mentioned in the Director-General's revised budget to ensure the maximum level of security possible in the absence of an outer ring, for example by improving security at the access points. There was no certainty that funding would become available for an outer ring at a later stage. The possibility of integrating security work with phase 2 of the renovations was being examined and, while it would provide logistical benefits, it was unlikely to result in major savings. The savings resulting from phase 1 of the renovations would be redeployed as a priority towards urgent work in the ILO's conference facilities, such as emergency exits.

75. *The Employer spokesperson* said that his group's amendment did not involve a departure from the agreed process; rather, it aimed to secure funding for policy areas and operations. It was difficult to understand how a budget increase could result in cuts to front-line services and policy areas, which were the core of the ILO's activities. On several occasions, the Governing Body had been negatively affected by decisions made in fora in which it had no voice, thus complicating its own decision-making process and negating the benefits of tripartism. Noting that Government members had not been consulted before the programme and budget proposals had been published, he said that standard practice in budget-setting outside the ILO was to consult those affected by budget changes in advance; perhaps the Office could adopt that practice. More effective communication would save time in the decision-making process.

76. *A Government representative of Canada* recalled that she had read out a statement earlier on behalf of a significant majority of the Government group to indicate that they could not support the Employers' amendments.

77. *Speaking on behalf of IMEC,* a Government representative of the United Kingdom asked again why the US$2.9 million of efficiency savings mentioned in paragraph 17 of the document had not been redeployed to fund the UN resident coordinator system. Together with the US$500,000 taken from management services, that amount could fund the system almost entirely, removing the need to cut funding for front-line services.

78. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that, of the US$2.9 million, approximately US$1 million came from back-office support services and would be redeployed to the UN resident coordinator system under the Director-General's proposals. The remainder comprised internal redeployments within policy departments that had been reinvested within the budget proposals to enhance policy delivery.

79. *The Worker spokesperson* said that there seemed to be no major objections to the revised budget proposals, even if not all governments supported them. The small budget increase would be used for extraordinary institutional investments. It was unfortunate that it would not provide any benefit for the policy outcomes during the next biennium, which was of great importance given the Centenary. The issue of the Governing Body's lack of voice in other UN fora whose decisions could affect the ILO must be resolved. Her group remained concerned that the question of the UN resident coordinator system would re-emerge repeatedly. Efforts to improve security, an important aspect of the renovation work, should go beyond erecting a security perimeter; other safety and security issues must also be addressed.

80. *Speaking on behalf of the Africa group*, a Government representative of Eswatini reiterated his group's support for the amendment proposed by the Employers. It was vital that the US$501,699,846 earmarked for policy, field operations and partnerships, and employers' and workers' activities was not redeployed.

81. *Speaking on behalf of IMEC, GRULAC, ASPAG and the Eastern European group*, a Government representative of Canada reiterated their strong disapproval for the amendments, which they, as a significant majority of Governments, could not accept. The issue would have to be discussed at the Finance Committee of the International Labour Conference.

82. *The Worker spokesperson* sought clarification on the intention of the Employers' proposed amendment to subparagraph (b) of the draft decision. It was difficult for the Workers to comment because the implications were not clear. As to the proposed amendment to subparagraph (b) of the draft resolution, the Workers had some sympathy with the proposal; however, the text should be reflected in the decision itself, leaving the proposed resolution unchanged.

83. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that his group was withdrawing its support for the Employers' amendment with a view to achieving consensus. The priority of safeguarding the budget line for policy, field operations and partnerships, and employers' and workers' activities should, however, be maintained.

84. *A Government representative of Brazil* said that he was speaking on behalf of a significant majority of governments from Latin America and the Caribbean. There did not seem to be sufficient consensus for the Governing Body to take a final decision. It was important to be consistent with the special process for preparing the budget that had been agreed at the 333rd Session (June 2018). In the interest of consensus, his group could support the revised draft decision proposed by the Director-General. GRULAC was prepared to compromise with regard to the Employers' amendment to subparagraph (b) of the proposed resolution. It could not, however, accept the Employers' amendment to subparagraph (b) of the draft decision. His group would express its final position on the programme and budget at the International Labour Conference in June 2019.

85. *The Chairperson* said that it seemed that the Governing Body was in a position to adopt the draft decision proposed by the Director-General, without the amendment proposed by the Employers. She clarified that the draft decision was simply a recommendation from the

Governing Body to the International Labour Conference and did not constitute a final decision on the programme and budget.

86. *The Employer spokesperson* said that, in order to close the discussion, the Employers would accept the original draft decision at the current session. However, if the group's concerns were not taken into consideration and the budget for the policy outcomes was cut, the Employers would oppose the programme and budget proposals at the 108th Session (June 2019) of the International Labour Conference and the 337th Session of the Governing Body (October–November 2019).

87. *The Worker spokesperson* said that the Workers had sympathy for the Employers' statements regarding reductions in policy outcomes and would return to the discussion at the next sessions of the Governing Body. The Workers' group would reluctantly accept the draft decision.

Decision

88. ***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; and

(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.

(GB.335/PFA/1/1, paragraph 7)

Second item on the agenda

Delegation of authority under article 18 of the Standing Orders of the International Labour Conference (GB.335/PFA/2)

89. *The Worker spokesperson* and *the Employer spokesperson* said that their groups supported the draft decision as set out in paragraph 3 of document GB.335/PFA/2.

Decision

90. ***The Governing Body delegated to its Officers, for the period of the 108th Session (June 2019) of the Conference, the authority to carry out its responsibilities under article 18 of the Conference Standing Orders in relation to proposals involving expenditure in the 76th financial period ending 31 December 2019.***

(GB.335/PFA/2, paragraph 3)

Third item on the agenda

Update on the headquarters building renovation project (GB.335/PFA/3 and GB.335/PFA/3(Add.))

91. *The Employer spokesperson*, welcoming the progress made in the headquarters building renovation project, said that ensuring continuity between phases 1 and 2 of the project was vital for both financial, and safety and health reasons. The sale of the vacant land adjacent to the ILO building had been discussed previously and he supported the proposal to commence a tendering process to identify a development partner to collaborate with the Office and assist in generating the necessary funds to start the first part of phase 2 of the project, thus ensuring continuity. The sale of the land was a delicate issue and it was important that the final decision be taken by the Governing Body.

92. The Employers supported the proposed security plan for the ILO headquarters, as it met the UNDSS minimum security requirements. He welcomed the proposal to implement the plan over two biennia. However, given the high costs involved, he would like to know more about the tendering process and how it would be ensured that the chosen bid was as competitive as possible.

93. *The Worker spokesperson* said that, while she was aware that a security perimeter had been previously discussed, she was not comfortable with the discussion of fences and walls, which had come as a surprise to her group. She wished to emphasize the importance of the ILO remaining an open forum. Her group was concerned that restricting access to the Office could have negative effects in that regard. She wondered whether other, less costly security measures might be considered.

94. *Speaking on behalf of the Africa group*, a Government representative of Cameroon expressed appreciation for the manner in which the phase 1 renovation works had been undertaken, for the progress made to date, and for the way in which security arrangements had been maintained. However, although the Director-General had been requested to pursue negotiations on the possible sale of plot 4057, it was not clear how phase 2 would be funded and the implications of a lack of continuity between the two phases with respect to operational, environmental and cost considerations were a matter of concern.

95. Efforts made to implement the recommendations of the UNDSS were to be commended and the estimated costs of securing the perimeter were noted. Nevertheless, at a time when funds were being sought to support phase 2 of the headquarters building renovation project, focusing on the perimeter might lead to a dispersal of resources. Before giving a definitive view, the Africa group wished to know the costs of perimeter security and whether the focus on security measures was urgent.

96. *Speaking on behalf of GRULAC*, a Government representative of Brazil welcomed the information provided in the report, particularly on the security needs of headquarters. The convenience of carrying out the security plan in two phases was acknowledged; however, consideration should be given to integrating the security plan into phase 2 of the building renovation since it could lead to more efficient use of resources.

97. *Speaking on behalf of IMEC*, a Government representative of the United States said that ensuring the security of the ILO facilities was of the utmost priority, although concerns remained about the design and cost of the perimeter fence. Earlier engagement would have been helpful in adequately reviewing the issues and it was unclear whether the plans presented were commensurate with the UNDSS recommendation to raise the security risk level in Switzerland from l (minimal) to 2 (low). Less intrusive security measures had been employed at other UN facilities in order to maintain the balance between security, cost and ease of use.

98. The prioritization of the measures listed in document GB/335/PFA/3 under paragraph 30(a) to (d) to be implemented in phase 1 were appreciated, but it would be helpful to learn whether the Office had conducted cost and service comparisons with other UN facilities in Geneva and whether it had considered joining other Geneva-based UN agencies in using the common UN badging system. The latter would be particularly appropriate if the ILO was to share office space with another UN organization. The proposed expenditure on a central locking system activated by badges merited reconsideration in a time of austerity. It was noted that guards were already stationed at building entry points. IMEC would prefer the Office to embrace the innovative spirit that was at the heart of the UN reform plans before it turned to costly and bespoke solutions.

99. IMEC could not endorse the Office's security plan in its current form and requested that a scaled-back and fully audited plan be produced to maintain safety following the UNDSS guidelines.

100. *A Government representative of Switzerland* congratulated the ILO on its management of phase 1 and confirmed his country's support for the project, which had been carried out on time and on budget. A second phase of work, which had been decided by member States, should begin as soon as possible in order to avoid additional costs. The security plan prepared for the ILO demonstrated that further measures were necessary to improve perimeter security. Switzerland had confirmed its intention to provide financial support for perimeter security provided that all of the measures in the security plan were implemented. As the Host State, it would also support the ILO in its interactions with the Swiss authorities. He encouraged the Governing Body to accept a security plan that was commensurate with the guidelines of the UNDSS.

101. *A representative of the Director-General* (Deputy Director-General for Management and Reform), responding to questions, said that a list of alternatives to the full security plan had been considered, but that each one offered a decreasing level of security. Advice received on compliance with security had encompassed the threat from people entering the building and from vehicles entering the property, while blast assessments had shown the potentially significant damage to the building and its occupants. A perimeter fence had therefore been deemed the most secure way to control the entrance of people and vehicles. Other security measures, such as barriers of entry to the car parks and increased staffing of the doors had been considered, but the final project of the perimeter fence, while expensive, had been chosen following reports from consultants and detailed discussions with the local authorities and taking into account UN security requirements. There was a high level of security at the Palais des Nations and some other UN agencies, while other agencies were considering relocation to more secure premises or upgrading their own security. Some speakers had indicated their wish to examine the question of security in the light of the budget discussions and, given the importance of the issue, he requested that consideration should be given to that approach.

102. *The Director-General* proposed to return to the specifics of the security plan during the discussions on the programme and budget, at which time the Office would provide a response that took into account the comments made to date.

103. *A representative of the Director-General* (Deputy Director-General for Management and Reform) said that, in the light of the discussion on the security perimeter, the draft decision contained in paragraph 33 of document GB.335/PFA/3 was redundant. The Office therefore proposed a revised draft decision, to read: "The Governing Body requested the Director-General: (a) to continue to engage with the Government of the host country regarding a potential financial contribution and coordination of the implementation of a revised security plan; and (b) to report to the Governing Body at its 340th Session (October–November 2020) on the implementation of the enhanced security measures".

104. *The Worker spokesperson* enquired as to what was meant by "innovative contractual solutions" in relation to the second option presented in document GB.335/PFA/3(Add.). She asked whether that option of competitively seeking a development partner prior to the commencement of the official urban planning process would allow the sale of plot 4057 to be completed in less than 18 months; whether the Office had an estimate of the savings that could be made, given that that option would allow for some level of project continuity; and whether the Office was confident that, upon completion of the process, the sale price would be satisfactory and higher than for the first option. The Workers' group would reserve comment on the draft decision until the Office had responded and the Employers and Governments had commented.

105. In relation to Part 1 of document GB.335/PFA/3, her group would like to know when the renovation of the lower floors of the building was expected to begin. She urged the Office to closely monitor and mitigate the continued presence of asbestos in the lower floors. It was regrettable that energy efficiency and conversion to a fully renewable energy source would have to be postponed. Her group was concerned about the increased costs and safety risks related to a lack of continuity between the two phases of the building renovation project.

106. *The Employer spokesperson* said that continuity between the two phases of the building renovation project remained his group's priority, not only for financial reasons but also for the safety of staff and all meeting participants. The Employers therefore fully supported the draft decision in paragraph 8 of document GB.335/PFA/3(Add.), as it would allow the Office to share the risk with the developer and free up resources to begin the first part of phase 2 of the building renovation project, thus bridging the two phases. Negotiations with the Geneva local authorities on the urban development plan for the plot process would be crucial, as they would determine the final price and income generated.

107. *Speaking on behalf of the Africa group*, a Government representative of Cameroon said that her group had always supported leasing rather than selling plot 4057. In the light of the absence of other sources of funding for the phase 2 of the building renovation project, however, the group supported the second of the two options proposed by the Office in the interests of continuity and cost containment. The Africa group supported the draft decision in paragraph 8 of the addendum.

108. *Speaking on behalf of IMEC*, a Government representative of the United States applauded the Office for achieving business continuity and for the fact that the project was due to be completed four months ahead of schedule. The member States in his group were not in a position to provide additional funds for the building renovation project. He inquired about the status of a request from the Governing Body to scale back phase 2 of the renovations. Reiterating his group's belief that ensuring the security of the ILO facilities was a priority, he asked whether cost savings might be made by including the construction of the outer security perimeter in phase 2 of the project. The time taken for the Office to develop concrete plans for an economical transition between phases 1 and 2 of the building renovation project was regrettable. IMEC supported the second option to competitively seek a development partner prior to the commencement of the official urban planning process. He appreciated the challenges of preparing the plot for development in terms of time and funding for the implementation of phase 2. His group remained in favour of the Office applying the cost savings made in phase 1 to the remainder of the building renovation project.

109. *A Government representative of Switzerland* said that her Government aligned itself with the statement made by IMEC. The second phase of the project should ideally commence as soon as possible in order to avoid additional costs. Her Government was in favour of a solution that would provide appropriate funding for the building renovation project and ensure the long-term sustainability of the headquarters building. The Swiss Government was committed to facilitating constructive exchanges with the competent authorities to guide the Office in its land development project. The steps and time frames related to the urban planning process in Geneva had been clarified, thus allowing the Office to proceed taking into account the constraints and relevant regulatory framework. The final sale value of the land would depend on the competition between investors as well as the constraints in the sector. She welcomed the fact that a number of potential purchasers had come forward. While the Swiss Government had not been involved in developing the financial arrangements proposed by the Office, she noted that there were several advantages which would raise funds without delay to facilitate continuity between the two phases of the building renovation project.

110. *A representative of the Director-General* (Deputy Director-General, Management and Reform), responding to the Workers' question about the innovative approach to partnerships, said that the Office had been approached by a large number of developers and investors outlining a variety of options for plot 4057, from full sale to partial sale with income generation from the remainder of the plot. There was a risk to attempting to agree on a price before permits were approved and other factors were known, but the Office would use the proposed six-month period to consider which options would achieve the required sale price at the lowest risk. Informal discussions with developers had indicated ways of mitigating the risks to both sides, such as identifying a preferred developer from the start and working with them throughout the planning and permit process. The Swiss authorities had provided helpful information on the steps to follow, which, alongside working with a developer from the early stages, should help to maximize the value of the land.

111. The savings identified in the second option outlined in the addendum really referred to an avoidance of increased costs. Asbestos and other safety issues were addressed on an ongoing basis and did not pose any immediate threat. The preferred option for replacing the windows in the Governing Body room was summer 2019, although it was difficult to schedule works due to heavy usage of the room. The works would be completed in 2020 at the latest.

112. As the Employers had noted, option two was intended to provide a bridge between phases 1 and 2 of the project, even if the timeline was longer than anticipated. As to the Africa group's preference for letting, rather than selling the plot, while accepting that a sale could be necessary, that was one of the options being considered; some investors were indicating that there were ways of developing the land with a view to potential income generation.

113. He welcomed the acknowledgement by IMEC of the building project's success so far. The proposal for phase 2, as outlined in the appendix to the document, had been developed within the budget parameters over the past several years; some additional elements contemplated, such as new entrances, had not been pursued. Once funding was approved, the proposal would undergo a value engineering review process to determine the costs and the priorities. While it could be sensible to integrate the security works in phase 2 of the project, the issue of timing would have to be taken into account, as security measures should be implemented as soon as possible. With respect to the time taken to develop concrete financing plans for phase 2 of the development, he recalled that initial plans had been presented to the Governing Body in November 2007 and then a number of times in the intervening sessions, but none of the proposals had been accepted. The Office would now undertake a market assessment and seek the Governing Body's approval, ideally at its 337th Session (October–November 2019).

Decisions

114. ***The Governing Body requested the Director-General:***

(a) to continue to engage with the Government of the host country regarding a potential financial contribution and coordination of the implementation of a revised security plan; and

(b) to report to the Governing Body at its 340th Session (October–November 2020) on the implementation of the enhanced security measures.

(GB.335/PFA/3, paragraph 33, as amended by the Governing Body)

115. ***The Governing Body:***

(a) approved in principle the sale of plot 4057 on terms to be negotiated by the Director-General;

(b) authorized the Director-General to commence a tendering process to identify a potential development partner to collaborate with the Office through the planning and approval process; and

(c) requested the Director-General to seek final approval from the Governing Body on the general terms of any sale arising from the tendering process.

(GB.335/PFA/3(Add.), paragraph 8)

Fourth item on the agenda

Report of the Government members of the Governing Body for allocation of expenses (GB.335/PFA/4)

116. *The Worker spokesperson* and *the Employer spokesperson* supported the draft decision.

Decision

117. ***The Governing Body decided, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to propose to the International Labour Conference the adoption of the draft scale of assessments for the years 2020–21 as set out in column 3 of the appendix to GB.335/PFA/4, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.***

(GB.335/PFA/4, paragraph 6. The scale of assessments is also included in Appendix V to the present document.)

Fifth item on the agenda

Other financial questions

118. There was no document under this agenda item.

Audit and Oversight Segment

Sixth item on the agenda

Report of the Independent Oversight Advisory Committee (GB.335/PFA/6)

119. *The Chairperson of the Independent Oversight Advisory Committee (IOAC)*, noting that there had been a change in the composition of the IOAC during the reporting period, said that the report presented an overview of the work achieved by both the present and the former members of the Committee. The Committee had engaged with ILO constituents, staff and senior Office officials throughout the year and had worked with representatives of the External Auditor. It appreciated the support that had been provided by the Office to assist it in discharging its duties.

120. The recommendations made in the report cut across various areas of the ILO's work; some issues had been raised before, while others were being addressed for the first time. The Committee would welcome feedback from the Governing Body with respect to its work plan for 2019.

121. *The Worker spokesperson* said that her group took note of the decision by the IOAC to update some of its operating principles, including the decision to rotate the chairpersonship annually and to nominate a vice-chairperson in preparation for the rotation. It also took note of the Committee's satisfaction with regard to the Office's financial reporting, the audited financial statements, the disclosure practices and the external auditors' reports.

122. With regard to recommendation 1, the Workers took note of the need to ensure the future inclusion of project locations in the ILO centralized IT framework and the need to identify a sustainable solution with regard to the financial implications in the project budget. With respect to recommendation 2, which called on the Office of Internal Audit and Oversight (IAO) to address the backlog in the investigation of allegations, the Workers drew attention to the fact that the Programme and Budget proposals for 2020–21 envisaged the strengthening of the IAO using resources obtained from efficiency gains. The Office should analyse the root causes of the increase in the number of investigations required in order to mitigate recurring risks.

123. A decision on the organizational model to manage the Staff Health Insurance Fund (SHIF) should be adopted swiftly, as called for in recommendation 3. Regarding after-service health insurance (ASHI), the Governing Body had indicated in previous discussions that the preferred funding option continued to be a pay-as-you-go approach.

124. Turning to past recommendations, the Workers noted that recommendation 4 (2018) on human resources skills development had not been fully implemented. The Human Resources Development Department (HRD) should consult the Staff Union on matters relating to workforce planning and skills development and managers should support staff in developing new skills and adjusting to change.

125. *The Employer spokesperson* welcomed the positive assessment of financial reporting and of the financial statements, and the continued follow-up to past recommendations by the IOAC, particularly recommendation 4 (2018). The Employers shared the view of the IOAC that the Office's response to that recommendation was too general. The Performance Management Framework did not offer appropriate incentives for staff development, as development opportunities were presented as a requirement, rather than as an opportunity. Both managers and HRD played an essential role in encouraging staff and creating a conducive environment for training and skills development, which must correspond to staff career objectives as well as to the Office's mandate and activities. Demonstrating leadership and taking a proactive approach was essential if the Office was to be recognized as a global reference for training and skills development.

126. The Employers took note of the Committee's recommendations. Regarding recommendation 2, it was essential to address the backlog in the investigation of allegations. Even if the increase in allegations received was due to awareness-raising among staff, the Office should strengthen efforts to prevent abuses through expanded ethics training and improved accountability frameworks. In the present political climate, the ILO must take all necessary measures to mitigate any risks to the Organization.

127. The IT Strategy required sufficient resources and the Office and its staff must be provided with appropriate technology to perform its work. The absence of the latest software and technologies and lack of access to the Office's IT framework indicated that the ILO was not keeping up with the pace of change.

128. *Speaking on behalf of the Africa group,* a Government representative of Mauritania welcomed the decision to allow the annual rotation of the Committee's chairperson but regretted the absence of any African members of the Committee, a situation that should be rectified in future appointments. His group was pleased that the 2017 financial statements had faithfully reflected the ILO's financial situation and complied with International Public Sector Accounting Standards (IPSAS). A reasonable and swift solution should be found to the issue of unfunded ASHI liability. He noted with satisfaction the 100 per cent compliance rate of the updated risk registers; applauded the Office for the achievements resulting from the transfer of resources from administrative activities to the ILO's core work areas in the context of the Business Process Review; and supported the IOAC's advice to the Governing Body to evaluate the Office's investments in IT to avoid falling behind in that priority area.

129. He supported all three recommendations, drawing particular attention to recommendation 2 in the light of his group's concerns at the growing backlog of investigation cases to be addressed. He took note of the updates to previous recommendations, in particular recommendation 4 (2018) and the Office's response to that recommendation in relation to lifelong learning for staff. The processes associated with such learning should be included in employee performance appraisals. Committee members should approach government representatives so that the latter could learn more about the Committee's work.

130. *Speaking on behalf of ASPAG*, a Government representative of Saudi Arabia said that the IOAC had demonstrated its added value through its recommendations to the Office. He noted with satisfaction that the IOAC had found the Office's financial reporting to be robust, but was concerned by the continuing impact of the unfunded ASHI liability, in particular on the ILO's net assets. He recalled that the Governing Body at a previous session had indicated that its preference was to continue funding ASHI on a pay-as-you-go basis and encouraged the Office to continue to explore ways to reduce costs.

131. His group supported all three recommendations. Actions carried out in the scope of recommendation 1 should provide real value and be implemented in line with the IT Strategy. A solution for the financial implications should be included in the project budget. With regard to recommendation 2, the ongoing backlog in the investigation of allegations should be tackled without delay, its root causes analysed and more effective measures implemented to address the situation.

132. He expressed his appreciation of the follow-up to the IOAC's recommendations that had been presented at the 332nd Session (March 2018) of the Governing Body. It would be useful to continue to receive information on progress, in particular on recommendations not yet fulfilled and recommendations 4, 5 and 8 of 2017. Those recommendations should be considered in the Committee's work plan for 2019, which should also address the lack of geographic diversity among ILO staff.

133. *Speaking on behalf of IMEC*, a Government representative of the United States said that her group supported the IOAC's recommendations, in particular recommendation 2 encouraging the IAO to address the backlog in the investigation of allegations. She expressed satisfaction that staff were now more comfortable reporting wrongdoing thanks to IAO anti-fraud and misconduct awareness-raising activities. Nonetheless, allegations should be investigated in a timely manner to ensure that staff continued to have faith in the system. It would also be important to examine the root causes of the increased number of reported allegations to avoid any recurring risks; IOAC should therefore provide guidance on steps to take to that end. She was encouraged by the Office's proposal to allocate more resources to the IAO to alleviate the backlog in investigations and asked for information on how those resources would be used. Her group was also pleased at the Office's efforts to set the tone of proceedings by prioritizing the resolution of investigations into misconduct.

134. She encouraged the Office to assess its implementation timeline for external auditor recommendations and to hold managers accountable for delays. Her group was pleased that the Office had achieved an unmodified audit opinion of the 2017 financial statements and that the updated risk registers had achieved a 100 per cent compliance rate; the Office should now strengthen its risk management function, in particular in the area of business continuity management. As the IOAC's work plan for 2019 focused on compliance and probity, the IOAC should meet with the Ethics Officer multiple times during the year.

135. Using overly general wording in IOAC recommendations hampered the Office's ability to provide a meaningful response; such recommendations should therefore be clearly worded and robust in future. She looked forward to receiving updates on the Office's progress in its implementation the recommendations contained in the Joint Inspection Unit's review of whistle-blower policies and practices in UN system organizations. The IOAC should give consideration to the Administrative Tribunal of the ILO to gain a better understanding the Tribunal's financial standing and any cost implications of the withdrawal of any agencies under its jurisdiction.

136. *A Government representative of China* noted the IOAC's general satisfaction with the Office's work. However, the Office needed to address the growing backlog in the investigation of allegations and no decisions had yet been made on the SHIF. Improvements were needed in respect of the training and redeployment of staff. His Government appreciated the work of the IOAC and the incorporation of oversight into its mandate. The IOAC should pay special attention to the Human Resources Strategy 2018–21 and should in particular address the geographical diversity of ILO staff.

137. *A Government representative of the Russian Federation* noted that the new model of managing the SHIF under recommendation 3 would help to resolve key issues, including that of fraudulent claims, and the secretariat should develop appropriate proposals. Recommendation 1 was also essential in view of the IT Strategy, growing IT needs and the importance of using resources effectively. Furthermore, the Committee should contribute to the development of an action plan to reduce the backlog of allegations.

138. *The Chairperson of the IOAC* said that the Committee examined all recommendations and their implementation at each of its meetings and was satisfied with the Office's follow-up. It was difficult to provide details on the root causes of the increase in allegations owing to a lack of historical data; moreover, issues that would currently be deemed to warrant investigation might not have been considered as such in the past. The IOAC would continue to examine the types of allegations made to guide the Office in its actions, including those relating to the role of the Ethics Officer.

139. As to the IT framework, the Office needed to keep up with the pace of change in IT, which required sufficient resources. The IOAC would continue to address skills development and the Human Resources Strategy; the ILO should indeed act as a global benchmark. Performance appraisals fell outside the mandate of the IOAC, unless the Governing Body decided otherwise. At its next meeting, the Committee would discuss whether the ILO Administrative Tribunal and geographic diversity among staff fell within its mandate and, if so decided, would work with the Office on looking into those issues.

140. The Office had made very good progress in ensuring compliance with the International Professional Practices Framework of the Institute of Internal Auditors, with almost 90 per cent of areas receiving a "Generally Conforms" rating.

141. *A representative of the Director-General (Treasurer and Financial Comptroller)* said that recommendation 1 referred to the financial framework and the installation of projects in the Enterprise Resource Planning (ERP) system, IRIS. The IRIS roll-out to the field was scheduled for completion in 2019. Larger projects were being brought within the IRIS framework and 18 were already fully integrated. A cost–benefit calculation was undertaken on every project to decide whether it should be part of the framework or an alternative system; such decisions were made in conjunction with the project donors to ensure funding was available.

142. With regard to ASHI, the Office was continuing to meet its liability on a pay-as-you-go basis, as instructed by the Governing Body. The Office had been very active in the UN inter-agency Working Group on After-Service Health Insurance looking at different financing and related operational methods. The Working Group had reported to the UN Secretary-General, who had submitted a report to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which would soon be sent to the Fifth Committee and then to the General Assembly. The Office would report back to the Governing Body on any recommendations and conclusions of the General Assembly.

143. In response to IMEC's question, if approved, the proposed additional resources for the IAO would be used to finance a new investigator position.

Outcome

144. ***The Governing Body took note of the report.***

(GB.335/PFA/6)

Seventh item on the agenda

Report of the Chief Internal Auditor for the year ended 31 December 2018 (GB.335/PFA/7)

145. *The Employer spokesperson* said that it was critical to ensure that the IAO had adequate resources. He welcomed the indication that the IAO intended to hire an additional investigator.

146. The upward trend in reporting of allegations of fraud and misconduct was concerning, although that might be due to increased awareness among staff and improved monitoring systems. The Employers supported the development of a culture to increase awareness and understanding of accountability among staff. Areas of concern which the Office should address were the increased number of allegations carried forward from one year to the next, which perhaps resulted from a lack of resources, and the insufficient compliance with security regulations among external collaborators, in particular those working in high-risk countries.

147. *The Worker spokesperson* noted with satisfaction that no major weaknesses had been identified in the ILO's system of internal control, except in the follow-up audit of the SHIF. The Office should follow-up on the recommendations on the four remaining critical areas as soon as possible to improve internal control and further reduce the risk of fraud. She also welcomed the positive results of the external quality assessment of the IAO.

148. She supported the recommendation to roll-out the IRIS reporting dashboard as soon as possible to address the difficulties in extracting data from the system experienced by some offices, and asked when the roll-out was envisaged.

149. The Workers supported the recommendation to ensure that external collaborators completed the UNDSS online courses and obtained clearance to ensure that they were protected in the event of a security incident, as well as the proposal to have an Office-wide roster of external collaborators. Lastly, the practice of ensuring that comments of the ILO Gender, Equality and Diversity Branch were solicited during the quality assurance process of the DWCPs to ensure that gender issues were adequately addressed was welcome.

150. *Speaking on behalf of the Africa group*, a Government representative of Mauritania also welcomed the fact that the IAO had not identified any major weaknesses in the ILO's system of internal control, except in the follow-up audit of the SHIF. The improvements been made to the risk registers developed by each department and office were laudable. He welcomed the considerable progress made in the operation of services and projects.

151. The Africa group supported the proposal to delegate authority to Chief Technical Advisers, which would enable swift and efficient implementation of projects. On the subject of external collaborators, it was essential that they obtained the necessary security clearance, for their own sake and that of the ILO's reputation. With regard to gender equality, the Office should make every effort to ensure complete equality between men and women within the Organization. Lastly, he expressed pleasure that the 2018 external quality assessment had found that the IAO generally conformed to the mandatory elements of the International Professional Practices Framework.

152. *Speaking on behalf of ASPAG*, a Government representative of China noting that there was an upward trend in the reporting of allegations of fraud and misconduct, and that the investigations in 2018 had identified a number of key issues where lessons could be learned, encouraged the Office to take the necessary action, including by providing relevant training for managers and staff.

153. *Speaking on behalf of IMEC*, a Government representative of Finland agreed that the upward trend in referrals indicated that staff members were more confident reporting misconduct; however, it could also point to a need for improved risk management, internal control, governance processes and awareness raising. The engagement of managers at every level was important in the development of risk registers and a risk management culture. IMEC supported the recommendation to develop a roster of external collaborators, which could enhance the efficiency and effectiveness of risk management.

154. On the subject of fraud, it was unacceptable that implementing agents and the SHIF remained high-risk areas; the Office should provide more information on how it was addressing those issues. She reiterated IMEC's previous request that the report should include information on the sums of money lost to substantiated claims of fraud, particularly with regard to the SHIF, and efforts to recover those funds. The report should also include the number of audit recommendations that were overdue, by year and significance level, and the status of misconduct referrals should be broken-down by year. She asked whether the IAO or the Treasurer and Financial Comptroller tracked implementation of internal audit recommendations and whether the IAO tracked the implementation of recommendations of external audits and the Joint Inspection Unit (JIU). She requested the Office to implement recommendation 9 from the JIU review of whistle-blower policies and practices in UN system organizations and to provide information on the administrative actions taken in the cases of substantiated misconduct.

155. She welcomed the IAO's incorporation of indicators from the UN System-Wide Action Plan on Gender Equality and the Empowerment of Women at the field level and the proposal to consult the ILO Gender, Equality and Diversity Branch to incorporate gender perspectives into DWCPs; however, that should not rely on one single branch. It was important to mainstream gender equality into all risk assessments and strengthen internal knowledge sharing and training in that area. At the country level, greater coordination arising from UN development system reform might also offer opportunities to draw on expertise on gender through UNDAFs.

156. The Office should share good practices identified by the IAO across the Organization, in particular those from the Better Work Branch, which could be replicated in other ILO projects. The additional funding provided for the resource gaps identified by the IAO was appreciated. However, the investigation backlog was of great concern. In order to raise awareness about, and confidence in reporting misconduct, the process of handling complaints should be accelerated, without compromising the rigidity of the procedure. It was important to take the measures necessary to enable the IAO to alleviate its backlog, as the IOAC had also recommended. Lastly, she expressed appreciation that the IAO was taking seriously the recommendations from the external quality assessment, thereby exemplifying the importance of the proper functioning of risk management at the ILO.

157. *A Government representative of the Russian Federation* welcomed the fact that no serious shortcomings had been identified in 2018. With regard to the recommendations on the SHIF, he requested information on the coordination between the Office and other international organizations with their own health insurance systems. As to the increase in investigations of allegations of fraud in 2018, he requested the Chief Internal Auditor's views on the reasons. Future reports should contain information on the sums lost by the Office due to fraud and on efforts to recover those sums, as previously requested by the Governing Body.

158. He asked what measures could be taken to reduce the backlog of investigations, in addition to increasing the resources allocated to the IAO, and whether the use of internal capacity in other departments, as proposed by the Governing Body, had been discussed with HRD, along with the requisite amount of resources. He asked what percentage of investigation work had been outsourced, and whether consideration had been given to working with other UN agencies to establish a joint body to deal with allegations of fraud or other impropriety. Lastly, he asked the Office when it intended to publish documentation relating to the overview of the ILO's audit and oversight system proposed at the 332nd Session of the Governing Body.

159. *A representative of the Director-General* (Chief Internal Auditor) said that the increase in reports of wrongdoing reflected the increased confidence of ILO staff in the reporting system. The resources included in the programme and budget proposals would support the efforts already made to reduce the backlog. The backlog had already been reduced from 80 open cases and 13 awaiting closure at the end of 2018 to 70 open cases and nine awaiting closure; the current figures included 13 new referrals received since January 2019. The IAO occasionally turned to other ILO departments for support, for example by requesting the assistance of the regions in low- and medium-risk cases under the IAO's guidance; high-risk cases were always handled by the IAO itself. The IAO could indeed draw on assistance from other UN agencies through the United Nations Representatives of Investigations Services (UNRIS) network, and had done so in the past.

160. Figures on losses had not been included in the report because final totals would only be confirmed further into the process and there could be legal ramifications of making that information public while cases were still under way; however, he could provide further details on a bilateral basis. The allegations of fraud currently being reviewed in relation to the SHIF related to individual claimants and did not involve significant amounts of money.

161. Referrals to the IAO were merely allegations of intentional wrongdoing, and some cases were closed after an initial examination revealed a lack of credible evidence or a misunderstanding of the rules rather than any intentional wrongdoing. Other cases identified by the IAO, especially those ranked as high risk, could be complex in nature, and require significant resources, including on occasion outside expertise.

162. Follow-up to audit recommendations was the responsibility of the Office of the Treasurer and Financial Comptroller. Entities subject to an internal audit were required to provide progress reports on high-risk recommendations within three months, and once the Office of the Treasurer and Financial Comptroller had deemed those recommendations to have been implemented, the IAO received the report for review and may respond if it had any concerns. The follow-up system had reduced the implementation time for internal audit recommendations considerably. The IAO did not follow-up on recommendations made by the external auditors, who had their own system and submitted a separate report to the Governing Body. Nor did the IAO follow-up on the recommendations of the JIU, which requested status reports from the ILO on the implementation of its own recommendations.

163. As to gender mainstreaming, audit project proposals were routinely examined by the Gender, Equality and Diversity Branch as well as a number of other branches and units as part of the quality assurance mechanism. Regarding external collaborators, they were required by the UNDSS to complete basic online training and obtain security clearance, particularly if they were working in areas at higher risk of civil or political unrest. That served both to reduce the risks they might face and to ensure they received assistance from the UNDSS in the event of situations such as unrest or natural disaster.

164. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that the Office used a comprehensive system to follow up recommendations made by the internal and external auditors and the IOAC, assessing whether the proposed response from the audited entity was acceptable and complete. The response and the assessment were then reported to the Chief Internal Auditor and the IOAC. The roll-out of the IRIS reporting dashboard would begin in April 2019 with expanded functionality being delivered progressively throughout the year. While fraud of any kind was unacceptable, the existence of a risk of fraud was not; it was a reality faced by all businesses, particularly in some of the environments in which the ILO operated. The Office's focus was to mitigate that risk through establishing and implementing appropriate procedures and internal controls.

165. The Office had commenced implementing measures to address the recommendations from the internal auditor in respect of the SHIF, for example the development of criteria for acceptable proofs of payment that could be adapted to various jurisdictions where the ILO operated; standard operating procedures relating to supervision, and the segregation of duties. The IT enhancements to the SHIF would help address many of these recommendations, and pending their roll-out additional manual controls had been implemented. The SHIF Executive Secretary collaborated with his insurance counterparts, in particular the UN Office at Geneva and the World Health Organization (WHO) to improve services and negotiate collective agreements with healthcare providers.

166. Programme managers were required to follow a more rigorous selection process for implementing partners including checklists to document the process, and were expected to provide ongoing oversight of the implementing partner's delivery. A new draft whistle-blower policy, informed by the JIU report and recommendations, was being finalized.

Outcome

167. ***The Governing Body took note of the report.***

(GB.335/PFA/7)

Eighth item on the agenda

Other audit and oversight questions

168. There was no document under this agenda item.

Personnel Segment

Ninth item on the agenda

Statement by the Chairperson of the Staff Union

169. The statement by the Chairperson of the Staff Union is reproduced in Appendix III.

Tenth item on the agenda

Amendments to the Staff Regulations (GB.335/PFA/10(Rev.))

170. *The Worker spokesperson* welcomed the consultation process with the Joint Negotiating Committee and supported the draft decision.

171. *The Employer spokesperson* supported the draft decision on the understanding that the Office would continue to engage actively with the ICSC to reform the post adjustment and other salary survey methodologies.

172. *A Government representative of the Russian Federation* requested clarification as to whether the "competent body" mentioned in the amendment to article 3.1(d) contained in chapter III of the Staff Regulations was the ICSC and whether the references to "family allowances" described the allowances prevailing within the UN common system.

173. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia took note of the amendment to article 3.1 and the consultations held with the Joint Negotiating Committee in the interest of transparency. His group supported the draft decision.

174. *Speaking on behalf of IMEC*, a Government representative of Canada expressed support for the draft decision.

175. *A representative of the Director-General* (Director, Human Resources Development Department (HRD)) confirmed that the "competent body" mentioned in the amendment to article 3.1(d) was the ICSC and that the "family allowances" were those prevailing in the UN system. The document had simply been edited for coherence and no changes had been made to its substance.

Decision

176. ***The Governing Body:***

(a) ***approved the amendments to articles 3.1(d), 3.12bis and 3.13 of the Staff Regulations related to salary scales and family allowances contained in the appendix of document GB.335/PFA/10(Rev.); and***

(b) ***noted the amendments to article 3.1(a) of the Staff Regulations related to the salary scale for the Professional and higher categories, and the scale of pensionable remuneration for staff in the Professional and higher categories, as contained in the appendix of document GB.335/PFA/10(Rev.).***

(GB.335/PFA/10(Rev.), paragraph 7)

Eleventh item on the agenda

Composition and structure of the ILO staff (GB.335/PFA/11)

177. *The Worker spokesperson* welcomed the increase in the percentage of female professional staff but said that further efforts were needed to achieve gender parity at all grades, especially at the P5 level. It would have been interesting to receive information on regional differences in gender distribution among non-language staff in the Professional category and higher, which had been provided in previous reports. She took note of the Office's efforts to improve geographical diversity among its staff, including the Senior Management Team's endorsement of recommendations proposed by a task force on geographical diversity. She also noted the ongoing consultations held between management and staff representatives on how to make the Office more diverse and inclusive, with a view to submitting amendments to the Staff Regulations to the Governing Body at its 337th Session. In its efforts to improve diversity, the Office should also look to recruit more individuals from workers' and employers' organizations. Furthermore, the Governing Body should receive an overview of the number of persons with disabilities recruited by the ILO.

178. Since 2003, there had been a significant increase in the recruitment of staff paid with extrabudgetary resources, many of whom were hired on short-term contracts, leaving them in a state of uncertainty. The Office should continue to monitor that trend and should provide information on the length of staff contracts disaggregated by age and sex.

179. *The Employer spokesperson* said that the document had not included the information requested by his group on the professional backgrounds of ILO officials in categories P5 and above. Such information would enable the Office to identify measures to improve the diversity of the staff by including more people with experience in a business or employers' organization or in senior management in the private sector, who had real-life experience of working with constituents and understood their needs. All three legs of a tripartite structure must be equal to ensure robustness and balance. However, the ILO leadership was imbalanced in terms of professional background. Recruiting from more diverse professional backgrounds, demographics and life experience at all levels would give the Organization an inherent diversity of thinking that would give it a competitive edge. One possibility would be to use recruitment platforms such as LinkedIn, which were widely used by the business sector. Such advertisements could be easily shared, for example via ACT/EMP, so that the IOE was involved in the outreach and could invite HRD to its activities, and vice versa. In particular, the Organization should improve its outreach to young people, and perhaps consider a targeted rebranding or marketing exercise to raise awareness of the ILO.

180. With regard to gender diversity, there should be an upward trend at all levels, particularly at entry-level (P2) positions, where the ratio of women was highest. With the right promotional track, mentoring and training, the ILO would be able to tap into that pool of professionals in the future to improve the gender balance at the higher levels. There were still considerably fewer women than men at the most senior professional positions (P5), which also frequently led to director-level positions, in which there was also a gender imbalance. He asked the Office how it intended to improve the representation of women in P5 positions.

181. On the matter of geographical diversity, he noted that resorting to a pool of Junior Professional Officers and development cooperation project staff meant that those from non- or under-represented countries faced greater difficulties even reaching the starting line, and that unconscious bias in selection committees might play a role. He requested the Office to carry out a more detailed analysis of departments and regional offices that were lagging behind in geographical diversity so as to strengthen the recommendation on managerial accountability and enable further progress. In sum, attaining diversity was an important goal, but the primary objective of the Human Resources Strategy should be to provide constituents with technical excellence through competent staff who could cater to their needs.

182. *Speaking on behalf of the Africa group*, a Government representative of Uganda observed that the cover page of the Office document did not make reference to previous documents considered by the Governing Body on the subject, despite the fact that the discussion was rooted in the Human Resources Strategy 2018–21 and had also been a key element in other documents previously considered by the Governing Body, including the Human Resources Strategy 2006–09, discussed at the 294th Session (November 2005).

183. The current document provided information on certain variables between 2017 and 2018, but it had not assessed the evolution of staff composition and structure against the targets set in the Human Resources Strategy 2018–21, with 2017 as the baseline. According to his own analysis, the percentage of professional positions (P1–P4) held by women stood at 69 per cent, exceeding the target of 45.5 per cent. However, it was concerning that only 40.5 per cent of senior positions (P5 and above) were held by women. The Office had been tasked with increasing the number of staff on regular budget positions who changed position or duty station for one year or more in 2018–19 and 2020–21 by 20 per cent per biennium or 10 per cent per year, but the document showed that an increase of only 5.2 per cent had thus far been achieved. The Office had also been tasked with increasing the number of staff from less-than-adequately represented nationalities recruited in the geographically distributed positions by 25 per cent by 2021 or 6.25 per year, but only a 4.7 per cent increase had been achieved between 2017 and 2018.

184. He noted that there were no Africans represented in the 29 linguistic positions, which was contrary to the principles of social justice of the Organization. That could not solely be the result of unconscious bias and might indicate the existence of negative stereotypes about people from certain regions. In the non-linguistic category, just 11 per cent of staff were from Africa, despite the fact that African States represented more than one quarter of the ILO membership. In addition, almost one quarter of unrepresented nationalities on non-linguistic posts were from Africa. It would be interesting to have information on the geographical representation of staff in the Professional and higher category at headquarters or in field offices, broken down by region.

185. He recalled that the Office had committed at the 294th Session of the Governing Body (November 2005) to developing targets geared towards the achievement of gender and geographical diversity. As such, it had undertaken to develop and adopt a framework to promote and implement a broader approach to diversity management. It had also made commitments to conduct reviews every five years of the effectiveness of the measures taken to promote employment opportunities for persons with disabilities and take steps to improve them. It would gradually extend such analyses to other areas of diversity, including more balanced regional representation, in order to identify and eliminate potential cultural and other biases in recruitment, placement and career progression. However, almost 15 years later, regional balance remained an issue.

186. He expressed concern that, at its 292nd Session (March 2005), the Governing Body had identified a number of measures to be taken that had not been acted on. He sought assurance from the Office that it was committed to ending the under- and non-representation of certain regions and countries, and information on how that would be done. He therefore proposed amending the draft decision to read:

> The Governing Body requests the Office to present to the 337th Session of the Governing Body a comprehensive and time-bound action plan for improving gender and regional diversity. It should particularly indicate the measures to be taken to ensure representation of the non-represented and under-represented countries. The subsequent report should also indicate geographical distribution of regular staff by category/grade to facilitate the evaluation of the set targets.

187. *Speaking on behalf of ASPAG*, a Government representative of Japan noted with regard to the first recommendation that ASPAG countries were considerably under-represented, with only 17 per cent of Professional and higher category staff. She urged the Office to take steps to effectively tackle the under-representation of ASPAG countries and to report on progress. She also requested the Office to keep the Governing Body informed of progress concerning the target of the Human Resources Strategy 2018–21 to increase the number of staff from less-than-adequately represented nationalities by 25 per cent by 2021. In its 2012 review of gender balance and geographical distribution, the JIU had noted that the ILO formula for assessing the desirable range of equitable geographical representation and its application to a very limited number of posts was based solely on contributions; that should be reviewed and aligned with the general practice in the rest of the UN system.

188. It was vital that any existing recruitment and selection processes and job requirements that might systematically bias the outcome should be carefully reviewed. ASPAG welcomed the Task Force’s observation on “requirements inflation” in terms of languages; accordingly, she requested the Office to implement the provision of the Staff Regulations under which candidates whose mother tongue was not a working language were required to have satisfactory working knowledge of only one of the working languages at the time of recruitment, and to communicate that fact to potential applicants in under-represented countries. That would broaden the human resource base and ensure greater diversity in staff.

189. Gender equality was a vital consideration in ensuring the inclusiveness of the ILO. Moreover, research demonstrated that gender diversity in the workplace helped improve productivity. The Women at Work Initiative provided an opportunity for the Office to lead the way by demonstrating its commitment in that area. Lastly, she requested the Office to promote greater staff mobility between headquarters and the field, and to include in all future documents on the agenda item an assessment of the achievements of all the specific targets in the Human Resources Strategy 2018–21.

190. *Speaking on behalf of the Eastern European group*, a Government representative of Poland emphasized the importance of diversity, particularly geographic diversity, in the composition and structure of ILO staff. However, the continued imbalance in geographical distribution at all levels was cause for concern, with many Eastern European countries unrepresented or under-represented, and progress towards better representation was insufficient. It would be useful if the Office document could show progress over a longer period of time. The work of the Task Force to examine the root causes of the situation was a welcome development. Its analysis had identified the advantages enjoyed by some member States and the factors hindering others in recruitment. She requested the Office to share the Task Force’s report with the Governing Body. Lastly, she requested the Office to continue to improve the recruitment process with regard to unrepresented and under-represented member States by adopting comprehensive measures, with targets and monitoring and reporting, with a view to achieving regional balance at all levels at headquarters and in the field.

191. *Speaking on behalf of IMEC*, a Government representative of Canada said that it was important to respect staff members' privacy in relation to their career background and other professional information. The progress in improving the overall gender balance was particularly welcome, and efforts should be maintained to ensure gender parity at all levels. IMEC also welcomed the establishment of the Task Force and sought more information on its recommendations, in particular recommendations 3, 4 and 5. She encouraged the Office, governments and the social partners to disseminate ILO job advertisements widely to ensure a broad pool of candidates. Merit must be the overriding principle in selection processes, therefore her group did not support profiling or quotas. IMEC supported the action plan to address the obstacles to diverse recruitment, and strongly suggested that it should be treated as an internal policy rather than a process to be managed by the Governing Body.

192. *Speaking on behalf of the Community of Portuguese-speaking Countries (CPLP)*, a Government representative of Brazil said that despite Portuguese being the fifth most spoken language in the world, it was not yet an official language of the UN. Most CPLP countries were under-represented, or unrepresented, in non-linguistic posts at the ILO. He requested information on how the Office was endeavouring to increase the representation of nationals of Portuguese-speaking countries. The group would appreciate more detailed information on staff members' language skills in the next report on staff composition.

193. *A Government representative of the Russian Federation* requested the Office to circulate the full list of recommendations made by the Task Force and the road map drawn up by HRD to address them. One of the recommendations should refer to the need for greater efforts by member States to foster better geographical representation, and a plan to improve geographical representation should be drawn up with the involvement of member States. Consideration could be given to establishing a specific action plan on equitable geographical representation for 2020–23. He emphasized that unconscious bias in the selection process of an international organization was unacceptable.

194. He would have appreciated a reference in the document to the ILO's geographical quotas, with statistics disaggregated by States that were inadequately represented, adequately represented and more than adequately represented, and details of how the situation had changed in recent years, to provide a clear picture of the progress made. He asked how countries were defined as under-represented, adequately represented and over-represented; those criteria should be included in future reports.

195. *A Government representative of India* noted that in the 100-year history of the ILO, there had not been a Director-General from Asia and the Pacific or Africa, and only one from Latin America and the Caribbean. Greater geographical diversity was required at all levels, including senior management, in keeping with the international character of the ILO. Another cause for concern was the fact that 46 of the 75 staff members recruited to non-linguistic posts in 2018 were from member States already more than adequately represented; given that more than 60 member States were not represented at all, it was difficult to believe that most merit resided in a particular region. He requested clarification of the rationale behind those recruitment decisions and urged the Office to explore proactive ways of increasing recruitment from unrepresented member States, including the use of new technology.

196. A 2012 review of gender balance and geographical distribution by the JIU had highlighted that the ILO formula for desirable ranges was currently based solely on member States' assessed contributions and that the ILO had one of the lowest proportions of posts subject to geographical representation and open to external candidates in the UN system. He requested the Office to provide regular progress reports on geographical diversity in all staff categories. Much greater geographical mobility between headquarters and field offices was needed; the Organization could also increase the decentralization of its structures and staff to bring it closer to the areas in which it was active. He requested an assessment of the progress made towards the specific targets of the Human Resources Strategy. He supported the proposals of the Africa group and the Russian Federation.

197. *A Government representative of China* said that the Office's efforts to achieve a gender and geographical balance were welcome, but many member States remained unrepresented or under-represented in the secretariat and in Professional and higher-level positions. In the next biennium, China would become the second-largest financial contributor to the ILO, yet just 16 staff members in posts subject to geographical representation were Chinese.

198. He supported the establishment of the Task Force and agreed that among the causes of under-representation, the requirements for international work experience and language skills were excessive and contributed to the long-term failure to improve geographical representation. Likewise, he welcomed the recommendations made by the Task Force, as well as the action plan drawn up by HRD, which should be communicated to governments so that they could ensure that it included effective and operational measures to address under-representation. He supported the proposed amendment submitted by the Africa group.

199. *A Government representative of Ethiopia* welcomed the Office's progress in enhancing the gender balance of its staff; however, efforts to improve geographical diversity had not yielded satisfactory results. It was also unclear whether the targets of the Human Resources Strategy 2018–21 would be met within the time frame. He therefore requested information on possible innovative measures and how and when the representation of under-represented and unrepresented member States would be significantly improved.

200. *The Chairperson* noted that Government members from the ASPAG region had supported the proposed amendment of the Africa group.

201. *The Worker spokesperson* sought clarity on what would be included in the action plan proposed by the Africa group, as proposals in addition to regional and gender balance had been mentioned, as well as how it would fit together with the Human Resources Strategy and its targets adopted in 2017.

202. *The Employer spokesperson* also requested further clarification from the Africa group on its proposed action plan, particularly how it would relate to the strategy already adopted. In addition to gender and regional diversity, any action plan should address professional diversity.

203. *The Chairperson* said that the Office had noted the Governing Body's desire for more information concerning geographical, gender and language diversity.

204. *Speaking on behalf of ASPAG*, a Government representative of Japan clarified that ASPAG did not support the proposed amendment as a group.

205. *Speaking on behalf of IMEC*, a Government representative of Canada said that, while her group supported ensuring diversity and inclusivity in ILO staff, it considered it a human resources policy matter under the remit of HRD, which should not be managed by the Governing Body.

206. *The Employer spokesperson* asked the Africa group to clarify the precise meaning and intention of its amendment.

207. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that his group was not satisfied that the Office was implementing the current strategy as it was intended and would therefore like a clear action plan for implementation to be established. He disagreed that this issue did not concern the Governing Body and would like further information about how the Office intended to implement the strategy, which his group had always supported.

208. *A representative of the Director-General* (Director, HRD) , responding to the question from the Workers about persons with disabilities, said that the Office did not maintain statistics on staff members with disabilities, but it could be assumed that, in line with the general population, about 15 per cent of ILO staff members had a disability. At the recruitment stage, candidates were asked if they had any special requirements for the interview and, after recruitment, reasonable accommodation was provided for staff members with disabilities, including specialized furniture and IT equipment. Every effort was made to provide career development and promotion opportunities for staff with disabilities.

209. With regard to the professional background of ILO staff, the Office was keen to recruit staff with diverse experience and had proposed discussions with the different groups on how to recruit staff with more varied professional backgrounds. He would welcome the opportunity to engage in more in-depth discussions to that end. The Office had leveraged ILO Jobs and other IT platforms to render its outreach efforts more effective.

210. The Human Resources Strategy covered two biennia, from 2018–21. It included targets, indicators and a strategy text to guide the work of the Office. The intention had been to submit a progress report to the 338th Session of the Governing Body in March 2020, as it was difficult to evaluate achievements after only one year. However, the Office could present a plan of action on the specific issue of national representation to the 336th Session of the Governing Body. His department had already begun developing such a plan of action.

211. The Office was exploring the option of considering all female candidates alongside internal candidates. Time-bound contracts included short-term and temporary fixed-term contracts. The Office was considering limiting recruitment on such contracts to candidates from under-represented countries. Allocating resources to provide specific opportunities to recruit young people from under-represented countries could include the establishment of a dedicated young professionals programme, although the funding required would be an issue.

212. He clarified that the Office did not impose any kind of quota, which was reflected in the fact that some countries were over-represented and others were under-represented. However, desirable ranges for each member State were calculated on the basis of assessed contributions. All member States, regardless of financial contribution, had a desirable range of at least one to two staff members. There had been some discussion about revising the method of determining desirable ranges, but the issue required careful consideration.

213. *The Director-General* agreed that there was a representation problem; it required further action and more effective and rapid advancement, which was why the Office had established a task force in 2018. He noted that unconscious bias, described by one delegate as "unacceptable", was present in every recruitment and selection process. It would be unacceptable to ignore or deny the existence of such a bias and the Task Force had not attempted to do so. HRD was already developing an action plan based on the Task Force's recommendations and would submit recommendations for concrete actions to the 336th Session of the Governing Body. They would include proposals for amendments to the ILO Staff Regulations. The Staff Regulations, and the legal framework that they provided, prevented the Office from doing more to promote national, regional and gender diversity amongst its staff members. The amended draft decision proposed by the Africa group was very close in intent and effect to the course of action already being taken by the Office and could serve to encourage the Office to be more effective in improving diversity.

214. *The Employer spokesperson* welcomed the efforts on diversity already being undertaken by the Office. He proposed that the amendment should read: “The Governing Body requests the Office to present to the 337th Session of the Governing Body a comprehensive and time-bound action plan for improving gender, regional and professional diversity, as an integral part of the Human Resources Strategy.”

215. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that he supported the Employers’ proposal and requested the Workers and Governments to do the same.

216. *Speaking on behalf of IMEC*, a Government representative of Canada said that her group had not had an opportunity to discuss the amendment. She asked the Office to explain the practical implications of the amendment, as staff members were not currently categorized according to professional background.

217. *The Director-General* said that the proposed reference to professional diversity was ambiguous and that further consideration would be needed in order to clarify the practical implications and precise meaning of the proposal.

218. *A Government representative of the Russian Federation* said that he was not familiar with the exact meaning of the term “professional diversity”. Supporting the statement made by IMEC and the original proposal made by the Africa group, he expressed the hope that the work already begun would continue and that a progress report would be submitted to the 336th Session of the Governing Body. He requested the Office to provide a table showing the representation of each member State among its staff members.

219. *A representative of the Director-General* (Director, HRD) said that such information could be provided on request, but it was not the usual practice of the Office to provide information to governments about other member States.

220. *The Worker spokesperson* said that, in principle, the Workers supported the Employers’ proposal. However, it was important that any action plan was integrated into the Human Resources Strategy and included a broad concept of diversity.

221. *A Government representative of the Islamic Republic of Iran* said that his Government aligned itself with the statement made by ASPAG. He expressed support for the original amendment proposed by the Africa group.

222. *The Employer spokesperson* proposed changing the “professional diversity” to “diversity of professional experience” in the amendment. Ambiguity was unavoidable as the world moved towards the future of work and it was inevitable that some would feel uncomfortable with the changes taking place. However, the term “diversity of professional experience” was not ambiguous. It was important that the ILO was comfortable with change so that it could become a thought leader and implement changes that had already been made in the business sector.

223. *A Government representative of the Russian Federation* emphasized that access to information on the number of staff members from each country employed by the Office calculated on the basis of member States’ assessed contributions was a matter of transparency. Such information was provided as standard by other bodies of the UN system. He asked why the Office did not make that information available as a matter of course, noting that there were restrictions on the representation of each country.

224. *The Employer spokesperson* proposed that the draft decision should refer to "a comprehensive and time-bound action plan for improving gender and regional diversity as well as professional diversity that encompasses work experience relevant to the constituents as an integral part of the HR Strategy", to ensure that business experience was present in the Office. He underscored that the group's proposal did not imply the use of quotas or profiling.

225. *The Worker spokesperson* proposed to add, after "as an integral part of the HR Strategy", the wording "in consultation with the Staff Union and take into account the discussion of the Governing Body".

226. *The Employer spokesperson* said that he could support the Workers' proposal.

227. *Speaking on behalf of IMEC,* a Government representative of Canada said that her group could support the original draft decision and also the Africa group's proposal. In response to the Employers' concerns, she proposed amending the draft decision to insert, after "gender and regional diversity", the words "and maintaining and enhancing the skills base necessary for effective functioning of the Organization". Furthermore, she proposed adding a new subparagraph to read: "(b) encouraged the Office and constituents to widely disseminate job postings to encourage a wider pool of applicants". She underscored that the proposed action plan should be managed by HRD, not the Governing Body. She had no objection to including consultation with the Staff Union. She requested the view of the Office on the proposed amendments.

228. *A representative of the Director-General* (Deputy Director-General, Management and Reform) said that, since consultations with the Staff Union took place as a matter of course and in accordance with existing collective agreements, there was no need to request it specifically. The Office had expressed concerns about its capacity to perform some of the work being described and about staff privacy and profiling. The Office did not record the professional background of staff members, only gender, nationality and age, in line with the provisions of the Staff Regulations. Provision of such information could be arranged in future, but the collation of all data on 3,000 current staff members would be an enormously resource-intensive task. IMEC's proposed reference to skills maintenance and enhancement was something that the Office already did to ensure that it had the requisite skills to reflect the Organization's tripartite nature and the diversity among member States. However, if requested, the Office could prepare a proposed action plan on gender and geographical diversity, together with an action plan for developing an enhanced skill base more broadly, beyond simply where staff members had previously worked.

229. *Speaking on behalf of ASPAG*, a Government representative of China said that his group would prefer the original draft decision that included a reference to under-represented countries, since most of those countries were members of his group.

230. *Speaking on behalf of the Eastern European group*, a Government representative of Poland recalled the critical importance of regional diversity, which should be worded "geographical diversity" in line with the Staff Regulations. Her group supported the proposals from IMEC, and also the Africa group's proposal to refer to unrepresented and under-represented countries.

231. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that, in the interest of securing consensus, his group wished to return to its earlier, shorter proposal: "The Governing Body requested the Office to present at the 337th Session of the Governing Body a comprehensive and time-bound action plan for improving gender and regional diversity." No reference was needed to enhancing the skills base, as the Office had said that that already took place.

232. *The Employer spokesperson* said that IMEC's proposal did not reflect what the Employers were seeking. He supported the proposal from the Workers' group. Professional experience was a weak spot in the Office, yet was critical to the future of work.

233. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that he did not support the Workers' proposal, as the two areas of concern around diversity were regional and gender diversity. Furthermore, the Staff Union should not be involved in recruitment, as that was not common practice.

234. *A Government representative of the Russian Federation* asked whether any Government members opposed the Africa group's proposal.

235. *Speaking on behalf of IMEC*, a Government representative of Canada withdrew her group's proposed amendment and expressed support for the Africa group's proposal.

236. *Speaking on behalf of ASPAG*, a Government representative of China also expressed support for the Africa group's proposal.

237. *The Chairperson* asked whether the Governments as a whole supported the Africa group's proposal.

238. *The Employer spokesperson* underscored that the social partners' views must be taken into account. He could not support the proposal by the Africa group, as it did not include a reference to professional diversity, or other similar wording. He suggested that the discussion should be suspended so that a new draft decision could be prepared.

239. Upon resumption of the discussion, *the Employer spokesperson* proposed an amended draft decision, which, while not encompassing all elements the Employers were looking for, addressed some of them:

The Governing Body:

(a) requests the Office to present to the 337th Session of the Governing Body a comprehensive and time-bound action plan for improving gender and geographical diversity, and ensuring the necessary breadth of skills and experience of ILO staff, which includes experience relevant to the three constituents, being taken into account to effectively deliver on the mandate of the Organization. It should particularly indicate the measures to be taken to ensure representation of the non-represented and under-represented countries. The subsequent report should also indicate the gender and geographical distribution of regular staff by category/grade to facilitate the evaluation of the set targets of the Human Resources Strategy; and

(b) encourages the Office to widely disseminate job postings to constituents to encourage a wide pool of applicants.

240. *The Worker spokesperson* said that her group could support the amended draft decision proposed by the Employers in the interests of consensus, as it attempted to address several concerns raised by the groups.

241. *Speaking on behalf of ASPAG*, a Government representative of China also supported the Employers' proposal, as it took into account unrepresented and under-represented countries.

242. *Speaking on behalf of IMEC*, a Government representative of Canada said that, although it seemed that all Governments supported the Africa group's amendment, her group could support the Employers' proposed amendment in the interests of consensus. She asked whether it was necessary to include the word "three" before "constituents".

243. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that his group could be flexible in supporting the Employers' proposed amendment.

244. *Speaking on behalf of the Eastern European group*, a Government representative of Poland supported the draft decision, with the amendment proposed by the Employers.

245. *A representative of the Director-General* (Deputy Director-General, Management and Reform), responding to IMEC's query, said that as the ILO had 187 member States, it was awkward to refer to "three constituents"; however, it was for the Governing Body to decide.

246. *The Employer spokesperson* clarified that the "three constituents" was intended to emphasize all three constituent groups.

Decision

247. ***The Governing Body:***

(*a*) ***requested the Office to present to the Governing Body at its 337th Session (October–November 2019) a comprehensive and time-bound action plan for improving gender and geographical diversity and ensuring that the necessary breadth of skills and experience of ILO staff, which included experience relevant to the three constituent groups, was taken into account, to effectively deliver on the mandate of the Organization. It should particularly indicate the measures to be taken to ensure representation of the unrepresented and under-represented countries. The subsequent report should also indicate the gender and geographical distribution of regular staff by category and grade to facilitate the evaluation of the established targets of the Human Resources Strategy; and***

(b) encouraged the Office to widely disseminate job postings to constituents so as to encourage a wide pool of applicants.

(GB.335/PFA/11, paragraph 6, as amended by the Governing Body)

Twelfth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Proposed amendments to the Statute of the Tribunal (GB.335/PFA/12/1)

248. *A representative of the Director-General* (Deputy Director-General for Management and Reform) recalled that the proposed amendments to the Statute of the Tribunal had been considered by the Governing Body in November 2018 but, due to concerns that had been expressed by some international organizations that came under the jurisdiction of the Tribunal, the Officers had recommended that the Governing Body should defer the matter to allow time for further consultations. Following those consultations, there were still some areas of difference. Some organizations were of the view that the amendments should be reflected not in the Statute, but through a series of bilateral agreements between the ILO and each member organization; however, the Office would then be required to negotiate separately and conclude 57 agreements.

249. In order to accommodate other concerns, it was currently proposed that the Governing Body should "take note" of the decision of an organization's intention to withdraw rather than "approve" the withdrawal. In the current draft, the proposal that it would be mandatory for organizations to provide the reasons for their departure and indicate the nature of consultations with staff had been changed to a recommendatory provision.

250. The ILO was not required under the Statute to consult with other parties on amendments, but did so as a matter of good faith and due process. The rationale for pursuing the amendments came from a request from the Tribunal: there was a formal process for organizations recognizing the jurisdiction of the Tribunal, therefore there should also be a formal process for them to withdraw that recognition.

251. At the conclusion of the consultations, a large number of member organizations did not support the revised amendments. Nonetheless, as the Governing Body and the International Labour Conference were the custodians of the Tribunal and its Statute, it was appropriate for the Governing Body to take the decision as to whether to seek the support of the Conference for the proposed amendments to the Statute. A background document containing correspondence from legal advisers of member organizations of the Tribunal had been provided to the regional coordinators and the two non-governmental groups.

252. *The Employer spokesperson* said that the Employers' group had analysed the issue, taking account of the concerns expressed over previous years on the impact of the heavy workload and effectiveness of the Tribunal. The group noted with satisfaction that the backlog had been practically eliminated with the consequent positive effect on the length of time it took to issue a judgment. It would be useful to understand the reasons why several organizations had ceased membership of the Tribunal, particularly to understand whether the link between the withdrawals and dissatisfaction with the Tribunal's judgments was unique to each withdrawing organization's situation or part of a broader trend, as the latter would reflect a loss of confidence in the Tribunal process and judgments.

253. Member organizations of the Tribunal should respect the Tribunal's independence and the authority and impartiality of its judgments. It was reasonable to request a withdrawing organization to communicate the reasons for the withdrawal and to provide details on prior consultations with representative staff bodies. That would ensure good faith and transparency, and help the Tribunal to make further improvements. The Employers agreed that the Governing Body should take note of, not approve, the decision of an organization to withdraw. The group also welcomed the removal of the 12-month notice period for withdrawal and the proposal that the effective date of withdrawal would be the date on which the Governing Body took note of the notification. The Employers supported the draft decision.

254. *The Worker spokesperson* noted with satisfaction the proposal to amend the Statute of the Tribunal and its Annex. Under article XI, the Statute could be amended by the International Labour Conference after consultation with the Tribunal; the Tribunal had been consulted and supported the amendments proposed. The Workers agreed that the Statute should contain provisions for revocation as well as acceptance of the Tribunal's jurisdiction. The proposed amendments were necessary due to the fact that a number of organizations had withdrawn from the Tribunal's jurisdiction. It appeared that decisions to withdraw might be linked to unfavourable judgments rendered by the Tribunal towards those organizations, the fact that remedies ordered by some other administrative tribunals were less stringent, and cost savings. The Workers' group strongly agreed that withdrawals might be perceived as forum shopping. The fact that an organization could decide to withdraw its recognition of a tribunal's jurisdiction simply because it disagreed with a tribunal's judgments weakened the appearance of independence and impartiality of both the tribunal from which the organization wished to withdraw and the one it wished to join.

255. Concerning the changes following consultations with member organizations on the proposed amendments, the Workers' group agreed that: the reasons for withdrawal of recognition of the jurisdiction of the Tribunal should be provided in the withdrawal letter; the proposed amendments should introduce an obligation to consult with staff representative organizations regarding any possible withdrawal from the Tribunal's jurisdiction; withdrawing organizations must fully and faithfully execute judgments on complaints filed prior to the withdrawal and pay all corresponding costs in accordance with current practice; the issue of application for review, interpretation or execution of a judgment might also need to be addressed; and the Governing Body should take note of, rather than approve, the revocation of acceptance, which would be valid from the date of its decision or any other date agreed upon with the organization concerned. As the proposed amendments would serve to clarify and strengthen the unique role of the Tribunal, the Workers supported the draft decision.

256. *Speaking on behalf of the Africa group*, a Government representative of Rwanda said that it would be important to approve the proposed amendments during the present session so that the Tribunal would be in a position to codify its withdrawal practices. The group supported the proposal to codify the revocation of the recognition of Tribunal membership in alignment with the admission procedure, such that the Governing Body must determine the effective date of withdrawal in the same manner that it determined the recognition of the Tribunal's jurisdiction pursuant to article XI of the Statute. The Africa group supported the proposed amendments to the Statute in the draft decision.

257. *Speaking on behalf of IMEC*, a Government representative of the United States said that IMEC favoured amending the Statute of the Tribunal to include provisions on withdrawal, whereby the organization would notify the ILO Director-General, who would in turn notify the Governing Body. However, the current proposed amendments still infringed on the prerogative of the governing bodies of member organizations to decide when and under what circumstances it would be appropriate to withdraw. Understanding why an organization had decided to withdraw might be helpful, and the ILO should critically reflect on potential reasons for previous withdrawals; however, the revised wording – that communications "should" contain the reasons – still placed undue pressure on the organization and was contrary to international practice, such as that of the UN Appeals Tribunal. As no reasons were required for an organization to recognize the jurisdiction of the Tribunal, no reasons should be required for it to withdraw that recognition. Furthermore, even the requirement for the Governing Body to take note of, rather than approve, a withdrawal could give rise to delays in the withdrawal process, thus undermining the consensual basis for the Tribunal's jurisdiction.

258. He therefore proposed that, if the proposed amendments were accepted by the Governing Body, subparagraph (a) of the draft decision should be amended to read:

> (a) adopted changes to the proposed amendments to the Tribunal's Statute and its Annex, and approved for possible adoption by the International Labour Conference at its 108th Session (June 2019) the draft resolution appended to document GB.335/PFA/12/1 concerning amendments to the Tribunal's Statute and to its Annex, as amended by the Governing Body;

and a new subparagraph should be added after (b), to read:

> (c) requested the Director-General to commission an independent review on the functioning of the ILO Administrative Tribunal, reasons for departures, opportunities for improvements and general alignment with similar tribunals for best practices with a view

to delivering the report at the 337th Session of the Governing Body (October–November 2019).

259. Concerning the proposed amendments to the Annex of the Statute, the group proposed the following changes: in the first sentence of new paragraph 3, to replace "in accordance with" by "in the spirit of" and to delete "and under conditions that safeguard the independence and the appearance of independence of the Tribunal"; to delete subparagraphs (a) and (b); in subparagraph (c), to delete the words "the effective date of its" and to add, at the end of the subparagraph, the sentence "The organization may also wish to include in its communication information on the reasons for the organization's withdrawal and on prior consultations with the staff representative bodies of the organization concerned regarding withdrawal". New paragraph 4 should be changed to read: "At the next session of the Governing Body after the organization concerned submits its notification of withdrawal, the Director-General shall formally notify the Governing Body of the withdrawal of the organization concerned".

260. *A Government representative of Switzerland* expressed concern that several organizations had withdrawn their recognition of the jurisdiction of the Tribunal, and appreciation for the efforts made by the ILO to understand and respond to the problem through consultations held with the Tribunal, the international organizations that recognized its jurisdiction and the relevant staff associations. The ILO must retain its role and influence within the UN system in safeguarding the rights of all parties to an employment dispute, in particular the rights of staff members. The objective was not to make it more difficult for international organizations to withdraw their recognition of the Tribunal's jurisdiction, but to encourage their interest in the Tribunal and in maintaining their recognition of its jurisdiction. There should be greater focus on the functioning of the Tribunal and, to that end, she supported the proposal to request the Director-General to commission a review of the problems encountered and the measures put in place to improve the situation, to be presented to the Governing Body in November 2019. Concrete proposals must be put forward to enable the Tribunal to continue to conduct its activities.

261. With respect to the proposed amendments to the Statute, she sought clarification on how certain gaps would be addressed to provide legal certainty, namely what happened when proceedings brought by staff members had begun but had not been completed prior to an organization's withdrawal, and whether proceedings could be brought in the period between the notification of an organization's intention to withdraw and the date on which the Governing Body took note of the withdrawal.

262. *A representative of the World Intellectual Property Organization* (*WIPO*) said that WIPO took its responsibilities in relation to employment disputes very seriously, both in its own internal justice system and before the ILO Administrative Tribunal. It valued the important role of the Tribunal in judging cases and delivering justice. The position of WIPO and 17 other organizations was set out in a letter of 19 March 2019. WIPO's concern was purely on a matter of legal principle concerning the process for the orderly withdrawal by organizations of their recognition of the jurisdiction of the Tribunal; in the organization's view, the process should not fall within the purview of the Statute, but require the express consent of member organizations.

263. *Speaking on behalf of GRULAC*, a Government representative of Brazil said that the group supported the spirit and the main thrust of the amendments proposed by IMEC. It was not good governance to create what might be perceived by member organizations as difficulties if they wished to withdraw. The language proposed by IMEC would promote sound governance and good relationships with the organizations that had decided to recognize the jurisdiction of the Tribunal.

264. *Speaking on behalf of the Africa group,* a Government representative of Uganda said that he agreed with some aspects of the amendments put forward by IMEC. However, the proposed reference to "reasons for departure" in relation to the review of the functioning of the Tribunal appeared contradictory, as IMEC had stated that no reasons should be required upon withdrawal. Therefore, he did not support the addition of subparagraph (c) to the draft decision. He did, however, support the proposed changes to the new paragraph 3 of the Annex to the Statute. He could also agree that giving reasons for withdrawing recognition should be optional. However, the wording on information on prior consultations with staff representative bodies must be maintained; if the internal dispute mechanism of an organization was to be altered, then the workers must be consulted, especially since the Tribunal was under the overall supervision of the ILO, which promoted social dialogue. He agreed with IMEC that, as international organizations were not asked their reasons for joining the Tribunal, they should not be asked their reasons for choosing to leave. As Judgment 1043 of the Tribunal stated, similar acts required similar procedures. It therefore followed that, as admission to the Tribunal was by decision of the Governing Body, the Governing Body should have a role when an organization wished to leave. Consequently, he did not agree with IMEC's proposed amendment to new paragraph 4 of the Annex, which should retain the reference that the Governing Body "shall take note of the withdrawal". Lastly, the notification of intention to withdraw from the Tribunal should be placed on the agenda of the "next convenient session" of the Governing Body, as the very next session might not provide sufficient time to include the item on the agenda.

265. *The Worker spokesperson* noted that the amendments to the Statute proposed by IMEC had deleted or merged several provisions. The suggested changes no longer required the withdrawing organization to provide reasons for its departure, or to explain whether it had consulted its staff. The Workers' group could not support a proposal that weakened the provisions allowing the Governing Body to be informed of the views of the Staff Union on an organization's withdrawal that could have a severe impact on staff members' employment status. For transparency reasons, the Governing Body had to know the reasons for a withdrawal, otherwise it would be reduced to rubber-stamping the decisions of other organizations. The proposed amendment did not specify when the date of withdrawal would take effect, implying that any organization could leave immediately after notifying the Tribunal in writing. Furthermore, IMEC's proposal removed the requirement for the Governing Body to be informed of and to take note of any withdrawal prior to confirming it and notifying the Tribunal. That meant that the Governing Body would have no role whatsoever.

266. With regard to the proposed subparagraph (c) of the draft decision, the Workers' group did not see the need for the Office to provide a report on the functioning of the Tribunal, or for it to be discussed at the Governing Body, as the Tribunal functioned well. Furthermore, the Office was a client of the Tribunal and should not be reporting on its functioning. Such a discussion would weaken the Tribunal and its authority. Lastly, it made little sense to request the Office to provide the reasons for an organization's withdrawal, since organizations were not currently obliged to provide such reasons. The Workers' group therefore did not support the amendments proposed by IMEC.

267. *Speaking on behalf of IMEC,* a Government representative of the United States clarified that the report proposed in subparagraph (c) would be an independent review, not conducted by the Office. It would be useful to know the reasons for an organization's departure, but under the proposal it would be an independent body rather than the Office that would enquire into those reasons. Such an enquiry was in no way intended to hinder the withdrawal.

268. *The Employer spokesperson* emphasized that, while organizations should be entitled to leave without hindrance, they should provide reasons to ensure transparency and because it would be useful for the Tribunal to improve its work. He recognized the element of contradiction with respect to subparagraph (c) of IMEC's proposed amended decision, as the Director-General would require information in order to prepare a report. As to the proposed amendments to the Statute, withdrawing organizations should also provide information on their replacement dispute settlement system. Concerning the reasons for withdrawal, he suggested changing the wording from "may also wish to" to "should".

269. *A representative of the Director-General* (Deputy Director-General for Management and Reform) emphasized that the amendments drafted by the Office were a reflection of current practice, and did not introduce any additional obligations, obstacles or requirements for organizations to withdraw from the Tribunal. The Office's intention was to establish a formal, transparent process for withdrawal.

270. In response to the questions raised by the Government representative of Switzerland, he explained that the amendments proposed by the Office made provision for any withdrawing organization to remain under the jurisdiction of the Tribunal until the effective date of withdrawal. Cases still pending at the time of withdrawal would continue under the jurisdiction of the Tribunal until their completion. Furthermore, the Office's proposed amendments required any withdrawing organization to respect any decision concerning a member of its staff that was handed down by the Tribunal during the interim period or after its withdrawal.

271. In connection with the amendments proposed by IMEC, he expressed concern that the effective date of withdrawal of an organization was not specified. That could create legal uncertainty in terms of the rights of staff to lodge complaints and the application of decisions to withdrawing organizations. The Governing Body of the ILO was rightly handling the proposed amendments to the Statute of the Tribunal, as it was exclusively within its authority and that of the Conference, and not of the governing bodies of other organizations, to amend the Statute. With that authority came the responsibility for ensuring that the Statute reflected the practice of the Tribunal and provided the appropriate protections and processes to ensure that it functioned properly and independently.

272. *The Government representative of Brazil* asked what the response of the Governing Body would be, in terms of legal certainty, if a withdrawing organization did not provide reasons for leaving or indicate whether the staff had been consulted, and the legal relevance of such information for the decision-making process of the Governing Body.

273. *The representative of the Director-General* (Deputy Director-General for Management and Reform) said that no legal implications would arise if an organization did not provide reasons for its withdrawal. While the Office would prefer to know the reasons to be able to communicate them to the Governing Body, it was not mandatory for an organization to provide them.

274. *The Government representative of Brazil* questioned whether a provision on reasons needed to be included in the Statute if the reasons were for information only, without legal consequences. The use of the word "should" in the drafting suggested the imposition of a requirement. For that reason, he considered "may" to be more appropriate, as proposed by IMEC. Furthermore, organizations currently under the jurisdiction of the Tribunal should be given the choice to opt out of any amendments approved by the Governing Body.

275. *A Government representative of India* said that clarity and transparency in the provisions of a statute led to the effective functioning of any organization and reduced litigation. It was appropriate for the Governing Body to take note of, rather than approve, an organization's withdrawal of recognition of the jurisdiction of the Tribunal; however, the withdrawal should be effective as from that date, not a date determined by the Governing Body.

Furthermore, the proposal that a notification of withdrawal should indicate whether staff representative bodies had been consulted would safeguard the interests of staff.

276. A transparent and participative mechanism was also needed for the appointment of judges to the Tribunal. Article III of the Statute provided that the Tribunal consisted of seven judges of different nationalities, appointed by the International Labour Conference for a period of three years. However, there were no provisions on the renewal of judges' terms of office, resulting in judges being appointed repeatedly, which was against the spirit of balanced geographical and gender representation. It was imperative that judges of different nationalities, particularly from unrepresented and under-represented States, should be given an opportunity. To that end, a mechanism involving consultations with member States should be established in the Statute. He proposed that article III(1) of the Statute should be amended to add, after "of different nationalities", the words "from all geographic regions". If there was consensus, he would request the Office to present proposed amendments to article III for discussion at the next Governing Body session. To that end, he proposed adding a new subparagraph to the draft decision, to read:

(c) requested the Director-General to come up with draft amendments to article III of the Statute of the Tribunal to provide specific rules for renewal of judges and to ensure balanced representation in terms of geographical regions at the next session of the Governing Body in 2019 to further enhance transparency and credibility of the Organization during the Centenary year of the ILO.

The objective of the amendment was to provide a more equitable, democratic and representative structure, which was of particular importance during the ILO's Centenary year. He supported the Office's proposed amendments to article II, except for any potential modification of the date upon which withdrawal would take effect.

277. *The Chairperson* suspended the discussion to allow for informal consultations.

278. *Speaking on behalf of IMEC, the Africa group and GRULAC,* a Government representative of the United States said that, following informal consultations, he proposed further amending the draft decision to read:

The Governing Body:

(a) adopted changes to the proposed amendments to the Tribunal's Statute and its Annex; and approved for possible adoption by the International Labour Conference at its 108th Session (June 2019) the draft resolution appended to document GB.335/PFA/12/1 concerning amendments to the Tribunal's Statute and to its Annex, as amended by the Governing Body; and

(b) requested the Director-General to commission an independent review on the functioning of the ILO Administrative Tribunal, reasons for departures, opportunities for improvements with a view to delivering the report at the 337th Governing Body in October–November 2019.

279. Much of the substance of the draft decision proposed by the Office had been retained, with a few changes; notably, original subparagraph (b) was deleted and replaced by amended subparagraph (c), which would subsequently be reordered as (b).

280. With regard to paragraphs 3 and 4 of the Annex to the Statute of the Administrative Tribunal of the International Labour Organization contained in the draft resolution, he proposed amending the text to read:

3. An international organization may withdraw its declaration recognizing the jurisdiction of the Tribunal in the spirit of the principles of good faith and transparency. The organization seeking to withdraw shall notify the Director-General in writing its decision to

withdraw from the jurisdiction of the Tribunal. The said notification to the Director-General should certify that the decision to withdraw from the jurisdiction of the Tribunal was taken by the same organ which took the decision to recognize the Tribunal's jurisdiction or the organ of the organization currently competent to take such a decision.

The Notification to the Director-General should contain:

(a) information on prior consultations with the staff representative bodies of the organization concerned regarding withdrawal; and

(b) an express commitment to execute fully and faithfully all judgments rendered by the Tribunal in respect of complaints filed against the organization concerned prior to the effective date of its withdrawal, or in respect of applications for review, interpretation or execution of those judgments, and to pay all corresponding costs.

4. At its next session following the withdrawal notification to the Director-General, the Governing Body shall, after consultation with the Tribunal, take note of the withdrawal. The Governing Body shall confirm that the date it has taken note of the decision to withdraw or any later date as may be communicated in writing to the Director-General by the organization concerned, is the effective date of withdrawal. The organization concerned shall on the effective date cease to be subject to the jurisdiction of the Tribunal. For avoidance of doubt, no complaint filed against the organization concerned shall be entertained by the Tribunal from the effective date of withdrawal.

281. The use of the word "should" in paragraph 3 of the draft amendment to the Annex to the Statute was particularly important; it was the understanding of the Governing Body that the requested information would be provided on a voluntary basis, not as a binding requirement. He requested the Office to confirm that understanding.

282. Subparagraph 3(a) of the Annex to the Statute had been removed from the draft amendment because it lacked the support of the Governments. New subparagraph 3(a) had been included with a view to ensuring that staff regulations or regulations governing the relationship between staff unions and organizations were not contravened. Subparagraph 3(b) had been retained as it was not his group's intention to alter the responsibilities of agencies and organizations.

283. *The Worker spokesperson,* noting that the ILO Administrative Tribunal was a body of high standing and acted as the highest court for many parts of the United Nations system, queried the appropriateness of the proposal to amend the draft decision by replacing original subparagraph (b) with new subparagraph (b), which would lead to a review of the Tribunal led by a part of the system that was subject to its rulings on disputes. New subparagraph (b) should not be adopted and the review should be avoided altogether. Should the Governing Body insist on proceeding with such a review, the reference to "reasons for departures and opportunities for improvement" in new subparagraph (b) should be deleted and the words "in full respect of the independence of the ILO Administrative Tribunal and its jurisprudence" introduced, in order to put the independence of the Tribunal beyond doubt. Her group was unable to proceed in any direction on new subparagraph (b) without the inclusion of that safeguard.

284. With regard to the draft amendment to the Annex to the Statute, she welcomed the reintroduction in paragraph 3 of a reference to prior consultations with staff, but queried the comment by the representative of the United States that the information requested in that paragraph would be provided on a voluntary basis; if provision of the information was voluntary, it was unclear why subparagraph (a) should be deleted. Although she did not welcome the other proposed amendments to the Annex, her group could accept them.

285. *The Employer spokesperson* expressed support for the comments by the Workers' group in relation to new subparagraph (b) of the draft decision. With respect to the Annex, the letter of withdrawal addressed to the ILO Director-General should include the reasons for withdrawal, since that information would be publicly available at that point in time.

286. *Speaking on behalf of ASPAG*, a Government representative of China expressed support for the amendment to the draft decision submitted by the representative of India concerning the renewal of the terms of judges and geographical balance.

287. *Speaking on behalf of GRULAC*, a Government representative of Brazil emphasized that the availability of texts in all official languages facilitated discussion and understanding. It was important to honour the multilingual nature of the Governing Body as part of a multilateral organization and to ensure that it did not become practice to discuss amendments available only in one language.

288. With regard to the requirement for notice of withdrawal, the Office had provided assurances the previous day that the use in paragraph 3 of the Annex to the Statute of the word "should" to introduce the list of requested information would mean that there was no obstacle to the Governing Body taking note of a withdrawal notice; indeed, it would be required to do so, irrespective of whether the required information was included. There appeared to be no legal point to requiring, by the introduction of the word "should", the provision of information that would have no legal consequences for the Governing Body. Therefore, it would be more appropriate to replace the word "should" with "may", in order to ensure that withdrawal from the Tribunal was not impeded by the failure to include specific information in the withdrawal notice. The legal understanding of the Governing Body on that matter should be clarified. He would be open to accepting the text proposed by IMEC and the Africa group, if a good explanation for the proposals was provided.

289. Speaking in a national capacity, he said that he wished to avoid a potential situation in which the Governing Body was required to discuss whether a withdrawal notice contained the listed requirements, such as the proposed "express commitment" to applying judgments rendered and paying appropriate costs.

290. *The Chairperson* sought clarification as to who had been consulted informally on the amendments proposed by IMEC.

291. *Speaking on behalf of IMEC*, a Government representative of the United States clarified that IMEC had discussed the proposed amendments with GRULAC and the Africa group, and had then spoken to the social partners.

292. *Speaking on behalf of the Africa group*, a Government representative of Uganda noted that while the current Statute did not provide a procedure for withdrawal from the Tribunal, in practice organizations were able to withdraw and some had done so. Setting out a procedure, as per the proposed amendment, would provide certainty and codify established practice. With respect to allowing the Office, which itself was under the jurisdiction of the Tribunal, to commission a review of that body, he noted that in the national context, parliamentarians were subject to the justice system even though they were the lawmakers. The expectation was that those involved in the review or in the work of the Tribunal were reasonable people who would act fairly. A number of things had been said about the Tribunal that were not correct; a review would present an opportunity to put that right and demonstrate transparency and the positive aspects of the Tribunal. Evaluation, which was a standard management activity, would not interfere in the independence or jurisprudence of the Tribunal, since its independence and jurisdiction were set out in its Statute.

293. Organizations that had not been asked to provide information on their reasons for applying to join the Tribunal could not be asked to provide their reasons for leaving it. Furthermore, the reasons provided would not inform the Governing Body's decision to take note of a withdrawal from the Tribunal, so the information would serve no purpose. With respect to the issue of prior consultations with staff representative bodies, however, the Tribunal became a part of organizations' dispute settlement mechanisms; the ILO, as a standard-setting body that had issued standards on consultation with workers, should ask that staff consultation be taken into account. It was a matter of good faith to consult workers and, also, to execute fully and faithfully all judgments. The words "express commitment to execute" should pose no problems, since any organization under the jurisdiction of the Tribunal had already undertaken to do so.

294. *Speaking on behalf of IMEC*, a Government representative of the United States welcomed the comments by GRULAC and the Africa group. A review would be the appropriate procedure to consider questions about the functioning of the Tribunal and would not set a precedent. Reviews of similar legal instances within the United Nations system had taken place in the past. The independence of the review would be critical; a number of external bodies could carry out that work.

295. With regard to the Annex to the Statute, subparagraph 3(a) should be deleted, even though giving reasons for withdrawal was voluntary, since no other international court or tribunal made such requests and it would put too much pressure on the organization concerned. There should be no undue interference in an organization's free choice to enter or leave the jurisdiction of the Tribunal. He supported the proposal by GRULAC to replace "should" with "may" in the introduction to paragraph 3. Turning again to the draft decision, he agreed to the sub-amendments proposed by the Workers' group to new subparagraph (b).

296. *Speaking on behalf of GRULAC*, a Government representative of Brazil repeated his query about the use of the word "should" in the proposed text of the Annex to the Statute. It would be useful to hear the opinion of the Legal Adviser on the matter, to ensure that the word was not a disguised "shall"; all the more so in view of the comments of the Africa group on good faith, since an organization that withdrew without providing the required information could be deemed not to be acting in the good faith needed for the Governing Body to take note of the withdrawal. He invited the Governing Body to reflect on whether to consider the issue at its October–November session, rather than take a decision in haste.

297. *The Worker spokesperson* said that it was too early for a decision. Withdrawal from the Tribunal's jurisdiction would affect an organization's staff and would therefore require prior consultation. Reviewing the organization's reason for withdrawal would be on a voluntary basis. Replacing the word "should" with "may" in paragraph 3 of the Annex to the Statute sounded contradictory, as the communication to the Director-General would contain an "express commitment" to execute all judgments. With regard to the matter of good faith, it would not be realistic to govern issues on good faith alone. It would be logical to require reasons for withdrawal, which could also be helpful in identifying how the Tribunal could improve on its own initiative, without interference. Her group required time for consultation with the Employers' group on the draft decision. She suggested adding the words "to the extent possible" to the beginning of paragraph 3(a) of the Annex to the Statute contained in the draft Conference resolution.

298. *A Government representative of Uganda* said that his Government would support the proposed amendment by the United States as it would respond to the concerns of the Workers' group regarding jurisdiction.

299. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia recalled that the Legal Adviser had provided an explanation on the term of office of judges; however, there was no specific written rule determining its limits. Attention should be given to the proposed amendment by IMEC, which his group supported.

300. *A Government representative of the United States*, considering the proposal made by India to give attention to geographical and gender aspects, proposed that the words "the geographical distribution and gender balance of the Tribunal's judges" could be added to new subparagraph 27(b), as sub-amended by the Workers, after the word "jurisprudence". Regarding the social partners' request to have organizations state the reasons for their withdrawal, he proposed that the point on the provision of reasons in the Annex to the Statute could be moved to the draft decision, constituting a new subparagraph (c), to the effect that the Governing Body "encourages organizations that may withdraw from the Tribunal's jurisdiction to provide the Director-General with an explanation of the reasons for withdrawal, so that the Tribunal and Governing Body can better understand the factors prompting them to leave". Such a proposal could bridge the gap and form the basis of an agreement.

301. *The Employer spokesperson* said that organizations wishing to withdraw were simply asked to provide written notification and the reasons for their withdrawal to their governing body. The Governing Body of the ILO would simply take note of their withdrawal, not evaluate the reasons. More time was required to reach consensus.

302. *Speaking on behalf of GRULAC*, a Government representative of Brazil said that the Governing Body should defer consideration of the amendment to allow the United States to redraft the proposal.

303. *The Worker spokesperson* said that the Governing Body had been able to resolve complex issues without postponing the discussions. The outstanding issues could be resolved with a clear understanding of what needed to be settled. Regarding the proposed draft decision by the United States, the phrase regarding geographical distribution and gender balance could be reinserted as a separate sentence in subparagraph (b) or as a new subparagraph. She requested the Governing Body to consider her group's proposal before deferring the discussion. Reaching a decision would be the best way forward as it had already been postponed.

304. *A Government representative of Uganda* agreed with GRULAC's proposal to postpone the discussion of the matter in light of the issues that had been raised by India and ASPAG.

305. *A Government representative of Ethiopia*, in light of his earlier point relating to an amendment concerning the judges, said that issues concerning geographical representation, gender and the term of office of the judges needed to be considered.

306. *The Employer spokesperson* said that his group supported both amendments to the draft decision proposed by the Workers' group.

307. *A representative of the World Health Organization (WHO)* said that despite the efforts of the ILO Office of the Legal Adviser with respect to consultations, insufficient coverage had been given to the positions of the member organizations of the Tribunal. The request in the proposed subparagraph 27(c) to conduct an independent review of the Tribunal would be good practice and in the interests of member organizations, workers, staff members and the Tribunal itself.

308. The purpose of the Statute of the Tribunal was to regulate the functioning of the Tribunal and it was not an appropriate tool to regulate the termination of an agreement between two international organizations. The WHO, which had accepted the jurisdiction of the Tribunal in 1949, would not accept a deviation from the conditions of withdrawal that were applicable at the time that it had joined. During the consultations, the WHO had proposed that guidance on an orderly withdrawal should be provided through a separate note that was outside the Statute.

309. Without prejudice to its stated position, the WHO had the following comments on the amendments proposed: it objected to the reference to a "spirit of good faith and transparency" in new paragraph 3 of the Annex to the Statute, since to include such a reference would imply that there would be circumstances in which that would not be the case. The change from the use of "shall" to "should" in paragraph 3 was welcomed. The WHO was reassured by the views expressed by some in the room that there was no wish to impose conditions on a withdrawal and that the notice given by an organization would not be assessed to determine whether the reasons given were good enough. The WHO also supported the proposal by GRULAC to change the phrase "shall address" in paragraph 3 to "may address"; alternatively, the organization concerned could be invited to provide the information. In accordance with its own internal rules and regulations, the WHO was required to consult with its staff, but that would be a matter for the WHO and its own governing body and it would be difficult to accept that the governing body of another organization should decide on matters that were internal to the WHO. The wording in paragraphs 3(b) and 4 was unclear and could lead to different interpretations; it would be preferable to retain the wording originally proposed by the Office or to retain paragraph 3(b) only. Given the number of objections raised, the WHO urged the Governing Body not to take a decision on the text during the present meeting.

310. *A representative of WIPO* said that WIPO appreciated the efforts made to find a way forward but continued to have concerns about the amendments to the Statute and therefore reserved its position in relation to them. The amendments raised fundamental legal issues that were at the heart of an agency's independence and sovereignty. Article XI of the Statute did indeed provide that "the Statute may be amended … by the International Labour Conference, or such other organ of the International Labour Organization as the Conference may determine", however, that provision could not be interpreted so broadly as to impact on the freedom of a member organization's own governing body to take binding decisions. WIPO had concerns about placing conditions on a withdrawal from the Tribunal's jurisdiction, such as its timing, that were not in existence when an organization had decided to join. On the issue of codification, the amendments did not amount to a codification of jurisprudence and the practice on withdrawals: Judgment 1043 cited in paragraph 17 did not refer to the need to state reasons for a withdrawal and the limited number of recent withdrawals did not give rise to a "practice", especially if the organization in question did not provide the information requested.

311. *A representative of the Director-General* (Deputy Director-General for Management and Reform) recalled that the Governing Body was discussing the matter for the second time in two days and that it had been informed of the consultations with other agencies that had taken place some weeks prior to the current session of the Governing Body. Regardless of whether the Governing Body decided to proceed with a decision on the item during the present meeting, some issues raised the previous day required clarification: whether included in the draft resolution or recorded in the minutes of the meeting, it would be important for the discussion concerning the functioning of the Tribunal to include matters of gender, geographical distribution and the number of terms served by judges. He recalled that any decision to be taken by the Governing Body would also include the draft resolution. Subject to the advice of the ILO Legal Adviser, the use of the word "should" in paragraph 3 of the Annex to the Statute did not create a legal obligation, but it was certainly a strong moral encouragement. Proposed wording in the Annex with respect to the receipt of complaints after an organization had withdrawn could be redrafted as: "for the avoidance of doubt, no complaint filed after the effective date of withdrawal against the organization concerned shall be entertained by the Tribunal".

312. *A representative of the Director-General* (Legal Adviser) recalled that the Office had drafted and circulated to the legal advisers of other organizations three position papers during the months in which the consultations had taken place in order to dispel misunderstandings with respect to the intention behind the proposed amendments to the Statute. The amendments had been drafted at the request of the Governing Body to set out an orderly procedure for departure following a letter received from the President of the Tribunal which had expressed the strong feeling that at least three withdrawals of member organizations had been prompted by dissatisfaction with unfavourable judgments. The proposed amendments did not intend to create a new legal situation but rather to codify existing practice and also reflect the Tribunal's unambiguous case law in this matter. It had never been the intention of the Office to impose an obligation to submit documented evidence, such as records of proceedings of consultative bodies, failing which the Governing Body might delay or otherwise block the process. As placed on record a number of times by the Deputy Director-General for Management and Reform, there was no intention that information requested of an organization that had chosen to withdraw should be provided as a matter of legal obligation and the use of the word "should" did not convey a legal obligation. The word "should" – as opposed to "shall" – was extensively used in standard-setting to differentiate non-binding recommendations from binding Conventions. It was therefore clear that the term "should" in paragraph 3 of the Annex could not be deemed to refer to a binding obligation. With reference to the question raised by the Government representative of India, information would be provided on the number of terms served by judges.

At the suggestion of the Chairperson, the meeting was suspended for ten minutes.

313. *The Chairperson* proposed that, since it had not been possible to reach an agreement on the proposed amendments to the Statute of the Tribunal, the Office should be requested to take note of the substance of the discussions held in the Governing Body and of the proposed amendments. The matter would be referred to the screening group for deliberation and clarification and then to the following session of the Governing Body for further consideration.

314. *The Employer spokesperson* supported the proposal by the Chairperson.

315. *The Worker spokesperson* said that her group had worked with commitment to find a solution.

316. *Government representatives of Romania* and *Bulgaria* also supported the proposal.

317. *The Chairperson* said that she took it that the Governing Body had decided to refer the matter to the following session of the Governing Body.

Decision

318. ***The Governing Body decided to defer consideration of this item to its 337th Session (October–November 2019) and requested the Office to take into account the guidance provided during the discussion in the preparation of the document that would be submitted for its consideration.***

(GB.335/PFA/12/1, paragraph 27, as amended by the Governing Body)

Composition of the Tribunal
(GB.335/PFA/12/2)

319. *The Worker spokesperson* and *the Employer spokesperson* supported the draft decision.

320. *A Government representative of Brazil* said that he was speaking on behalf of a significant majority of governments from Latin America and the Caribbean. He supported the previous comments of the Government representative of India on the need for the Statute of the Tribunal to achieve balance in the geographical representation and gender of judges. Since four of the seven current judges came from one region, it was important to consider a more balanced geographical distribution in order to strengthen the legitimacy of the Tribunal. He supported the draft decision.

321. *Speaking on behalf of the Africa group,* a Government representative of Ethiopia said that the unbalanced geographical distribution and gender composition of judges of the Tribunal was also of concern to his group. He sought clarification from the Office on how many terms the current judges had served on the Tribunal, and on whether there were rules governing the renewal of terms of office. He agreed that the provisions of the Statute concerning the appointment of judges should be reviewed at the next session of the Governing Body. Clear rules on the appointment of judges and renewal of their terms would address the aforementioned issues and bring greater transparency to the system.

322. *A representative of the Director-General* (Legal Adviser) said that there was no specified limit to the number of terms of office that judges could serve on the ILO Administrative Tribunal. There was, however, an understanding among the judges that they would not accept the renewal of their term of office beyond the age of 75. With regard to geographical distribution, the only statutory requirement was that all judges must be of different nationalities. In practice, other factors, such as ensuring a balance of different legal systems, regional distribution and linguistic abilities in line with the Tribunal's caseload and working languages, also shaped the composition of the Tribunal. Furthermore, the Tribunal had had judges from all regions over the years, as shown in a recent publication available on the Tribunal's website. He would revert with information on the number of terms the current judges had served on the Tribunal.

323. *A Government representative of India* said that the information provided by the Office validated the need for clarity in the Statute. That would ensure that the Statute was interpreted correctly, and that there was proper geographical representation in the Tribunal. She reiterated the request for the Governing Body to consider a draft amendment to article III, as systemic reform in the ILO Centenary year would be for the benefit of the Organization and all constituents.

324. *Speaking on behalf of the Africa group,* the Government representative of Ethiopia said that, in the light of the information provided by the Office, his group required more time to decide on the draft decision, as it was linked to the ongoing discussion on proposed amendments to the Statute.

325. *The Chairperson* said that the matter at hand concerned the renewal of the term of office of one of the Tribunal's judges, and did not depend on any proposed amendments to the Statute.

Decision

326. ***The Governing Body proposed to the Conference the renewal of the term of office of Mr Frydman (France) for three years and thus decided to propose the following draft resolution for possible adoption.***

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the appointment of Mr Patrick Frydman (France) for a term of three years.

(GB.335/PFA/12/2, paragraph 4)

Thirteenth item on the agenda

Update on developments related to the International Civil Service Commission (ICSC) review of its consultative process and working arrangements as well as of the reform of the post adjustment methodology
(GB.335/PFA/13)

327. *The Employer spokesperson* said that the Employers still considered that the pay cut was unlawful and should not have been implemented, as the methodology used by the ICSC included some 64 factual errors. Moreover, the pay cut went against the values and the principles of the ILO. While he appreciated the complexity of the work being undertaken by the Office, it seemed that little had been achieved. It should be taking an active, rather than reactive, approach in its engagement and interaction with the ICSC and pushing for methodologies to be reformed. He considered the draft decision to be unambitious and inconsistent with the decisions adopted at the 332nd and 334th Sessions of the Governing Body. Language about methodology reform and the active management of the Office must be reintroduced. He emphasized that the Office should not redeploy the resources saved as a result of the pay cut while the decision of the ILO Administrative Tribunal was still pending.

328. He drew the attention of the Governing Body to document GB.335/PFA/INF/4, which highlighted the possible negative consequences of not respecting the ICSC recommendations. The authority and integrity of the common system should be respected and safeguarded. However, it was important that the system was transparent and predictable in its recommendations. It was also vital that the ICSC was independent and impartial. The ongoing process of reform must include a reform of the post adjustment and other salary survey methodologies. The ILO had a unique tripartite structure and mandate and should therefore participate in decision-making and lead change within the common system based on its values and integrity.

329. He proposed that the draft decision should read: "The Governing Body took note of the information presented in document GB.335/PFA/13 and requested the Director-General to continue to actively engage with the ICSC with the objective of reforming the post adjustment and other salary survey methodologies, and in the comprehensive review of the consultative process and working arrangements of the ICSC."

330. *The Worker spokesperson*, expressing concern that some of the appeal procedures were still pending, said that the strong and continued engagement of the Office would be key to the process of reform of the ICSC. In particular, for the October–November 2019 session of the Governing Body, a report would be required on three issues, the first of which concerned the outcomes of the 41st session of the Advisory Committee on Post Adjustment Questions. It was hoped that the Office would be in a position to influence the technical work of the ICSC secretariat by sharing its statistical expertise and experience, backed up by the support of senior management. Second, information was expected on the outcomes of the upcoming sessions of the ICSC. Third, the Workers' group would want to hear about the outcomes of the forthcoming meeting of the contact group, which would continue the review of the ICSC consultative process and working arrangements, together with representatives of organizations and staff federations.

331. The process of reform of the ICSC was part of the overall process of the UN reform. The ILO must ensure that the UN reform included the strengthening of the system of labour relations that should be applied in line with key ILO Conventions, in particular the Conventions on collective bargaining and freedom of association.

332. In asking the Office to continue with efforts to engage in the process of reform with a proactive and leading role, the group supported the proposal put forward by the Employers' group. However, while the proposal had taken up the language that was used before, certain wording had been omitted that was essential for the Workers' group. Therefore, the end of the text should read: "ensuring the full involvement of the UN Workers' Federations and respect for the basic principles of social dialogue in those processes".

333. *Speaking on behalf of the Africa group*, a Government representative of Eswatini urged the Office to use its influence to encourage all parties to adhere to the agreed meeting and reporting periods, in order that the final report could be submitted to the UN General Assembly in September 2019, as planned. Given that the Office had indicated that there were financial implications in the region of US$7 million – excluding associated costs – related to the ICSC review and review of the post adjustment methodology, he asked why the present update indicated that there were no legal or financial implications. The Africa group supported the amendment proposed by the Employers' group and the sub-amendment proposed by the Workers' group.

334. *Speaking on behalf of IMEC*, a Government representative of the United States expressed support for the amendment proposed by the Employers' group and the sub-amendment by the Workers' group, in line with the decision made by the Governing Body in October–November 2018.

335. *A Government representative of the Russian Federation* noted that the agenda item was incorrectly worded, as reform of the post adjustment methodology was the sole preserve of the ICSC and the appropriate UN General Assembly resolution. The process that had begun was actually a review of the methodology, aimed at further improving specific elements of it. Noting the active involvement of the ILO in the work of the ICSC, he said that cooperation among all interested parties should take place in full compliance with the ICSC statutes.

Decision

336. ***The Governing Body took note of the information contained in document GB.335/PFA/13 and requested the Director-General to continue to actively engage with the International Civil Service Commission (ICSC) with the objective of reforming the post adjustment and other salary survey methodologies, and in the comprehensive review of the consultative process and working arrangements of the ICSC, ensuring the full involvement of the United Nations workers' federations and respect for the basic principles of social dialogue in those processes.***

(GB.335/PFA/13, paragraph 6, as amended by the Governing Body)

Fourteenth item on the agenda

Other personnel questions

337. There was no document under this agenda item.

Appendix I

Director-General's introduction of the Programme and Budget proposals for 2020–21

(335th Session – 18 March 2019)

Every two years at this March session of the Governing Body it falls to the Director-General to present proposals for the programme and budget for the following biennium, and to the Governing Body to recommend a draft programme and budget for adoption by the International Labour Conference in June.

Accordingly, and for the fourth time under my mandate, I am pleased to submit Programme and Budget proposals for the ILO's work in 2020–21 which you now have before you.

We will all be aware that, on this occasion, and by decision of the Governing Body, the usual procedure for adoption of the programme and budget has been modified. You have taken the view that the programme for the next biennium must take fully into account the outcome of the Centenary Future of Work Initiative. As this will only be known after the June Conference, it has been agreed that the substantive programme content which is usually discussed at this session will be decided upon by the Governing Body in November.

Nevertheless, the financial regulations require that budget estimates must be adopted by the Conference in June, and a draft is contained in the proposals before you. I take the opportunity to commend it to you for your approval.

Let me add that the appropriation decision that would be taken by the Conference under this modified procedure would not authorize the Director-General to incur expenditure on policy items. The regulations clearly require Governing Body approval where specification of the precise purpose of appropriation is pending. This is the business we will be coming back to in November.

It is useful, I believe, for me to draw the attention of the Governing Body to three distinct contextual factors that should and will impact in an important way the content and implementation of the programme and budget for the next biennium.

The first, clearly, is the ILO Centenary. I have seen, as our Future of Work Initiative has taken hold, and engaged our tripartite constituents in a quite remarkable way, that there is real political appetite among you, particularly evident since the publication in January of the report of the Global Commission, to grasp this unique opportunity to rethink and rework the substantive work programme of our Organization so that we really do pursue the ambitions and priorities that we identify as key to the future of work. This is not simply a binary choice between continuity and disruption. But it does mean that we will have, at the right moment, to calibrate just what level of change we want to aim at. This is a point I have emphasized in the introduction to my proposals, where I also point out that, without pre-empting or prejudicing decisions we will need to take in November, preliminary thoughts you may have in this regard would certainly be of value to the Office in our continuing programme preparations.

Secondly, let us remember that the programme and budget you are now considering will cover the last two years of the ILO Strategic Plan 2018–21, and that it therefore needs to incorporate the six objectives of that plan, namely: enhanced capacities to respond to constituents' needs; increased capacities to meet the needs of the most vulnerable and disadvantaged; a sustained and reinforced normative function; strengthened knowledge leadership; a leading role in delivering the United Nations 2030 Agenda for Sustainable Development; and enhanced organizational effectiveness and efficiency. I would recall also that the Strategic Plan provides too for the retention of the four cross-cutting policy drivers in the current programme: international labour standards; social dialogue and tripartism; gender equality and non-discrimination; and just transition to environmental sustainability.

Thirdly, while it relates more directly to programme implementation than programme design, the backdrop to what we are now considering is ongoing United Nations reform. We have other opportunities at this session to discuss all of the implications of such reform. But the fact that the ILO has already been an early mover in aligning its programme to delivery of the 2030 Agenda which has decent work at its heart, and that delivering that Agenda is equally the underlying logic of United Nations reform means that the ILO, with the continuing hard work we are putting in, is well placed to extract the fullest benefits of the reform process.

Let me turn now to those of my proposals which aim to strengthen further the ILO's results-based management system, primarily through a new results framework anchored in an explicit "theory of change". These proposals are a direct response to the instructions addressed to the Office, for example in the 2016 Conference resolution (on Advancing Social Justice through Decent Work), and to recommendations such as those of the Multilateral Organisation Performance Assessment Network (MOPAN). The objective, as the Conference resolution says, is to enable the ILO to demonstrate to you, our constituents, "how its work has contributed to the realization of the four strategic objectives".

This process can only be finalized in November when we will be in a position to develop the full set of targets and indicators in the light of programme priorities established then. But the opportunity now is to reach agreement on the broad parameters of a framework which would identify much better how what we do contributes to the advancement of the ILO's strategic objectives. Doing this would have important implications for the way we operate, and they are set out at the end of chapter 2 of my proposals. Moreover, in line with the Office's continuing commitment to strengthening its results-based management, it would contribute substantially to the optimal discharge of our duty of accountability to our constituents. These are responsibilities that my colleagues and I take very seriously.

Since the beginning of my mandate, the Office has been relentless in its pursuit of efficiency gains to allow redeployment of resources to frontline technical work and services to constituents. The sum total of such redeployment to date is US$58 million, with an additional US$8.5 million proposed now. This redeployment includes internal restructuring and reprofiling of positions and transfers of resources away from support and management services. That has enabled an increase of the equivalent of 74 full-time employment positions to deliver frontline technical work. With the same level of resources at our disposal, we are doing more, doing it to a higher level of quality, and doing it more efficiently and subject to more rigorous scrutiny.

Let me stress that I intend to press forward with these efforts in the manner described in my proposals, including the continuing Business Process Review, underpinned by sound governance, oversight, risk management, and human resource development. These are areas in which the Office will take no shortcuts nor seek false economies.

As I address the proposed level of the budget for the next biennium, let me briefly remind the Governing Body of the long-term trajectory of that budget. The real level of the ILO's budget today is 14 per cent lower than it was 40 years ago, and 5 per cent lower than it was 20 years ago. Within this context of declining resources, we have nevertheless been able, under your direction, to respond to your increased demands for services and reinforced governance to meet best practice. On substantive policy matters, the ILO has been in a position to invest in areas which have come on to, or moved up, the list of policy priorities you have set: the green economy, informality, migration and rural work, for example. At the same time we have established an evaluation function, ethics officer and mediator posts, and an independent oversight committee; we have adopted International Public Sector Accounting Standards, annual audits and formal enterprise risk management, and we have absorbed our share of the costs of the strengthened United Nations resident coordinator system and United Nations Department of Safety and Security expansion; we have increased spending for internal audit and investigation, and enhanced our IT and communications environment.

There is a record of effort and achievement here, and of genuine responsiveness to the demands and expectations that you, our members, understandably address to us. We understand our responsibilities to you and we will continue to strive to discharge them to your satisfaction.

It is against this background, and fully conscious of the realities of the constraints on public finance in our member States, that I propose to this Governing Body a number of institutional investments and extraordinary expenditure items which imply a departure from the long-term trajectory of zero real growth or reduced budgets. These investments are not designed to expand substantive programmes in any arbitrary or capricious manner but rather to meet pressing organizational needs which, if unattended, would specifically damage vital ILO operational capacities. They are in five areas.

Firstly, the United Nations resident coordinator system. We have had difficult discussions already on this issue. The General Assembly last year decided that our contributions to the system, which since 2014 have been absorbed in the ILO's regular budget, should be doubled. The amount due for 2020–21 is US$4.6 million which I propose should be met through an increase in the budget and not through cuts in programmes which would appear to be the only realistic alternative.

Secondly, with the physical evidence around us of the final stages of the first phase of the renovation of this building at a cost of more than CHF200 million, financed entirely from ILO funds notably through the sale of land, it seems clear that we must now act upon the decision taken in 2011 by this Governing Body to implement fully the long-term strategy to finance future periodic refurbishment and renovation of ILO properties worldwide. We, or rather our successors, will not have the option of the sale of assets. I am therefore proposing that funding of the ILO reserve for this purpose be increased to the already agreed rate through an investment of US$3.8 million in the coming biennium.

Thirdly, it has been determined by the competent United Nations services that measures need to be taken to align access to and security of the ILO premises in Geneva to United Nations standards. We have worked with the host Government to specify a project to this end, and it is detailed in separate documents before this Governing Body, GB.335/PFA/3 and GB.335/PFA/3(Add.). The proposed phased approach to its implementation with support from the host Government requires an investment by the ILO of US$10 million in the next biennium.

Fourthly, despite the significant efforts that have been made to invest in our IT systems, largely by use of fortuitous budgetary surpluses and unanticipated savings, the ILO does not have the capacity to meet the continuing need for growing investment in this area, to meet demands for improved access to data, enhanced knowledge sharing, assuring cyber-security risks, and meeting new standards arising from the rapid evolution in technologies. In 2017, the Governing Body endorsed an IT strategy and the proposal before you for an investment of US$12.2 million will partially fund its objectives.

Fifthly, and finally, the proposal to increase the provision in Part II of the budget for unforeseen expenditure by US$1.125 million is a straightforward and appropriate response to the reality that additional expenditure mandated by Governing Body decisions has regularly exceeded US$2 million in recent biennia. It seems to be a matter of good management to ensure that adequate provision is made accordingly.

The aggregated institutional investments proposed come to US$31.7 million. I repeat they are not presented lightly or without proper preparation and reflection. Rather, they are the necessary consequence of the reality that without the right infrastructure and institutional capacities the ILO's continued capacity to deliver cannot be sustained.

In the same vein, the Office has carefully reviewed, as it always does, the prospects for the evolution of costs over the next biennium on the basis of best available information. In the past two biennia, the budgets adopted included cost decreases, so that the nominal level of the budget actually fell. But this time the situation is less benign and moderate inflation has returned and is forecast to continue. For this reason, a cost increase of 1 per cent or US$8 million in nominal terms for the two years of the budget period is incorporated in the proposals before you.

Let me conclude by noting that, contrary to normal practice, and precisely because our modified procedures do not allow for the definition of substantive programme priorities at this juncture, no estimates of extrabudgetary or Regular Budget Supplementary Account contributions have been advanced in my proposals. However, the Governing Body may wish to keep in mind that should voluntary donors continue to support ILO work at the average level of the past six years, this would be in the amount of US$248 million per annum.

With this introduction, I submit my programme and budget proposals for the consideration of the Governing Body and commend them for final adoption by the Centenary International Labour Conference in June.

Appendix II

The Director-General's response to the issues raised by Governing Body members during the discussion of the Programme and Budget proposals for 2020–21
(335th Session – 25 March 2019)

For the first time in the period I have served as Director-General, it is my task to reply to the debate that took place last week on my Programme and Budget proposals for 2020–21, by presenting to you, as I do now, a revision to the real level of those proposals.

It is worth recalling at the outset that on the previous three occasions that it engaged in this exercise, the Governing Body was in a position to adopt the original proposals without any revision to the level of the budget, which was consistently set at the level of zero real growth.

This experience demonstrates two things.

The first is that the Office has consistently shown realism and restraint in the programme and budget proposals it has made. It has shown real consideration for the financial circumstances of its member States, has not made any attempt to seek increases in the volume of programme activities by simply asking them for a greater financial effort, and has understood that if it wants to do more for its constituents – and we do – then it must be through funding generated by efficiency savings and the mobilization of extrabudgetary resources. And this, of course, goes hand in hand with our duty and commitment to give more value for money – to use the resources that you put at our disposal to the very best effect.

The second is that the departure from the practice of the last six years, with the inclusion of a series of institutional investments that would mean an increase in the real budget, is not the result of any abandonment of this approach of budgetary rigour, nor of any random initiative in the face of admittedly growing demands – and opportunities – facing the Organization. Rather, it is a considered and rational response to circumstances facing the Organization and which demand of it, unavoidably, a number of actions which are required to sustain its operational capacities at a prudent and acceptable level.

These were the issues which stood at the heart of our debate last week, and we listened with great attention to what you had to say to us. As a consequence, I will focus my reply on the five areas of institutional investment that I originally proposed – totalling US$31.7 million – and how they may be adjusted now in the light of careful consideration of your comments with a view to finding consensus on a programme and budget which this Governing Body can recommend to the Centenary Conference in June.

Before turning to those matters, let us also remember that the modified procedure for the adoption of the programme and budget means that it will still remain for decisions to be made on substantive programme content next November in the light of the outcome of the Future of Work Centenary Initiative agreed at the Conference. In the programme and budget debate last week you gave us some guidance in that regard, including on the extent and balance of continuity and change to be expected, while discussion on several other items on our agenda foreshadowed, without prejudging, a number of specific issues which we will no doubt return to in November. We have been able to respect fully our obligations under the Financial Regulations while addressing the questions before us in a coherent and meaningful way; which is to say that we have made this modified procedure work as intended.

This said, a considerable amount of work remains before us from here until November and it will need to be accomplished under great pressure of time. Close consultation with constituents will be a key to its successful completion and I want to assure the Governing Body that the Office is fully committed to it.

That applies equally to the full elaboration of the improved results framework which the Governing Body has expressed support for and offered important guidance on. You have stressed the need for a full and balanced approach to the ILO's four strategic objectives, the importance of integrating the ILO's contribution to delivering the 2030 Agenda for Sustainable Development, and alignment with the ILO's Strategic Plan for 2018–21 and the 2008 ILO Declaration on Social Justice for a Fair Globalization. My colleagues will initiate consultations with constituents as soon as possible after this Governing Body session, with a view to publication of a final draft of a new results framework in September.

Let me then turn to the question of institutional investments that were contained in my original proposals. Last Monday I said in my presentation that these investments were required, "to meet pressing organizational needs which, if unattended, would significantly damage vital operational capacities". I have to reiterate that reality at the same time as I must acknowledge the difficulties expressed by many Governments in assuming the financial burden of these investments as put to them. My clear reading of our debates was that while the need for investments in the five areas concerned was well understood, there was a strong body of opinion that these investments should be stripped back to their minimum essentials and where possible made over a longer period of time, and that the Office needed to revisit the means of their financing, with a particular view to an increased effort by it to reprioritize spending within existing regular budget levels.

It is on this basis that I now present the following adjustments to the proposed institutional investments. They are reflected in a document which will be made available to you along with the text of this statement in the official languages, immediately after the conclusion of my remarks.

For clarity I will take each area of investment individually.

The first area of investment is in respect of the Building and Accommodation Fund where an increase of US$3.8 million was proposed in order to meet the terms of the strategy agreed by the Governing Body in 2011 to make an annual provision of 1 per cent of the insurance value of the ILO-owned buildings for their future refurbishment and renovation. While this provision is in line with industry best practice I am constrained to propose that the increase originally proposed be halved. That means that instead of moving to the 1 per cent target from the current level of approximately 0.5 per cent we would arrive at some 0.75 per cent. By so doing, the originally proposed institutional investment would be reduced by US$1,885,000.

The second area is information technology where I had proposed an investment of US$12.2 million, all of which, I would stress, would serve to finance the Information Technology Strategy 2018–21, which the Governing Body agreed in 2017. You have told us to prioritize further the expenditures proposed and we have done so, so that what is left corresponds only to the most critical needs of the next biennium.

Concretely, I now propose to postpone investment in the items on electronic records management, and on mobile device management, which are set out in detail in paragraphs 174–179 right at the end of the programme and budget proposals. Additionally, I now propose to defer replacement of the ILO intranet. Taken together, this would represent a reduction of US$5.3 million in the originally proposed investment. But the Governing Body should be aware that it also represents a clear constraint on the operational efficiency of the Office; we will have to maintain paper-based storage; knowledge sharing will be hindered; staff remote access to ILO systems will be limited; intranet software will be unsupported by the end of the biennium, multiple formats of intranet will persist and delivery of the Office communications plan will be jeopardized. Furthermore, some Business Process Review recommendations will not be able to be acted upon.

The third issue is security where an investment of US$10 million was proposed in the coming biennium as the first phase of a US$25 million programme to ensure full compliance with United Nations Minimum Operating Security Standards. Many of you, while recognizing the obligation to assure adequate security of staff, constituents and visitors, questioned whether some aspects of the proposed enhancement were required and whether expenditure at this level was absolutely necessary, and urged the Office to explore less costly options.

We have done that – and indeed the Governing Body has also begun a separate debate on these very matters in the context of the renovation of this building. The upshot is that there are essentially two options before us. Either the “two ring” approach, involving securing the full perimeter of the ILO’s grounds as well as the building itself, as I have proposed. Or the “one ring” approach, involving investment in securing only the building itself. There really are no sensible intermediary options.

In the light of your deliberations, I see no option but now to propose measures focused on the latter. That means we will not be able to meet fully United Nations standards for our – your – security. But improvements can be effected by an investment of US$3.5 million plus funding from existing sources, as detailed in document GB.335/PFA/3, and the establishment of an access point for visitors located outside the main building.

There are two unfortunate side effects of this course of action. Firstly, abandonment of the comprehensive option would require a new round of negotiations with the host Government which had offered financial support for it to see what assistance might still be forthcoming from it. And secondly, if at a later stage we were in a position to implement a more comprehensive security solution, then the investment I am now putting to you would become largely redundant.

Fourth, I come to the unforeseen expenditure item where I had proposed an increased allocation to bring the programmed provision closer to the real levels of such expenditure in recent biennia. I now propose to leave the proposed allocation at its current level of US$875,000 instead of the US$2 million I had proposed. The fact is that, in all probability, this provision will be inadequate – unless of course the Governing Body exercises greater restraint than it has previously in the past. In any case, I do think it incumbent on us all to be much more rigorous than we have at the time of incurring new items of spending in identifying what the implications are for other areas of spending. There are no free lunches.

The overall budgetary consequences of these revisions are such that the real increase in the budget, including institutional investments, would be some US$16.9 million as opposed to the US$31.7 million originally presented – a reduction of some US$14.8 million.

While the revisions are a genuine attempt to respond to what we believe the Governing Body would consider an acceptable budget level, they are above all the result of a strenuous effort to distinguish those investments that are absolutely essential to vital functions of the ILO and which must be maintained, and those which – while impacting significantly the life of our Organization – would not, by their absence, be life-threatening.

The subsequent question is how the remaining, essential, investments can be financed. Last week, I recalled the efforts made by the Office over past biennia to redeploy resources from backroom to frontline services and to invest in areas relevant to our current discussion, and I put it to the Governing Body that this reflected a significant record of effort and achievement; I reiterate that these efforts will continue. Your recognition of that record was accompanied by a renewed call on the Office to make further efforts at redeployment to meet in part the remaining, critical institutional investment needs.

To respond to that call, I now propose that of the remaining US$16.9 million of investments, US$4.6 million be met from within the existing level of the regular budget, corresponding to the sum needed to cover the specific increased costs of the United Nations Resident Coordinator system.

Governments have said clearly and firmly that, in line with decisions already taken in New York, they are not prepared to meet this expenditure through an increase in assessed contributions, and hence through any increase in the ILO's regular budget. I would recall that, in this house, decisions have already been taken whereby the ILO will assume its responsibilities in contributing to the system, and those decisions should not be revisited. By its nature, this item does not offer any option of being deferred or spread over a longer period of time. Accordingly, I now propose that this item of expenditure be financed within Part I of the regular budget, and the proposed institutional investment be eliminated.

This would involve:

- the use of US$940,800 previously proposed for redeployment towards policy outcomes. Nevertheless, I maintain my proposed strengthening of the Internal Audit and Investigation function by some US$370,000;
- a further reduction of some 1 per cent in the Management item of the Strategic Budget, in addition to the considerable savings already made there. My colleagues will be instructed to identify those further economies, amounting to US$500,000, without impacting negatively essential oversight and accountability functions; and finally,
- a reduction of US$3.1 million in the funding currently earmarked for policy outcomes, representing one half of 1 per cent of the total of that allocation. In line with the modified procedure we are applying, the exact content of this reduction will need to be decided in November.

In this context, I would additionally recall that reference was made last week to the possibility of applying equitable cost recovery to include extrabudgetary-funded activities so as to meet some of our investment costs. The Office is currently reviewing its practices in this respect so as to ensure that such activities do not constitute a financial liability on member States. This is a requirement of our Financial Regulations and any issue identified will be addressed to guarantee equitable cost sharing. Nevertheless, at this time we are not in a position to introduce this measure in our budget decision-making.

These revised proposals which reduce substantially, and to their critical minimum, the institutional investments to be made in 2020–21, and which include a further requirement on the Office to redeploy funds to cover a significant proportion of the costs of that investment, would reduce the real budget increase requested of Governments to US$12.3 million, equivalent to 1.57 per cent.

I very much hope that the Governing Body will see in these revisions a satisfactory response to last week's debate and a basis for consensus on a draft programme and budget of US$804.1 million to be recommended to the Centenary Session of the International Labour Conference for adoption.

Thank you.

Appendix III

Statement by the Chairperson of the Staff Union to the Programme, Financial and Administrative Section of the Governing Body (335th Session, 19 March 2019)

Madam Chairperson, whom I congratulate on her election,

Director-General,

Ladies and gentlemen, members of the Governing Body,

Dear colleagues.

It is my honour to deliver this address as President elect of the ILO Staff Union, representing almost 70 per cent of the ILO staff at headquarters and in the field.

I must, however, begin by sharing the pain felt by the staff of several other United Nations organizations who lost 21 of their colleagues in the tragic air crash that occurred in Ethiopia on 10 March. Whenever a member of our staff passes away, every one of us in the United Nations family feels distraught.

At a time such as this, it might seem futile, even inappropriate, to speak of other matters, but such is the duty that I must nevertheless endeavour to fulfil.

Today, it is both with some humility but also with pride and emotion that I speak to this assembled body as we celebrate the Centenary of the ILO, an institution which, I truly believe, is dear to us all.

The humility I feel in addressing you stems from the thought of all the Governing Body sessions that have been held since the beginning of the 20th century, where your predecessors, and you ladies and gentlemen, the delegates representing workers, employers and governments, have done everything they can, year after year, to establish, refine and strengthen the mandate of the oldest of all United Nations organizations, so that peace, social justice and decent work remain the constant focus of the major debates confronting global society, 100 years after its creation.

I am also proud and moved to be standing here before you as the staff representative, to bring to your attention the concerns they are facing, just as all the women and men who have preceded me in this capacity have done for nigh on 100 years, ever since 1920.

Dialogue, innovation, adaptation, courage and perseverance, these have been and still are the principles and values that guide all those whose role it is to further the Organization's objectives. Surely their determination and commitment warrant that we should rise to the occasion and, despite the heavy schedule ahead of us, mark the day in a manner worthy of what our Organization has achieved over the past century.

The staff at headquarters greatly appreciated being involved, on 22 January 2019, in the official launch of the celebrations, and are already looking forward to the ceremony in April in which the field staff in particular will participate.

The staff representatives have also been very sensitive to the publication of the report of the Global Commission on the Future of Work, whose main objective has been to provide guidelines for building a better future. In the current global context, that would be no mean feat.

The report, which is directed at each and every stakeholder in the world of work, affords an ambitious vision of what that world might look like in the course of the twenty-first century. The ILO staff representatives have been quick to decipher the key messages that the report conveys, such as the importance of placing the human element at the centre of our concerns, of guaranteeing access to lifelong learning and of strengthening social protection. They would like to think that the report applies also to the men and women who are first in line as they work untiringly at headquarters and in the field so that all the Organization's principles and values are handed down through the ages. You can imagine how difficult they would find it to understand that the ILO does not practice what it preaches when it comes to its own staff.

It looks, however, as if we may still have to wait some time for that, considering that some of the documents submitted to this session would suggest to the staff representatives that, however ambitious and forward-looking the report on the future of work may be, it has not yet quite penetrated the minds of those who drafted and submitted it.

I refer specifically to documents GB.335/PFA/6 and GB.335/PFA/7, which were already discussed yesterday but whose recommendations – especially the third recommendation in document GB.335/PFA/6 – would seem to be inspired more by the ILO's desire to generate profit by outsourcing more and more of the work than by any genuine attempt to provide effective social protection for the staff as a whole. The recommendation goes against the assertion we find in the report to the effect that "the future of work requires a strong and responsive social protection system based on the principles of solidarity and risk sharing". Just in case the message conveyed in my earlier statements – and also, in fact, in those of my predecessors – has not got through, I will reiterate it: any attempt to undermine the Staff Health Insurance Fund for reasons other than the interests of its members will be firmly resisted. The ILO is deeply attached to its health system, which is based on the very principles that are promoted in the Global Commission's report.

I refer also to document GB.335/PFA/1 containing the Programme and Budget proposals for 2020–21, where the staff can at last discover the, in their view, greatly exaggerated amounts that have been spent on assessing operational procedures allowing "the elimination of a number of clerical support functions, releasing resources for … front-line technical work". It is of course not the decision itself that is being challenged, since it stems from a decision-making prerogative that they do not question. What does give cause for alarm, rather, is what the document does not say.

It makes no reference, for instance, to the human context in which my colleagues evolve – since from now on we are putting the human element at the heart of the debate – or to the serious impact the decisions taken may have on their professional life, without for example guaranteeing them access to further training so as to have a hope of finding another post. What the document overlooks is the increased workload and added stress for our colleagues who survive in the administrative services, where they are so exhausted that, more and more often, external assistance is required so that they can meet shorter and shorter deadlines that are virtually impossible to attain without their health suffering. What the document ignores is the fact that no support posts are being created in the field to handle the increased number of technical posts in field offices. Meanwhile, from our staff representatives in the field we hear of colleagues on the verge of a breakdown, of the regular downgrading of posts for purely financial reasons, of the virtual lack of recognition for work done. Yes, indeed, here at the ILO it is certainly time for the human element to become once again a central concern.

The Staff Union deplores the endless platitudes to be found throughout the Governing Body documents, which often give only a distorted view of the real working conditions in our Organization. But it must not be forgotten that, behind the proposals ostensibly designed to ensure a streamlined budget, there are above all else men and women. Charity, they say, begins at home. So yes, let's have a programme that really focuses on the human element; let us take this opportunity to set a good example; let us "seize the moment".

Those were my general remarks. I shall now go into a little more detail concerning the very large number of documents that have been submitted to this session for information or for approval, so that you can understand the staff representatives' point of view.

The first three documents I shall comment on relate to the United Nations common system and its now famous – at least in this Organization – International Civil Service Commission (ICSC). I refer to documents GB.335/PFA/13, GB.335/PFA/INF/4 and GB.335/PFA/INF/5.

The Staff Union confirms the information contained in document GB.335/PFA/13 regarding the consultative process, working arrangements and reform of the post adjustment methodology. It does, however, regret that such an important process is moving forward so slowly and that there are some surprising changes in the timetable that the staff representatives see as simple delaying tactics. On the other hand, it does appreciate what it sees as a gesture of appeasement and goodwill, i.e. the decision of the ICSC's new president to send a message to all United Nations staff assuring them of his intention that, under his presidency, the Commission should in future live up to its mandate and its objectives. At the same time – and aware of the irony of the situation – the Staff Union notes with satisfaction that the ICSC, in a, how shall I put it, burst of historically delayed awareness, should finally have decided to incorporate in its own Statute and Rules of Procedure the decisions that the United Nations General Assembly laid down in its 1998 resolution A/53/30. They are never more than 20 years late …

Regarding document GB.335/PFA/INF/4: *Decisions of the United Nations General Assembly on the report of the International Civil Service Commission for 2018*, it is a matter of regret that the General Assembly always appears far keener to initiate savings which the staff very often end up paying for, rather than adopting ICSC recommendations which, for once, had been properly discussed with the staff federations and had produced a consensus. Adopting those recommendations could have simultaneously satisfied the administrations' need for a flexible body of staff and made working for the United Nations an attractive proposition by guaranteeing a better work–life balance. I am referring here to paragraph 21 of the document.

I would also draw the attention of the ILO's constituents and the members of the ILO Staff Pension Committee to document GB.335/PFA/INF/5, specifically to paragraph 14, which refers to amendments to the Regulations and Rules of the United Nations Joint Staff Pension Fund (UNJSPF) in a manner that could seriously undermine the ILO's representation on the Joint Board. The members of the Governing Body, the administration and the Fund participants will need to be extremely vigilant in ensuring that the Fund is not gradually taken over by other organizations. Once again we are talking about the social protection of the staff, an area where the ILO has always been looked upon as a leading light in the United Nations common system. That must continue.

I shall now turn to the other PFA documents that have direct implications for the staff's employment and working conditions.

Regarding document GB.335/PFA/3 on the headquarters building renovation project, the Staff Union is concerned about the possible consequences of there being a gap between the two phases of the project, especially with respect to the persistent presence of asbestos in the lower parts of the building, the notorious fire hazards and the poor quality of the air. Perhaps you are not aware that many of our colleagues work day in day out on the lower floors of the building, and the Staff Union cannot see why there should be a two-speed occupational safety policy within one and the same Organization. Where it is a matter of the staff's safety, the Staff Union believes that the ILO should first and foremost focus on its currently understaffed human resources so that they can do their job properly, with proper contracts, rather than resort unduly to external companies. That said, we realize that nowadays, though a worker's life may be priceless, once he or she is no longer there the cost is extremely high.

The Staff Union therefore urges the Governing Body to act responsibly when it takes decisions relating to the security, well-being, safety and health of the ILO staff, with due respect for the standards set by the host country and by the United Nations. A worker's life is priceless.

As to document GB.335/PFA/10(Rev.) on amendments to the Staff Regulations, the Staff Union believes that proper consultations were held with the administration and that the document is an appropriate reflection of the outcome. It is, nevertheless, following very closely the discussions being held within the ICSC regarding the review of the methodology for calculating the salaries of the different categories of staff concerned, particularly in the light of the legal disputes and appeals that have surrounded the issue during the past two years.

The Staff Union was particularly interested in document GB.335/PFA/11 on the composition and structure of the ILO staff, given the discussions that are to be held with the administration this year on the issue of the Organization's increased diversity. In the Staff Union's view, if the question of diversity is to be tackled seriously, the concepts, challenges and central issues involved must be correctly defined from the very start. Diversity among the ILO staff cannot simply be reduced to an assessment of the number of different passports held by the Organization's employees. Moreover, we cannot allow the search for the best person for each post, which is the prime concern of any recruitment process, to be undermined by measures that go against the fundamental principles of non-discrimination embodied in the Charter of the United Nations. Diversity is much more than a matter of hard cash that member States contribute to the Organization. Quite apart from geographical distribution, it comprises gender equality, equality in terms of diversity of social origin, equality among languages and the different socio-occupational groups, integration of persons in situations of disability and non-discrimination on the basis of sexual orientation. The administration will at the same time need to promote creative initiatives, which means finding additional resources in order to devise better ways of integrating young workers from every part of the globe so that they can join the Organization and make a useful contribution to it. The Staff Union has already expressed its willingness to engage in any discussion on the subject.

Turning to document GB.335/PFA/12/1 on the proposed amendments to the Statute of the ILO Administrative Tribunal, the Staff Union shares the Tribunal's concerns about anything that might seriously compromise its neutrality and its independence. It is absolutely vital for the staff of the ILO, as well as of all the organizations that come under the Tribunal's jurisdiction, that it should impart justice with complete independence and impartiality.

Finally, the Staff Union would like to say a word about the ILO's duty to honour its mandate in the context of its Centenary celebrations. Anyone who has read all the documents before the Governing Body carefully cannot help but observe that our Organization is at a crossroads. Every document, even the ostensibly least contentious, is contingent to some degree on the United Nations reform, the Global Commission's report on the future of work and the expectation that the ILO should issue a strong statement to mark the Organization's Centenary. These are considerations that are far too important for the staff representatives to ignore. The very wording used in document GB.335/PFA/1 – "change of direction", "reorientation", "reorganization" – leaves no doubt as to the consequences that the decisions involved may have for the staff. The Staff Union has also taken due note of paragraphs 42 to 45 of document GB.335/INS/10 on the United Nations reform, though it regrets the absence of any clear reference to existing labour relations mechanisms, within which all discussions, consultations and negotiations on the possible consequences of the reform for the ILO staff will have to take place.

During the past 100 years, thanks to the resilience of its tripartite Constitution, the Organization has weathered many a storm, and it has always succeeded in finding its rightful place in the United Nations' multiple attempts at integration, while retaining its remarkable and uniquely specific nature. And the ILO staff, too, have always been able to adapt to the new configurations, so long as social dialogue has been conducted in good faith ahead of whatever decisions have had to be taken. The Staff Union therefore trusts that the specific form of labour relations that we have at the ILO, which it sees as inherent in the Organization's DNA, will again prevail throughout this process of reorganization, so that it continues to serve as an example within the United Nations common system and to be conducive to good practice and its ensuing benefits.

What would be the point otherwise of being the oldest member of the United Nations family if it was not respected for its experience and expertise?

Allow me to remind you, as delegates representing the three groups of Workers, Governments and Employers, that the “world parliament of labour” that your predecessors created and nurtured for a 100 years, and which you are perpetuating here today, is unique, worthy of respect and, especially, indispensable. In the interests of decent work, the maintenance of peace and social justice, it is essential that tripartism endure. You are an outstanding example of the benefits of social dialogue within the United Nations which, for all the obstacles and difficulties it entails, brings with it the full beauty and satisfaction of engaging in discussions through which it is possible to devise and conclude agreements and to promote a system of standards that can benefit workers throughout the world. Let this message be heard loud and clear.

For a 100 years, the destinies of the three component parts of this Organization have been irrevocably intertwined. The Organization cannot hope to function if the tripartite stakeholders are unable to find their way to a compromise so as to provide it with guidance. And the Organization cannot function without a competent and committed secretariat and staff to implement decisions. The staff will always stand side by side with the administration and the Organization’s constituents in continuing to promote social justice and decent work. It trusts that the feeling is reciprocated where the staff’s employment and working conditions are concerned.

As members of the staff, we believe that all those who have built the Organization over the years can be proud of what they have achieved, and we hope that the journey will continue for many years to come.

On behalf of the staff, I wish the ILO happy birthday and, above all, many happy returns!

Thank you for your attention.

Catherine Comte-Tiberghien

19 March 2019

Appendix IV

Update of member States' contributions received between 1 and 18 March 2019

Since 1 March 2019, contributions for 2019 and prior years amounting to CHF5,238,830 have been received from six member States as follows:

Member States	Contribution received for 2019	Contribution received for arrears	Total contributions received (in CHF)
Denmark	2 090 330	–	2 090 330
Equatorial Guinea *	36 084	247 567	283 651
France	2 822 829	–	2 822 829
Honduras	28 784	–	28 784
Saint Vincent and the Grenadines *	–	5 628	5 628
Tonga	3 777	3 831	7 608
Total	**4 981 804**	**257 026**	**5 238 830**

* Equatorial Guinea and Saint Vincent and the Grenadines regained their right to vote.

Total contributions received in 2019, therefore, amount to CHF118,151,389 (comprising CHF110,323,449 for 2019 contributions and CHF7,827,940 for arrears of contributions). The balance due as of today is CHF371,016,068.

Appendix V

Scale of assessments of contributions to the budget for the 2020–21 financial period

	State	ILO assessments 2019 Col.1 %	UN assessments 2019-21 Col.2 %	Draft ILO scale of assessments 2020-21 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
1	Afghanistan	0.006	0.007	0.007	0.001
2	Albania	0.008	0.008	0.008	-
3	Algeria	0.161	0.138	0.138	(0.023)
4	Angola	0.010	0.010	0.010	-
5	Antigua and Barbuda	0.002	0.002	0.002	-
6	Argentina	0.893	0.915	0.916	0.023
7	Armenia	0.006	0.007	0.007	0.001
8	Australia	2.338	2.210	2.211	(0.127)
9	Austria	0.720	0.677	0.677	(0.043)
10	Azerbaijan	0.060	0.049	0.049	(0.011)
11	Bahamas	0.014	0.018	0.018	0.004
12	Bahrain	0.044	0.050	0.050	0.006
13	Bangladesh	0.010	0.010	0.010	-
14	Barbados	0.007	0.007	0.007	-
15	Belarus	0.056	0.049	0.049	(0.007)
16	Belgium	0.885	0.821	0.822	(0.063)
17	Belize	0.001	0.001	0.001	-
18	Benin	0.003	0.003	0.003	-
19	Bolivia, Plurinational State of	0.012	0.016	0.016	0.004
20	Bosnia and Herzegovina	0.013	0.012	0.012	(0.001)
21	Botswana	0.014	0.014	0.014	-
22	Brazil	3.825	2.948	2.949	(0.876)
23	Brunei Darussalam	0.029	0.025	0.025	(0.004)
24	Bulgaria	0.045	0.046	0.046	0.001
25	Burkina Faso	0.004	0.003	0.003	(0.001)
26	Burundi	0.001	0.001	0.001	-
27	Cabo Verde	0.001	0.001	0.001	-
28	Cambodia	0.004	0.006	0.006	0.002
29	Cameroon	0.010	0.013	0.013	0.003
30	Canada	2.922	2.734	2.735	(0.187)
31	Central African Republic	0.001	0.001	0.001	-
32	Chad	0.005	0.004	0.004	(0.001)
33	Chile	0.399	0.407	0.407	0.008
34	China	7.924	12.005	12.010	4.086
35	Colombia	0.322	0.288	0.288	(0.034)
36	Comoros	0.001	0.001	0.001	-
37	Congo	0.006	0.006	0.006	-
38	Cook Islands (1)	0.001		0.001	-
39	Costa Rica	0.047	0.062	0.062	0.015
40	Côte d'Ivoire	0.009	0.013	0.013	0.004
41	Croatia	0.099	0.077	0.077	(0.022)
42	Cuba	0.065	0.080	0.080	0.015
43	Cyprus	0.043	0.036	0.036	(0.007)
44	Czech Republic	0.344	0.311	0.311	(0.033)
45	Democratic Republic of the Congo	0.008	0.010	0.010	0.002
46	Denmark	0.584	0.554	0.554	(0.030)
47	Djibouti	0.001	0.001	0.001	-
48	Dominica	0.001	0.001	0.001	-
49	Dominican Republic	0.046	0.053	0.053	0.007
50	Ecuador	0.067	0.080	0.080	0.013
51	Egypt	0.152	0.186	0.186	0.034
52	El Salvador	0.014	0.012	0.012	(0.002)
53	Equatorial Guinea	0.010	0.016	0.016	0.006
54	Eritrea	0.001	0.001	0.001	-
55	Estonia	0.038	0.039	0.039	0.001
56	Eswatini (formerly known as Swaziland)	0.002	0.002	0.002	-
57	Ethiopia	0.010	0.010	0.010	-
58	Fiji	0.003	0.003	0.003	-

State	ILO assessments 2019 Col.1 %	UN assessments 2019-21 Col.2 %	Draft ILO scale of assessments 2020-21 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
59 Finland	0.456	0.421	0.421	(0.035)
60 France	4.861	4.427	4.429	(0.432)
61 Gabon	0.017	0.015	0.015	(0.002)
62 Gambia	0.001	0.001	0.001	-
63 Georgia	0.008	0.008	0.008	-
64 Germany	6.392	6.090	6.093	(0.299)
65 Ghana	0.016	0.015	0.015	(0.001)
66 Greece	0.471	0.366	0.366	(0.105)
67 Grenada	0.001	0.001	0.001	-
68 Guatemala	0.028	0.036	0.036	0.008
69 Guinea	0.002	0.003	0.003	0.001
70 Guinea-Bissau	0.001	0.001	0.001	-
71 Guyana	0.002	0.002	0.002	-
72 Haiti	0.003	0.003	0.003	-
73 Honduras	0.008	0.009	0.009	0.001
74 Hungary	0.161	0.206	0.206	0.045
75 Iceland	0.023	0.028	0.028	0.005
76 India	0.737	0.834	0.835	0.098
77 Indonesia	0.504	0.543	0.543	0.039
78 Iran, Islamic Republic of	0.471	0.398	0.398	(0.073)
79 Iraq	0.129	0.129	0.129	-
80 Ireland	0.335	0.371	0.371	0.036
81 Israel	0.430	0.490	0.490	0.060
82 Italy	3.750	3.307	3.309	(0.441)
83 Jamaica	0.009	0.008	0.008	(0.001)
84 Japan	9.684	8.564	8.568	(1.116)
85 Jordan	0.020	0.021	0.021	0.001
86 Kazakhstan	0.191	0.178	0.178	(0.013)
87 Kenya	0.018	0.024	0.024	0.006
88 Kiribati	0.001	0.001	0.001	-
89 Korea, Republic of	2.040	2.267	2.268	0.228
90 Kuwait	0.285	0.252	0.252	(0.033)
91 Kyrgyzstan	0.002	0.002	0.002	-
92 Lao People's Democratic Republic	0.003	0.005	0.005	0.002
93 Latvia	0.050	0.047	0.047	(0.003)
94 Lebanon	0.046	0.047	0.047	0.001
95 Lesotho	0.001	0.001	0.001	-
96 Liberia	0.001	0.001	0.001	-
97 Libya	0.125	0.030	0.030	(0.095)
98 Lithuania	0.072	0.071	0.071	(0.001)
99 Luxembourg	0.064	0.067	0.067	0.003
100 Madagascar	0.003	0.004	0.004	0.001
101 Malawi	0.002	0.002	0.002	-
102 Malaysia	0.322	0.341	0.341	0.019
103 Maldives, Republic of	0.002	0.004	0.004	0.002
104 Mali	0.003	0.004	0.004	0.001
105 Malta	0.016	0.017	0.017	0.001
106 Marshall Islands	0.001	0.001	0.001	-
107 Mauritania	0.002	0.002	0.002	-
108 Mauritius	0.012	0.011	0.011	(0.001)
109 Mexico	1.436	1.292	1.293	(0.143)
110 Moldova, Republic of	0.004	0.003	0.003	(0.001)
111 Mongolia	0.005	0.005	0.005	-
112 Montenegro	0.004	0.004	0.004	-
113 Morocco	0.054	0.055	0.055	0.001
114 Mozambique	0.004	0.004	0.004	-
115 Myanmar	0.010	0.010	0.010	-
116 Namibia	0.010	0.009	0.009	(0.001)
117 Nepal	0.006	0.007	0.007	0.001

State	ILO assessments 2019 Col.1 %	UN assessments 2019-21 Col.2 %	Draft ILO scale of assessments 2020-21 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
118 Netherlands	1.483	1.356	1.357	(0.126)
119 New Zealand	0.268	0.291	0.291	0.023
120 Nicaragua	0.004	0.005	0.005	0.001
121 Niger	0.002	0.002	0.002	-
122 Nigeria	0.209	0.250	0.250	0.041
123 North Macedonia	0.007	0.007	0.007	-
124 Norway	0.849	0.754	0.754	(0.095)
125 Oman	0.113	0.115	0.115	0.002
126 Pakistan	0.093	0.115	0.115	0.022
127 Palau	0.001	0.001	0.001	-
128 Panama	0.034	0.045	0.045	0.011
129 Papua New Guinea	0.004	0.010	0.010	0.006
130 Paraguay	0.014	0.016	0.016	0.002
131 Peru	0.136	0.152	0.152	0.016
132 Philippines	0.165	0.205	0.205	0.040
133 Poland	0.841	0.802	0.802	(0.039)
134 Portugal	0.392	0.350	0.350	(0.042)
135 Qatar	0.269	0.282	0.282	0.013
136 Romania	0.184	0.198	0.198	0.014
137 Russian Federation	3.089	2.405	2.406	(0.683)
138 Rwanda	0.002	0.003	0.003	0.001
139 Saint Kitts and Nevis	0.001	0.001	0.001	-
140 Saint Lucia	0.001	0.001	0.001	-
141 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
142 Samoa	0.001	0.001	0.001	-
143 San Marino	0.003	0.002	0.002	(0.001)
144 Sao Tome and Principe	0.001	0.001	0.001	-
145 Saudi Arabia	1.147	1.172	1.173	0.026
146 Senegal	0.005	0.007	0.007	0.002
147 Serbia	0.032	0.028	0.028	(0.004)
148 Seychelles	0.001	0.002	0.002	0.001
149 Sierra Leone	0.001	0.001	0.001	-
150 Singapore	0.447	0.485	0.485	0.038
151 Slovakia	0.160	0.153	0.153	(0.007)
152 Slovenia	0.084	0.076	0.076	(0.008)
153 Solomon Islands	0.001	0.001	0.001	-
154 Somalia	0.001	0.001	0.001	-
155 South Africa	0.364	0.272	0.272	(0.092)
156 South Sudan	0.003	0.006	0.006	0.003
157 Spain	2.444	2.146	2.147	(0.297)
158 Sri Lanka	0.031	0.044	0.044	0.013
159 Sudan	0.010	0.010	0.010	-
160 Suriname	0.006	0.005	0.005	(0.001)
161 Sweden	0.957	0.906	0.907	(0.050)
162 Switzerland	1.141	1.151	1.152	0.011
163 Syrian Arab Republic	0.024	0.011	0.011	(0.013)
164 Tajikistan	0.004	0.004	0.004	-
165 Tanzania, United Republic of	0.010	0.010	0.010	-
166 Thailand	0.291	0.307	0.307	0.016
167 Timor-Leste	0.003	0.002	0.002	(0.001)
168 Togo	0.001	0.002	0.002	0.001
169 Tonga	0.001	0.001	0.001	-
170 Trinidad and Tobago	0.034	0.040	0.040	0.006
171 Tunisia	0.028	0.025	0.025	(0.003)
172 Turkey	1.019	1.371	1.372	0.353
173 Turkmenistan	0.026	0.033	0.033	0.007
174 Tuvalu	0.001	0.001	0.001	-

State	ILO assessments 2019 Col.1 %	UN assessments 2019-21 Col.2 %	Draft ILO scale of assessments 2020-21 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
175 Uganda	0.009	0.008	0.008	(0.001)
176 Ukraine	0.103	0.057	0.057	(0.046)
177 United Arab Emirates	0.604	0.616	0.616	0.012
178 United Kingdom	4.465	4.567	4.569	0.104
179 United States	22.000	22.000	22.000	-
180 Uruguay	0.079	0.087	0.087	0.008
181 Uzbekistan	0.023	0.032	0.032	0.009
182 Vanuatu	0.001	0.001	0.001	-
183 Venezuela, Bolivarian Republic of	0.571	0.728	0.728	0.157
184 Viet Nam	0.058	0.077	0.077	0.019
185 Yemen	0.010	0.010	0.010	-
186 Zambia	0.007	0.009	0.009	0.002
187 Zimbabwe	0.004	0.005	0.005	0.001
TOTAL	100.000	99.966	100.000	0.000

(1) The Cook Islands is not at present a member of the UN. The proposed rate of assessment is based on its membership fees in other UN specialised agencies.

(GB.326./PFA/GMA/1)