INTERNATIONAL LABOUR OFFICE

Governing Body

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Programme, Financial and Administrative Section **PFA**

MINUTES

Programme, Financial and Administrative Section

Contents

Page

Programme, Financial and Administrative Segment

First item on the agenda

Programme and Budget for 2020–21: Programme of work and results framework (GB.337/PFA/1/1)

1. The *Director-General* presented the programme of work and results framework in his introductory statement to the Governing Body. The statement is reproduced in its entirety in Appendix I.

2. *The Chairperson* opened the floor for introductory statements on the document as a whole.

3. *The Worker spokesperson* welcomed the fact that the Programme and Budget for 2020–21 was based on the ILO Centenary Declaration for the Future of Work, while maintaining some elements of continuity with previous biennia. It also indicated commitment to the delivery of the 2030 Agenda for Sustainable Development and responded to the call for greater coherence within the multilateral system. Social dialogue and the Organization's normative mandate should remain at the centre of the ILO's work and of its engagement with other organizations.

4. The Workers' group supported the premise that policy outcomes 1 and 2, on tripartism and international labour standards, provided the foundation for all action by the ILO and were essential to progress on all other outcomes. However, since measurement criteria were not included in the results framework, it was difficult to evaluate how well those outcomes would be reflected in the results of other outcomes. In the current biennium, consultations with workers' and employers' organizations had been included in the measurement criteria for indicators, thereby requesting that member States consulted the social partners under each policy outcome. She would welcome clarification that the same would apply to reporting on indicators for the Programme and Budget for 2020–21.

5. At the March 2019 session of the Governing Body, her group had requested the inclusion of ratification and implementation targets under the indicators for each outcome. While the description of a number of outcomes included ratification and implementation goals, and they were included in the targets under outcome 2, it was difficult to see which Conventions would be ratified and whether the four strategic objectives would be covered, in line with the call of the ILO Declaration on Social Justice for a Fair Globalization.

6. While paragraphs 21 and 25 referred to the need for the ILO to engage in partnerships with actors beyond ILO constituents, the primary focus of attention must remain the Organization's tripartite constituents. Engagement with other actors should not be a substitute for working with workers' organizations, or be used to undermine workers' organizations.

7. A number of the indicators were presented in general terms and many of the details contained in the outcome texts were left out; the Office should clarify how those details were adequately captured in the indicators. In line with the Centenary Declaration, the role of collective bargaining should have been mentioned in paragraph 23(b), and the role of the public sector in paragraph 23(c).

8. The Workers' group understood the reference to "new and diverse forms of work arrangements", which had a neutral connotation, to include non-standard forms of employment and platform-mediated employment relationships, which were largely precarious.

9. *The Employer spokesperson* said that the programme and budget was supposed to have been drafted in consultation with constituents and aligned with the outcomes of the 108th Session of the International Labour Conference. The Office had not contacted the Employers' group until the programme proposals had been almost completed and had addressed only the minor issues raised, and not the larger structural issues in the programme of work. It had therefore not been a consultative process. He indicated that he would present general comments and provide specific comments in writing.

10. The programme of work and results framework was a strategic and operational document that would deliver the Organization's mandate, guided by the Centenary Declaration. The proposed programme of work did not, however, fully reflect the agreed policy priorities or provide improved focus compared to the programme for 2018–19. Nor did it fulfil the request made in paragraph 2 of the resolution on the ILO Centenary Declaration for the Future of Work to reflect the Declaration's priorities in the content and structure of the 2020–21 and future programme and budget proposals. The policy outcomes and outputs of the proposed programme of work must be derived from the Declaration, and should not include issues not referenced therein, such as multinational enterprises, as they would dilute the focus and value added of the ILO and further stretch the human and financial capacity of the Office.

11. Furthermore, the Centenary Declaration recognized the role of the private sector as a principal source of economic growth and job creation, and called for trade, industrial and sectoral policies that promote decent work and enhanced productivity. The ILO needed to design a comprehensive, coherent and systemic strategy for productivity growth that included public and private policies and institutions. While that was partially addressed in the description of outcome 3, on transitions for employment and decent work, particularly in paragraph 84, he asked why the importance attached to productivity in the Declaration was diminished in the programme of work. The ILO should scale up efforts to support the private sector in order to unleash its potential as the key driver of growth and jobs, as indicated in the Declaration, by promoting an enabling environment for entrepreneurship and sustainable enterprises, in particular micro, small and medium-sized enterprises.

12. Clarity on the allocation of the regular budget for each outcome was lacking. In order to assess the strength of each line of work and the degree to which the Office's ambitions were backed by real means, Governing Body members should be informed of the budgetary allocations for the outcomes and their associated outputs, with the Regular Budget Technical Cooperation (RBTC) allocations for each output. His group had been requesting information on the allocation of resources for some time, and was particularly interested in the areas of skills, business environment and productivity. For example, in outcome 5, on skills, it was unclear where the additional US$13.3 million allocated came from and whether that was an operational or strategic budget; if it would lead to the recruitment of more specialists, the details should be provided. For outcome 7, on protection at work, it was impossible to see which of the outputs would be emphasized and how the resources would be divided among them. It was unclear how the Office would cross-leverage the resource areas of the many global initiatives and projects devoted to occupational safety and health.

13. Table 3 of the document showed that the level of resources for each outcome differed substantially – the regular budget for outcome 7 was almost double the budget for outcome 4, on sustainable enterprises, or outcome 5, and the combined regular and extrabudgetary allocations for outcome 7 far outstripped those of outcome 6, on gender equality, and outcome 1, on strong tripartite constituents. Since most work carried out in the field would link to outcome 7, that would create a significant imbalance in resources at the country level.

14. Table 3 also indicated an imbalance in the allocation of extrabudgetary resources (XBTC) across outcomes. Outcome 1 – supposed to be one of the foundations of all ILO action – had the lowest strategic budget. He asked how much XBTC had been allocated for output 1.1, increased institutional capacity of employer and business membership organizations, and what action was being taken to improve the low extrabudgetary allocation for employers' activities, which had been highlighted in previous discussions. The scarcity of extrabudgetary resources was an ongoing challenge. Since the Regular Budget Supplementary Account (RBSA) allowed the Office to respond when other resources were not readily available, he asked how those funds would be used and whether some would be used to fill the budgetary gaps in output 1.1 for employers' organizations.

15. Neither the strategic framework nor the operational budget provided the required clarity, and the weak link between the two posed problems for governance. The Employers' group again requested a real strategic and operational budget, respectively, that showed how the figures were calculated, how resources were allocated and, at the end of the biennium, how they had been spent. One example of a lack of information concerned his group's previous requests for details on how the additional US$7 million allocated to outcome 4 in the Programme and Budget for 2016–17, on sustainable enterprises, had been spent, particularly since US$4 million of that had been earmarked for output 4.1 but none of the additional resources had been directed to the unit responsible for that indicator. That illustrated how a strategic budget endorsed by the Governing Body had not been operationalized.

16. He expressed serious concern that there was no longer a stand-alone outcome for employers' and workers' organizations. The Employers' group had previously stated that it could not support the budget, particularly the spending on reform of the United Nations (UN), unless the stand-alone outcome relating to strengthening capacity of employers' and workers' organizations and the allocated resources remained unaffected, and he had reached an agreement with the Director-General to that effect. Expanding outcome 1 to include labour administration and social dialogue processes and institutions did not uphold that agreement. It diluted the importance of the social partners, risked splitting the focus in four different directions and was a governance error. It also sent the inaccurate message that employers' and workers' organizations existed only to participate in social dialogue. The outcome must be centred on the social partners and how they could be made more relevant to their members and potential members, be representative and have the capacity to influence policy debates. There was also a risk of sending the wrong signal to those outside the Organization, since the constituents needed to have sufficient capacity to ensure that tripartism, which was the ILO's added value to multilateralism and to the UN system, not only stood the test of time but was able to contribute to the promotion of sustainable development and the achievement of social justice. It was therefore more critical than ever to ensure the proper allocation of resources to strengthen institutional capacity development for the social partners. The budget for employers' organizations needed to be substantially increased, since their needs were growing in response to the changing business environment. In addition, output 1.3 did not fit under outcome 1, since promoting social dialogue was not the business of labour inspectorates. Labour inspection was essentially a matter of law enforcement and would fit better under outcome 7.

17. Outcome 4 should be focused on the enabling environment and promoting formal enterprises and productivity, and not be diluted with other areas of action that were not mentioned in the Centenary Declaration, such as green jobs, the social economy or the multinational enterprises. There should be a clear focus on the role of enterprises as the main creators and engine of growth and jobs. The ILO dedicated substantial resources to improving the quality of jobs and addressing vulnerabilities via legislation or social dialogue, but only outcome 4 could generate important insights into the enabling environment, productivity and informality. Output 4.4 should be deleted, as its title misrepresented the carefully worded text of the Centenary Declaration and also suggested that enterprises needed an ILO output in order to align their practices with decent work. In addition, the human-centred approach to the future of work did not concern the promotion of human rights; that was a potential resource diversion from the ILO's core mandate and replicated the work of other UN entities. Moreover, all the proposals under output 4.4 were already addressed under output 4.2.

18. Output 4.2 should be anchored in a comprehensive, coherent and systemic strategy to enhance productivity growth. The proposed deliverable at the global level to "develop a conceptual framework for productivity ecosystems for specific domestic and global value chains, and pilot the analysis of market systems from a productivity perspective, with a focus on addressing decent work" reflected a lack of understanding of the drivers of productivity. The concept of "ecosystems" looked like an attempt to combine a number of existing programmes, but was anything but comprehensive, coherent and systemic. In addition, the proposed deliverable to "build the capacity of ILO constituents at the regional and global levels to stimulate productivity enhancements and innovation, including through peer review and mutual learning" did not meet expectations; instead, it was critical to have a comprehensive strategy that included public and private policies and institutions, along with an environment conducive to productivity growth.

19. The proposed results framework for 2020–21 did not include any measurement criteria for the outcomes. Those criteria were a way for Governing Body members to understand how the output indicators would be achieved and to contribute to improving the criteria, if necessary. Table I.2 showed that the indicator for outcome 1 was still to be developed; it was important for the Office to develop that indicator, since none of the Sustainable Development Goal (SDG) indicators would capture the extent to which employers' and workers' organizations were becoming stronger and more influential.

20. He enquired as to how the baselines and targets had been established and what the numbers meant, why there was no information on baselines and targets at the regional level, and how "cumulative and incremental progress" would be measured. He also asked why such low targets had been set for some indicators, such as 5.1.2 and 5.2.2. Skills and lifelong learning were priority issues in the Centenary Declaration and were critically important for the Employers' group.

21. In conclusion, the Employers' group could not support the proposed Programme and Budget for 2020–21 as it stood, since the information and figures provided were not sufficient for the Governing Body to properly exercise its governance role. In particular, the Employers' group would like to see: a better reflection of the Centenary Declaration and enhanced prioritization of issues important to the group, particularly productivity; increased transparency, including at the output level and in the operational budget; improved balance in the outcomes and their resource allocation; a stand-alone outcome for the social partners, with an increased budget; and better impact measurement.

22. *Speaking on behalf of the Government group*, a Government representative of Nigeria recalled the important achievements of the Centenary session of the Conference, including the Violence and Harassment Convention (No. 190) and Recommendation (No. 206), 2019,

and the Centenary Declaration. The subsequent adoption of a resolution by the UN General Assembly encouraging all UN member States and bodies to apply the principles of the Declaration was an important step towards ensuring that the future of decent work for all was prioritized. The Declaration was ambitious and set out the basis for delivering on the Organization's mandate into its second century. However, it was important to ensure that it was more than a statement of intent, but rather a mobilizing call for constituents and a road map for action by the Office.

23. *Speaking on behalf of the Africa group*, a Government representative of Eswatini affirmed that the future actions of the Organization should be guided by the Centenary Declaration and no longer directed only at the four strategic objectives of the Decent Work Agenda. As well as marking the Centenary of the Organization, the Declaration stood as a new pillar giving the ILO strategic direction for its second century, at a time of immense transformations in the world of work.

24. While not all of the Organization's priorities could be accommodated within the coming biennium, priority should be given to addressing highly distressed programme areas, while also ensuring a fair balance across regions and constituencies. Outcome 8, on social protection, was one priority area in the African region, as the document noted that 82 per cent of women and men in Africa remained without access to social protection benefits, with a particularly pronounced rate in rural areas.

25. The programmes of work for future biennia must build progressively on the results of the current biennium and the discussion of 2020–21.The Africa group welcomed the inclusion of its guidance from previous discussions. The group endorsed the programme of work, as it was derived from the Centenary Declaration and the human-centred approach to the future of work, and was aligned with the Strategic Plan 2018–21 and the SDGs. The 14th African Regional Meeting, to be held in Côte d'Ivoire in December 2019, would validate the regional priorities and propose improvements or new cross-cutting priorities, if needed. The Office's acknowledgement of that input was welcomed.

26. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of China said that he welcomed the clear references to the ILO Centenary Declaration and alignment with the SDGs, as well as the focused and streamlined structure of policy and enabling outcomes. This programme and budget would strengthen the ILO's role as creator and disseminator of knowledge on decent work and lend it greater influence in the multilateral system. The Office should continue to engage with other international forums, such as the G20 and BRICS.

27. His group appreciated the overview of regional contexts that would ensure a more targeted response to decent work challenges and better coordination with the UN system at the regional and national levels. It shared the view that research and statistics were useful tools for informing recommendations and increasing the Organization's visibility within the multilateral system and encouraged the Office to continue its partnership with and develop the capacity of the International Training Centre of the ILO (Turin Centre).

28. His group noted the improved results framework aimed at further strengthening the ILO's results-based management system and would like the Office to improve transparency and enhance constituents' involvement in the formulation of SDG indicators of which the ILO was the custodian agency. It looked forward to receiving detailed information and analysis on how progress made at the output level contributed to the accomplishment of goals set at the outcome and long-term impact levels.

29. *Speaking on behalf of the Eastern European group*, a Government representative of Poland welcomed a comprehensive programme of work that reflected the essential priorities of the Centenary Declaration. The assertion in the Declaration of Philadelphia that work is not a commodity and the adoption under the Centenary Declaration of a human-centred approach to the future of work were historic events that reaffirmed the essential nature of social justice and the urgent need for respectful and decent work for all. In the current transformative period, the Office, with its tripartite constituents, must remain the most reliable keeper and strongest advocate of those values.

30. Her group strongly supported the role of the ILO in the fulfilment of the 2030 Agenda within its field of competence and mandate and would like to see it strengthen its multilateral links while maintaining its important role in the UN development system.

31. Policy outcomes 1 and 2 represented the two main pillars of support for social justice and the Office should continue to strengthen its tripartite constituents, institutions and social dialogue and its work to build a durable and efficient system of international labour standards.

32. *A Government representative of Bangladesh* welcomed the proposed programme and budget as a founding response to the mission and vision set out in the Centenary Declaration and a crucial contribution to the 2030 Agenda. Efficient delivery of services by the Office and effective engagement with its tripartite constituents, as well as public–private partnerships (PPPs) and domestic funding in many States, were crucial to addressing the unprecedented changes and exceptional challenges that had arisen in the world of work. In order to address resource limitations in developing countries, the Office should seek to mobilize funds through global and regional partnerships in line with SDG 17 and through the United Nations Framework Convention on Climate Change (UNFCCC) Special Climate Change Fund. Under the UN development system reform, his country had benefited from improved coordination in project-related discussions and communications with many agencies and looked forward to evaluating those projects in the future, assisted by ILO research initiatives.

Outcomes and results framework

33. *The Worker spokesperson* said that outcome 1 added important value but, regrettably, was not associated with any indicator; SDG indicator 8.8.2 might fill that role. She asked when the Office would develop an indicator for that outcome. Contrary to paragraph 44, her group considered the primary purpose of labour laws to be not the promotion of enterprise sustainability but the protection of workers, and expected the Office to take that into account in its technical and advisory work. Outcome 1 should state clearly that the key reason for the weaknesses of social dialogue remained the lack of ratification and implementation of Conventions Nos 87 and 98.

34. Indicator 1.4.2 inappropriately placed collective bargaining on the same level as bipartite social dialogue and workplace cooperation, contrary to the message of the Centenary Declaration. Collective bargaining was a fundamental right, whereas workplace cooperation was not. She expressed concern that indicator 1.4.2 could be achieved without any focus on collective bargaining and requested a separate indicator focusing on collective bargaining. The intention to follow up on sectoral activities was welcome. Cross-border social dialogue should be better reflected in the results framework. The Workers supported the proposed publication of a flagship report covering the role and impact of collective bargaining on inequalities, wages and working conditions.

35. Her group was pleased to note that the scope of outcome 2 had been broadened to include the ratification of technical Conventions, consistent with the mandate provided by the Social Justice Declaration. However, the already limited funding for the outcome had been further reduced and the group was concerned that sufficient resources would not be available for the additional work of giving effect to the recommendations of the Standards Review Mechanism.

36. Paragraph 75 should not be read as a request to exhaust national remedies before using the ILO supervisory system. The group welcomed the proposed publication of an annual report on SDG indicator 8.8.2. It supported the intention to ensure that the ratification and implementation of international labour standards were included in national strategies to achieve the SDGs and that their ratification and application were included in Decent Work Country Programmes (DWCPs), development cooperation projects and UN Cooperation Frameworks, as their inclusion would constitute a tangible contribution to the UN reform, and anticipated positive results in the coming biennium. The target for new UN Cooperation Frameworks to include measures to address issues raised by the ILO supervisory system was set too low and should be revised. The target for ratified, up-to-date technical Conventions should be increased to the same number as for core and governance Conventions.

37. Under outcome 3, the group concurred with the need to develop and implement comprehensive employment policies to promote full and productive employment and decent work. In respect of the Global Initiative on Decent Jobs for Youth, it would like to see greater emphasis placed on rights for young workers and on ensuring that partnering companies had a good labour record.

38. In respect of output 3.1, the group welcomed the focus on promoting a coherent policy framework for creating more and better jobs, Recommendation No. 204 and the diagnostics and tools to measure the impact of policies at all levels on the quality and quantity of employment, including in global supply chains. Under output 3.2, her group welcomed the focus on the agro-food sector, the promotion of quality jobs, social protection and structural transformation in rural areas and the proposed work on the ratification and implementation of ILO Conventions of direct relevance to the rural economy. In respect of output 3.3, it would like to see increased focus on just transition policies and on strengthening social dialogue and policy coherence as part of a just transition towards environmental sustainability. The target for indicator 3.3.1 should be increased. Concerning outputs 3.4 and 3.5, her group supported the country-level work done on Recommendation No. 205 and the work at the international level to promote employment and decent work in disaster and conflict settings, and emphasized that older workers could not be expected to stay active in the labour force after reaching pensionable age, especially those who had started their career at an early age in physically demanding jobs.

39. Outcome 4 devoted insufficient attention to improving working conditions, collective bargaining and wages in enterprises, despite the clear conclusions of the 2007 International Labour Conference discussion on sustainable enterprises. In light of the Centenary Declaration, the programme and budget should address that gap and, also, attach greater priority to the role of the public sector as a significant employer and provider of quality public services. The Workers welcomed the proposed country-level work on cooperatives and the social and solidarity economy. However, the results for indicators relating to cooperatives or other social and solidarity economy units were not shown in the results table and that should be redressed. Her group was not convinced that formalization and decent work could be achieved by merely increasing productivity, as other policies would be needed including access to rights and social protection in line with Recommendation No. 204.

40. Output 4.2 rightly referred to the need to focus on decent work and improved working conditions, but indicator 4.2.1 should be reworded to reflect those issues adequately. The Workers welcomed the focus on implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and on social dialogue concerning investment policies and strategies to ensure foreign direct investment results in decent work.

41. Concerning outcome 5, particular focus should be placed on women and workers in non-standard forms of employment, since they faced a particular challenge in gaining equal access to education and training for lifelong learning. Her group requested the Office to clarify the terms “innovative financing models” and “innovation facility”.

42. She welcomed the increased resources allocated for outcome 6 and its focus on promoting investment in the care economy and in public quality care services, as well as the priority given to the ratification and implementation of key gender equality standards and the ratification of the Violence and Harassment Convention, 2019 (No. 190). She requested the Office to clarify how target 6.3.1 could be achieved in the absence of ratification targets for that Convention. In line with the recurrent discussion on social dialogue, women’s empowerment should also cover increased representation of women in social dialogue institutions.

43. Turning to outcome 7, she supported efforts to increase the ratification and implementation of Conventions Nos 87 and 98 and the attention given to the erosion of the employment relationship and ensuring labour protection for all workers. However, the document had not adequately acknowledged that changes in the world of work could lead to situations of employment misclassification and other work with inadequate labour protection, including for temporary and self-employed workers and those affected by digital transformation. Recalling the Governing Body’s calls for continued research on access to freedom of association and collective bargaining among digital platform and gig-economy workers, she noted that the programme and budget proposals did not mention a tripartite meeting of experts previously envisaged for 2021 and requested details on its financing, should there be consensus for such a meeting. Her group welcomed the proposed work on labour migration and stressed the importance of promoting a rights-based approach. She called on the Office to promote the ratification of Conventions Nos 155, 161 and 187 but also occupational safety and health Conventions in hazardous sectors and allocate sufficient resources to the follow-up of recommendations relating to occupational safety and health arising from the Standards Review Mechanism. She welcomed the proposal to prepare a global report on working time; since indicator 7.3.1 did not mention the subject, she asked how results relating to working time would be measured.

44. Regarding outcome 8, she welcomed the promotion of the ratification of Convention No. 102 and other up-to-date social security standards. She sought clarification on the rationale for the proposed tripartite meeting on pension trends and reform, underscoring the need to address the adequacy and coverage of pension and social security schemes, not only their sustainability, in line with the ILO rights-based approach. The Office should help workers’ organizations to engage in the formulation of social security policies and debates on pension reforms at the country level and defend social security standards in its engagement with the International Monetary Fund (IMF) and the World Bank. She welcomed the proposed work on using social protection to formalize the informal economy and the linkages between wages and fiscal policies.

45. She asked how the Office would ensure that work in the regions would remain aligned with the Centenary Declaration, since the regional priorities selected could jeopardize the integrated approach promoted by the proposed policy outcomes. The absence of targets disaggregated by region made it difficult to assess each region's work across the outcomes. The document should have included an overview of the number of DWCPs envisaged for 2020–21; and an indication that all regions were expected to follow-up on the recommendations of the Standards Review Mechanism.

46. The focus on entrepreneurship and sustainable enterprises as a way to create productive and decent employment in the Africa region was too narrow and there was no mention of social dialogue and international labour standards. The Workers therefore requested clarification on the implications of that approach for the results framework and called for a focus on wages, given the high levels of inequality in the region. The emphasis on the promotion of fundamental and governance Conventions in the Arab States region was welcomed, but efforts to ensure compliance with Conventions Nos 87 and 98, especially in Gulf countries, should be stepped up. A focus on the creation of quality jobs was needed to address decent work deficits. The absence of a reference to the promotion of core labour standards in Asia and the Pacific was deplorable and should be addressed in ILO work in the coming biennium, along with the need to strengthen social dialogue in the region. The promotion of employment creation in Europe and Central Asia should revolve around quality employment and decent work. Greater attention should be paid to wages and collective bargaining in Latin America and the Caribbean, given the growing inequalities in the region.

47. Her group supported the Office's work on labour statistics and the four flagship reports, and maintained its support for an additional report in 2021 on collective bargaining, income inequality and working conditions.

48. The Turin Centre should help constituents to implement the policy outcomes as a priority for 2020–21. Since participation in open courses was self-financed, not many workers could participate in them. ILO constituents should be the Centre's main beneficiaries as that would help to strengthen national institutions. Training courses on the common capacity-development approach of the UN system and those for UN resident coordinators should emphasize the ILO's added value: social dialogue and the normative mandate including the ILO supervisory system.

49. She sought clarification on the added value of the creation of an innovations unit and the new approaches envisaged in that regard. Reducing clerical support functions could have a negative impact if front-line technical staff were forced to take on such work and the Office should discuss the matter with the Staff Union. The Office should seek to include ILO priorities in the UN Cooperation Frameworks, rather than vice versa. Her group supported the draft decision.

50. *Speaking on behalf of ASPAG*, a Government representative of China endorsed the policy outcomes, which responded appropriately to the call for a human-centred approach in the Centenary Declaration. The relevant departments should work in close coordination to ensure coherent implementation. The Office should maintain effective communication with field offices and mobilize adequate resources towards field operations to generate substantial results.

51. His group commended the Office's efforts to strengthen constituents' capacities to facilitate effective social dialogue through outcome 1 but requested it to step up its efforts to build capacities among labour administrations, given their key role in tackling emerging obstacles to social dialogue generated by rapid changes in the world of work. Regarding outcome 2, his group would welcome a more inclusive and balanced indicator that reflected all outputs as well as further cooperation with the Office to implement the methodology for this indicator. He expressed satisfaction that skills and lifelong learning had been consolidated in outcome 5. Skills development and lifelong learning systems could help ASPAG countries to respond to changing labour market needs and allow workers and employers to benefit from the opportunities of an evolving world of work. He welcomed outcome 4 on sustainable enterprises and outcome 8 on comprehensive and sustainable social protection. The creation of an enabling environment for the development of enterprises through innovation, entrepreneurship and other tools would help to stimulate economic growth and boost full and productive employment. The development of sustainable and universal social protection systems with adequate coverage and benefits would be crucial to the achievement of social justice.

52. The Programme and Budget for 2020–21 would only succeed if it was inclusive and responded to the needs of all constituents. Given the large working population in Asia and the Pacific, he asked the Office to consider a more proportionate allocation of financial and human resources to the region. The decrease in estimated extrabudgetary expenditure in his region in comparison with the previous biennium was at odds with the increasing demand among tripartite constituents in the region and required additional efforts by the Office to mobilize more resources.

53. His group endorsed the enabling outcomes, welcomed the research strategy and stood ready to work with the Office to identify further research topics, including frontier issues. It encouraged the Office to improve the knowledge support and dissemination mechanisms; statistical data collection and analysis, in particular, should be more balanced and objective. He requested the Office to safeguard adequate resources for the effective implementation of the Human Resources Strategy and the action plan to ensure better geographical diversity and gender balance among its staff, and to take steps to increase the representation of staff from his region. His group supported the draft decision.

54. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that output 1.2 should consider building the capacity of workers' organizations for the generation of a culture of compliance with established policies and legislative frameworks. Output 1.4 did not take into account the restricted resources available to social dialogue institutions nor discussed how to address that challenge. He commended the interventions envisaged at the country and global levels to enhance the effectiveness of those institutions; however, the Office should provide support to initiatives aiming at cross-border and regional social dialogue forums, such as the Southern African Development Community (SADC), in order to help them to overcome financial constraints.

55. The submission of newly adopted international labour standards to national authorities competent to enact legislation should be added as an intervention under output 2.1. The Office should provide assistance to member States that were not currently honouring their obligations under article 19 of the ILO Constitution.

56. His group wished to add the formulation or review of national labour policies as an intervention under output 4.1, since the absence of such policies hindered the creation of enabling environments for businesses. Member States would require urgent support to that end.

57. The group commended the proposals to achieve outcome 5 through collaboration with the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) and the Turin Centre and recommended adding regional labour administration centres such as the African Regional Administration Centre and others.

58. The proposed programme of work would not have been complete without an output aimed at improving the ILO's governing structures, including the composition of the Governing Body. The inclusion of the subject in the Centenary Declaration was encouraging and suggested that concrete action would be taken on the matter. His group looked forward to receiving the Office's proposals for further democratization of the operation and composition of the Governing Body mentioned under output B.1.

59. The results framework was difficult to understand, primarily because the baseline and target figures were not sufficiently explained, and should be reviewed. The Office should provide disaggregated data on baseline and target figures, either by region or by the number of member States or employers' or workers' organizations to be covered at the national level, for each outcome and output.

60. *Speaking on behalf of the group of Latin American and Caribbean States (GRULAC)*, a Government representative of Uruguay highlighted the importance of the Programme of Work for 2020–21 in following up on the decisions of the Centenary Session of the International Labour Conference, notably the ILO Centenary Declaration for the Future of Work. She welcomed the ambitious and comprehensive nature of the document, its references to previous initiatives and its alignment with the 2030 Agenda. It was important for the programme, and other proposals presented within the framework of the Governing Body, to be aligned with the approved budgetary allocation, and for the document to reflect the importance of all forms of international cooperation, including South–South and triangular cooperation.

61. Her group supported the promotion of a human-centred approach, as well as the eight policy outcomes, three levels of indicators, three enabling outcomes and cross-cutting policy drivers proposed. The aims of outcome 1 were pertinent, and the commitment to provide technical assistance for the improvement of labour inspection systems was particularly welcome; promoting the involvement of employers' and workers' organizations would also be important. Regarding output 1.4, she asked for further details on the initiatives related to regional economic communities, and how the ILO would provide support in that respect. Stressing the importance of outcome 2 and the work of the Standards Review Mechanism, she welcomed the proposed help desk to enhance constituents' engagement with the mechanism and asked for more information on how it would function. There was considerable room for improvement in the supervisory system in relation to transparency and the active involvement of member States. The Office and supervisory bodies also needed to understand the current contexts of countries to provide the latter with recommendations that they could implement. The development of a streamlined reporting system would be a positive step.

62. Outcome 3 addressed many challenges that persisted in the Latin American and Caribbean region; the proposal to update guidelines on youth employment strategies was of particular relevance. It was also appropriate for the Office to focus on subjects such as the digital transformation, decent work in the rural economy, environmental sustainability and transitions to decent work. However, her group would like further details regarding the new generation of results-based employment policies, notably regarding their development, the assistance that states and social partners would need, current normative gaps and the impact on countries in her region. She welcomed the references made under outcome 4 to cooperatives and the social and solidarity economy; the financial inclusion and development of SMEs; and gender-responsive diagnoses of informality. However, further information should be provided on how the Office would seek to make progress on the alignment of business practices with the principles of international labour standards and the MNE Declaration.

63. Regarding outcome 5, she asked the Office how it would support the generation of policies and strategies regarding work skills, and how the financing mechanisms and incentive systems would be formulated. Her group would also like to know what form the proposed innovation facility for skills and lifelong learning would take, and how the research carried out by CINTERFOR could contribute to the achievement of output 5.2. She welcomed the plans to produce an ILO strategy on skills development and lifelong learning, and a revised framework on core work skills, which should also cover soft skills. Highlighting the importance of addressing the issue of care work in order to achieve outcome 6, she asked for further details regarding the proposed knowledge base to document care-related laws, policies and practices, including whether it would be available online or via a digital platform, and how constituents would be able to contribute to it. Similarly, the Office should provide information on how it intended to enhance the knowledge base on pay equity. She noted the relevance of the other topics covered under outcome 6, particularly efforts in favour of persons with disabilities and other persons in vulnerable situations, but asked how the Office would address the challenges faced by the specific groups listed.

64. In the context of output 7.1 it was important to ensure the continuation of efforts such as Alliance 8.7, IPEC+ and the Regional Initiative Latin America and the Caribbean Free of Child Labour. The delivery of output 7.2 would improve coherence in occupational safety and health discussions within the ILO, namely regarding the question of including the issue in the ILO’s framework of fundamental principles and rights at work; efforts to achieve the ratification of relevant standards; and follow-up work on the recommendations of the Standards Review Mechanism Tripartite Working Group (SRM TWG). Noting that flexible work offered opportunities for groups that could otherwise find it difficult to access employment, she highlighted the need to analyse it as a viable option that could benefit society, organizations and the environment. In relation to outcome 8, she agreed that policies and measures to guarantee adequate social protection floors should be rights-based, and guarantee basic income security and essential healthcare. However, they should also take into account specific national capacities and priorities, in accordance with ILO standards and recommendations. The proposed provisions to assist governments in improving the financing of social protection systems would be useful; efforts should focus on strategies to encourage transition to the formal economy and improve the budgetary sustainability of social protection systems. Regarding the proposed engagement strategy outlined under output 8.1, she asked how soon it would be implemented. Likewise, she requested additional information on the capacity development programmes for social protection leaders and practitioners, asking when and how they would be introduced.

65. She expressed appreciation for the overview of regional contexts, notably the special mention given to the conclusions of the 19th American Regional Meeting. The region faced particular challenges in fulfilling the principle of leaving no one behind, which required action on the key issues of decent work deficits, informality, low productivity, inequality, new forms of employment and social protection. She asked how the Office planned to identify priorities and implement the actions outlined in the document, and how it would work with countries according to their different contexts. She agreed that a climate of rapid change required continuous capacity development, which in turn required rigorous scientific studies. The Governments in her group were therefore ready to respond to the call for enhanced research collaboration through cooperation and the sharing of expertise regarding labour issues. Noting that the document referred to gaps in national data, she asked the Office which specific gaps it had identified. She welcomed the plans to adapt the format of the ILO database of labour statistics to the global indicator framework of the SDGs and to focus more on regional perspectives in flagship reports; her region could contribute by sharing its experiences regarding the specific challenges it faced. The progress made by the International Training Centre of the ILO over the previous biennium was commendable. However, prompt communication regarding the training courses and special attention to the specific needs of countries in her region would allow more participants from that part of the world to benefit from the opportunities it offered.

66. Turning to the enabling outcomes, the group recognized the importance of evidence-based policy advice and the integration of the ILO research strategy and the ILO's work in respect of the SDGs. It would welcome information on the nature and frequency of the planned peer-reviewed reports referenced in output A.2 and on the targeted content and guidelines on the use of the ILO brand mentioned under output A.3. In relation to enabling outcome B, which was particularly valuable in aiming to improve the ILO's governance, GRULAC agreed that the two-week format of the International Labour Conference should be retained but highlighted the need for the timely provision of documents and an increase in the number of informal consultations. GRULAC valued the work and essential role of the Office of Internal Audit and Oversight. When identifying areas for possible improved efficiency, timely access to documents in the three working languages was essential, as were interpretation services. Regarding enabling outcome C, the Office should continue to upgrade staff capabilities and ensure better geographical diversity and gender balance. The group would welcome additional information regarding the means of verification and criteria for the targets given in tables I.1 and I.2. GRULAC supported the draft decision.

67. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the United Kingdom commended the Office for issuing the document in a timely manner and for outlining a more robust framework with fewer and more focused outcomes and greater rigour in measuring results.

68. IMEC attached importance to further strengthening results-based management in the ILO by extending capacity in this area to all staff and developing an integrated management support system, as well to ensure system-wide coherence and the implementation of crucial UN development system reforms. The clear explanation of relationships between policy outcomes and the 2030 Agenda demonstrated the value of the ILO's work, and the fact that the Office was managing reform costs from existing resources was appreciated. IMEC looked forward to the document to be submitted to the 338th Session of the Governing Body on the ILO Development Cooperation Strategy for 2020–25 and its role in the international system as it was important for such reflections to be linked to the ILO's programmatic approach.

69. IMEC would welcome information on the timing of future outcome and output progress updates. Current reporting systems should be reviewed to ensure alignment with results-based management principles. IMEC stood ready to assist the Office in formulating stronger indicators, as the current focus within outputs on increasing the capacity of constituents did not assess the Office's role or accountability, and the means of measuring the fulfilment of certain subjective outputs was unclear. While cognizant of the difficulties involved, she noted with regret that no comparison of resource allocation by policy area between the 2018–19 and the 2020–21 biennia had been provided in the proposed programme and budget and called for such information to be provided in the future to allow the Governing Body to identify shifts in prioritization in the budget. The policy outcomes reflected the ILO's strategic objectives well in general, but the Office should not exceed what had been agreed in the Centenary Declaration or the Organization's constitutional mandate, as certain outputs did not reflect tripartite consensus.

70. IMEC welcomed the continuing emphasis on the ILO's normative work and expected that emphasis to be also part of its development cooperation strategy. The establishment of a dedicated outcome on gender was welcomed, although it was expected that gender issues would continue to be embedded in all other policy outcomes. Guidance was sought from the Office regarding the effective monitoring of outcomes 1 and 2, and the strengthening of outcome 2, which was necessary in order to incorporate a sustained and reinforced normative function in the programme of work. Regarding Appendix I, the Office should clarify whether the target level was the overall level that it was seeking to reach or rather the level of increase, as the target level was in some instances lower than the baseline. She requested the Office to provide the missing outcome level indicators.

71. IMEC welcomed the ambitious goal of enabling outcome A. The repositioning of the Business Process Review team as an innovations unit under enabling outcome C should enhance its role in identifying and supporting more efficient and effective service delivery models. IMEC wished to understand the Office rationale regarding the lack of discussion of risks for the enabling outcomes and regarding the allocation of resources among the outcomes, especially from the regular budget. It requested information regarding the Office's resource mobilization strategy, including potential innovative financing mechanisms through a diversification of its funding base, as part of the Development Cooperation Strategy for 2020–25. IMEC supported the draft decision.

72. *Speaking on behalf of the European Union (EU) and its Member States*, a Government representative of Finland said that Turkey, Montenegro, Serbia and Albania, as well as Bosnia and Herzegovina, aligned themselves with the statement. The EU encouraged the Office to strengthen the results framework further by providing indicators for each outcome and targets to improve transparency and monitoring. The programme and budget should reflect a balance between agility, to allow the Office to manage for results and achieve the agreed policy outcomes, and robustness, including ensuring the implementation of the 2030 Agenda. The ILO should focus on implementing the Centenary Declaration and should take the leadership role in assessing how the drivers of the labour market shaped the future of work. Sufficient budgetary resources must be allocated to developing and maintaining robust and up-to-date international labour standards and ensuring an effective supervisory mechanism to strengthen their impact and proper application. Under UN development system reform, the Office should strengthen its collaboration with UN country teams and UN resident coordinators in order to support the delivery of the ILO's normative agenda and values through initiatives such as DWCPs. While the EU welcomed the fact that the main elements of the Centenary Declaration were reflected in the policy and enabling outcomes, it would have liked to see stronger overall emphasis on addressing the effects of climate change on the world of work.

73. The EU would welcome additional information on the balance between regular income and extrabudgetary resource allocation for the various outcomes and on the Office's strategies for ensuring the financial means to meet its priorities in the current biennium and in the medium- and long-term. With a view to discussions at the 338th Session on the Development Cooperation Strategy for 2020–25 and the Strategic Plan for 2022–25, the Office should provide information to allow for the comparison of resources allocated to different actions and provide their relative weight compared to the current programme and budget in order to understand the change in ILO work over the next biennia. The means of verification and baselines in output indicators in Appendix I were very general and did not clearly demonstrate the shift in ILO work or allocation to different outputs. Indicators and baselines should have been included for all outcomes in order to ensure improved accountability and transparency with regard to the ILO's contribution to the 2030 Agenda. The EU welcomed the focus on strengthening employer and business membership organizations and workers' organizations in policy outcome 1 as being crucial to achieving all other policy outcomes and highlighted the need for activities to safeguard and develop strong and independent workers' and employers' organizations and the importance of the effective recognition of their right to engage in collective bargaining. The EU had demonstrated its commitment to implementing the key decisions of the Centenary Declaration through the adoption of Council Conclusions on the Centenary Declaration.

74. *A Government representative of the United States* said that she welcomed the whole-of-Organization approach reflected in the programme of work and the explanations of the linkages between the policy outcomes and the SDG targets. The new results framework represented a positive step forward. While some indicators were clearly defined, others were subjective, and she wished to know which criteria would be used to determine whether they had been fulfilled. For example, she asked how "a new generation of employment policies" under outcome 3 or "excessive hours" under outcome 7 would be defined; some workers may choose to work long hours and should not, in general, be prevented from doing so. Capacity-building, as mentioned under outcome 1, was of particular importance for labour administrations and inspectorates given their vital role in protecting workers. The implementation of capacity-building programmes on environmental policies should be limited to workplace policies. She asked how the proposed strategy for engaging with international financial institutions on social protection would differ from the ILO's existing work and requested additional information on the proposed reports to be issued jointly with other UN agencies. While the document made frequent reference to the development of new tools, their specific purpose was not always clear, and the Office should assess whether they were needed.

75. *A Government representative of Bulgaria* said that the Centenary Declaration was a groundbreaking document that would guide the ILO's activities far into the future. The adoption of the Declaration and of the Violence and Harassment Convention, 2019 (No. 190) was the result of significant effort, and momentum must be maintained through the implementation of the Programme of Work for 2020–21. The private sector was a driving force in the introduction of new technology and the modernization of the world of work, and its experience must be harnessed. In that context, workers faced growing demand for specific skills, and strengthened tripartite dialogue on new approaches would help to address those challenges. The adoption of the Centenary Declaration represented the first step on a long road; the next step should be taken swiftly.

76. *A Government representative of Japan* said that her Government welcomed the elements of the document intended to address the challenges posed by population ageing, including the emphasis on skills and lifelong learning under outcome 5, and the elements on ensuring safe and healthy working conditions and decent working time under outcome 7, including in respect of new forms of work. It also welcomed the focus on gender equality under outcome 6, including the need to promote investments in the care economy and a more balanced sharing of family responsibilities. The labour and employment ministers of the G20 had recently conveyed similar messages, and the ILO should promote programmes in those areas. It was regrettable that the document did not fully address the participation of older workers, however, and more emphasis must be placed on active ageing in future programmes and budgets.

77. The reallocation of resources gained from efficiency savings was commendable; efficient resource allocation and its constant review were critical for the ILO to fulfil its mission. While the Asia and the Pacific region accounted for almost 60 per cent of the global workforce, it received only slightly more than a quarter of the resources allocated to field operations and partnerships. The Office should review resource allocation in future programmes and budgets and pursue further efficiencies. Her Government supported the draft decision.

78. *A Government representative of Switzerland* noted with satisfaction that the policy outcomes were directly linked to the Centenary Declaration. She welcomed the integration of the SDG indicators in the results framework and the proposal to strengthen the ILO's results-based management system. The ILO should focus on its mandate and be active in areas where its expertise could be best put to use. ILO programming should be based on strategic considerations. Although aware of the difficulties in proposing a programme and budget that contained both strategic orientations and substantial technical data, her Government nonetheless believed that important information was lacking. For example, table 3 should set out the relationship between the outcomes and the operational budget. Furthermore, the means used to allocate resources to each region was unclear, as was the method for defining baselines and targets. The links to the UN Sustainable Development Cooperation Frameworks should be better explained.

79. While supportive of the proposed statistical and research work, her Government believed that the existence of similar knowledge-dissemination tools should be clarified; partnerships with other organizations were very important in that regard. The ILO teams conducting research should work with those involved in operations and take into account the outcomes of operational work in their research. The ILO must ensure that it possessed the human and technical resources necessary for the planned support for lifelong learning and skills development, and decent work must be promoted among SMEs. It was regrettable that the document did not give adequate consideration to the ILO's global programmes to support those enterprises and supply chains; they should be linked to the outcomes and occupy a central position. Lastly, the links between budgetary and extrabudgetary resources were unclear.

80. *A Government representative of Mexico* said that her Government welcomed the programme of work's emphasis on specific and measurable outcomes, in particular the measures under each outcome to strengthen the constituents' technical capacity to engage in action at all levels. As an Alliance 8.7 pathfinder country, Mexico had hosted a strategic planning workshop in September 2019. It had also participated in a recent meeting of focal points for the Regional Initiative Latin America and the Caribbean Free of Child Labour. By providing continued support for such initiatives, the Programme and Budget for 2020–21 would strengthen the ILO's ability to provide effective services to constituents and promote a human-centred approach to the future of work.

81. *A Government representative of Lebanon*, speaking, with the approval of the Officers of the Governing Body, in his capacity as Chairperson of the Committee of the Whole of the 108th Session of the International Labour Conference, said that the adoption of the Centenary Declaration had been far from easy, hindered by procedural challenges, constituents' differing expectations and disagreements on the way forward against a backdrop of complex transformations to the world of work. The Declaration was proof of the continued relevance of the ILO and its tripartite structure, and the enthusiasm with which it had been received was heartening, as was the extent to which it dovetailed with efforts to achieve the SDGs. Nevertheless, there was no room for complacency in the Declaration's implementation; the ILO's reputation would be at stake if it were to renege on its promises. Demands for decent work and social justice laid at the heart of the recent large-scale protests seen around the world, and the ILO's future work should be based on the conviction that, more than ever, prosperity and peace depended on the values enshrined in the Declaration.

82. *The Director-General* responded to the earlier debate on proposals for the ILO's programme of work (statement reproduced in Appendix III).

83. *A representative of the Director-General* (Deputy Director-General for Management and Reform) responded to five groups of questions raised during the earlier debate. Firstly, in response to questions on the formulation of the strategic budget and its relationship with the operational budget, he drew attention to tables 2 and 3 of the document which showed, respectively, the strategic budget approved by the Conference and its distribution by policy outcome. Table 3 had been prepared using the same results-based management methodology as in recent biennia. Resource allocation to the eight policy outcomes reflected inputs from all policy departments and regions. The strategic budget for each outcome included staff costs and all other costs of the respective departments and regions that directly supported the delivery of each outcome. There was an initial direct linking of resources to outcomes and then an extrapolation of that linking to other resources that would directly support the delivery of the outcome. Before the 2018–19 biennium, the costs of indirect support services had been distributed among outcomes; however, following Governing Body feedback, those costs were now shown in a separate budget line in table 3.

84. The charts in the information note circulated in the meeting room illustrated planned contributions from the relevant departments and regions to each outcome and demonstrated the integrated nature of the outcomes and the Office's work. The resources allocated to a particular outcome in the strategic budget therefore exceeded those assigned to relevant lead technical units in the operational budget, which reflected the fact that several Office units contributed to each outcome and each unit contributed to several outcomes. Since only contributions above 2 per cent could be visualized in the charts, some units that contributed less, such as ACTRAV and ACT/EMP, had been grouped together under the heading of "other". The percentage figures shown represented the contribution of a particular unit to the total strategic budget for a particular outcome. The practice of presenting the strategic budget at outcome level was prevalent across the UN system and was recognized as good governance practice.

85. The next stage of the budget process – the allocation of resources to outputs and units – was for operational purposes and would facilitate the monitoring of the delivery of outcome results in an integrated manner. The results of that process were presented to the Governing Body in the programme implementation report at the end of each biennium. The planning process for the delivery of the programme of work for 2020–21 would begin in a week's time with the first meeting of the outcome-based work planning team leads. The Office would continue to develop its approach to results-based management with the support of constituents.

86. Secondly, with regard to the allocation of strategic budget resources by outcome, these could not be compared with previous biennia since the policy framework had changed. The current programme of work proposals presented a more focused and prioritized approach with greater emphasis on skills, lifelong learning and gender equality in line with the ILO Centenary Declaration; allocations to those policy areas had therefore increased in comparison with the 2018–19 biennium. Furthermore, a line-by-line comparison was not possible as some elements of previous policy outcomes had been merged or disaggregated. The change in approach was clear from the proposed policy outcome headings.

87. Thirdly, in respect of specific resource issues, the US$13 million increase described under outcome 5 reflected the call for increased action on skills. It was an estimate of the resources required for real impact and demonstrated a broader scope in the Office's approach to skills in comparison with the 2018–19 biennium.

88. The imbalance in extra-budgetary resources, which were voluntary and generally earmarked, for outcomes 1 and 2 was based on historical expenditure trends, confirmed voluntary contributions and an assessment of likely trends in resource mobilization and donor priorities. The Office would continue to mobilize resources for all policy outcomes, which would be reflected in the development cooperation strategy to be presented at the next session of the Governing Body.

89. Fourthly, with regard to the use of RBSA, these resources had not been allocated by outcome in the programme and budget proposals as RBSA being a flexible funding modality. The Office allocated it strategically within the ILO's results framework as a complement to other ILO resources, particularly when other funding sources were not readily available. RBSA allocations were generally used to support decent work priorities and policy outcomes, with a focus on least developed and low-income countries to meet urgent needs of ILO members, particularly those in crisis situations, and to leverage more funding from other resources.

90. Fifthly, the proposed results framework and measurement system had been formulated in line with the approach used across the UN system and comprised three planning levels – impact, outcomes and outputs – with indicators to track and measure progress and achievements, thereby constituting the theory of change for decent work. The impact level reflected the longer-term vision of social justice through decent work; the outcome level focused on mid-term changes needed to realize that vision; and the output level included ILO actions to be delivered during the biennium to ensure that the outcomes could be fulfilled. That three-tiered approach would facilitate monitoring and reporting on ILO work. Those innovations built on past improvements in results-based management and marked a significant change in the Office's accountability to its constituents as they enabled it to track the concrete contribution of ILO actions to the attainment of the desired results. The framework remained a work in progress, however; the Office would further develop approaches to monitoring and reporting and anticipated that further improvements would become evident over the course of the biennium.

91. The Governing Body had highlighted the lack of an indicator for outcome 1 and the need to further develop some of the proposed SDG indicators. With reference to paragraph 292 of the document, he reiterated that the Office, guided by the Governing Body, would continue to develop appropriate indicators for outcome 1. Outcome indicators should be outcome-specific to allow meaningful measurement of progress in the respective areas. Although SDG indicator 8.8.2 on labour rights could be a proxy indicator for outcome 1, it was better suited to the measurement of progress in the application of international labour standards at the national level.

92. Output indicators were not intended to measure every element to be delivered or produced during the 2020–21 biennium. In certain cases, such as for working time, efforts would focus on enhancing the knowledge base and providing policy advice; while that work was unlikely to engender significant short-term policy or institutional changes at the country level in 2020–21, it could be envisaged as an indicator for 2022–23. The current output indicators were quantitative, measuring the number of organizations or countries where improvements had occurred with ILO support. Contrary to previous practice, the framework did not include criteria for success; that was a deliberate step taken in view of the Office's decision to align its measurement approach with other UN entities. However, a strong qualitative dimension in indicators was incorporated in the framework through emphasis on issues such as international labour standards, social dialogue and gender equality. The Office had made every effort to remain faithful to, and immediately implement, the Centenary Declaration, and would further develop its approach over the following two years with the Governing Body's support.

93. *A representative of the Director-General* (Director, Strategic Programming and Management Department) said, in response to questions raised on setting baselines and targets, that each baseline of the output indicators showed the expected achievement of ILO action by the end of 2019, whereas the target referred to achievements beyond that baseline that the ILO aimed to reach during the 2020–21 biennium. Targets had been estimated based on the needs of constituents at the country level, available resources and capacities, and the level of ambition for each indicator. The target for indicator 2.1.2 on the ratification of technical Conventions had been set based on recent average ratification rates. The targets set for outcome 5 indicators reflected a prudent approach; those targets might become more ambitious once internal capacities had been developed and knowledge and experience gained. In line with standard UN practice, target information was not disaggregated at the regional level. Targets had been set on the basis of constituents' needs and priorities in

DWCPs and then adjusted on the basis of global priorities derived from the Centenary Declaration and available resources and capacities. These adjustments were not region-specific.

94. With regard to queries as to how policy outcome 1 on strong tripartite constituents and influential and inclusive social dialogue and policy outcome 2 on international labour standards and authoritative and effective supervision would be reflected in the results of other outcomes, he noted that all other policy outcomes included specific measures to strengthen the technical capacity of constituents, including for normative and policy advice. Monitoring and reporting during implementation of the programme of work would track progress in those two areas and all outcomes, both through output indicators and the current system of markers at the level of the country programme outcome. The Office would ensure that monitoring and reporting of results under the output indicator 1.4.2 would separate collective bargaining from workplace cooperation.

95. Addressing a request for additional information regarding the new generation of employment policies under output 3.1, he clarified that in terms of scope, greater and more systematic emphasis would be placed on macroeconomic, sectoral and trade policies as drivers of economic growth, employment and decent work generation. There would be stronger focus on ensuring that policies harnessed the benefits and reduced the risks of ongoing transformations in the world of work. In terms of implementation, collaboration with other UN entities would be strengthened.

96. With regard to outcome 4, the results of indicator 4.1.1 under output 4.1 regarding improvement of the enabling environment for the creation and growth of sustainable enterprises would be disaggregated by cooperatives and the social and solidarity economy.

97. Turning to outcome 5 on skills and lifelong learning to facilitate access to and transitions in the labour market, he clarified that the innovative financing approach described under output 5.2 would be developed further during the biennium to include financing mechanisms such as learning entitlements linked to social protection systems and social impact bonds, levy-based industry training funds and performance-based financing for training organizations. The skills innovation facility mentioned under output 5.3 would be a platform to promote ideas and solutions to address the most pressing skills challenges by engaging constituents, education and training providers to build a global, collaborative network of innovation for skills and lifelong learning.

98. In respect of policy outcome 7 on adequate and effective protection at work for all, funding for a tripartite expert meeting on the platform economy would require a decision from the Governing Body to include decent work in the platform economy on the agenda of a future session of the International Labour Conference.

99. The tripartite meeting on pension trends envisaged under outcome 8 on comprehensive and sustainable social protection for all would support the efforts of member States regarding pension reforms and inform and contribute to the recurrent discussion on social security scheduled for the 109th Session (2020) of the International Labour Conference. The training programme on employment injury insurance and protection under output 8.2 would be implemented from the beginning of 2020. With regard to the engagement strategy with international financial institutions to be developed under output 8.1, he noted that the Office would continue to jointly lead the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals with the World Bank. In 2020–21, the Office would collaborate with the IMF to support countries in increasing fiscal space for social protection and develop a staff guidance note to implement the strategy for IMF engagement on social spending, including the promotion of a social spending floor with a view to ensuring that a certain percentage of public spending was invested in health, education and social protection.

100. With regard to enabling outcomes A and C, he clarified that DWCPs would be aligned with the UN Sustainable Development Cooperation Framework but influencing these frameworks was a central part of the ILO's engagement strategy.

101. He clarified that the gaps in data at national levels mentioned in paragraph 231 of the document referred to the lack of data on key labour market variables for some member States.

102. With regard to the issue of risks and management strategies for the enabling outcomes, that issue had been addressed at the 335th Session of the Governing Body, when the Office had presented the strategy for enabling outcomes B and C and the overall risk management strategy and strategic risk register.

103. Lastly, he clarified that the US$7 million increase in the Programme and Budget for 2016–17 under outcome 4 for the promotion of sustainable enterprises had been invested in delivery of the results of that outcome; the increased investment had led to a 27 per cent increase in results, which had been reported in the ILO's programme implementation report for 2016–17.

104. He assured the Governing Body that the Office had noted all of its comments and observations and that these would be taken into account in the implementation of the Programme and Budget proposals for 2020–21 and the preparation of the next programme and budget proposals.

105. *The Worker spokesperson* welcomed the comprehensive and useful clarifications provided by the Office, in particular with regard to the differentiation between baselines and targets. Her group agreed on the importance of ensuring that countries delivered on collective bargaining as an entity distinct from workplace cooperation, and looked forward to the development of a separate indicator on collective bargaining as soon as possible. It would be interesting to see how Office staff had responded to the considerable challenge of dealing with the new integrated approach by the end of the 2020–21 biennium. Her group could support the draft decision.

106. *The Employer spokesperson* said that, having heard the responses from the Office, he stood by all his previous comments made in the current discussion. His group did not consider that the proposed programme and budget adequately reflected its concerns regarding supporting the role of sustainable enterprises as generators of employment and promoters of innovation and decent work, and creating an alignment of policies, regulations and institutions in a public–private effort that placed productivity at the forefront of societal and economic goals. The Office had provided only information sessions during the preparatory process, rather than allowing proper time for consultation. One major consequence was the lack of provision made to cover the additional costs arising from the judgment of the Administrative Tribunal concerning the post adjustment multiplier for Geneva-based staff.

107. To illustrate the lack of consultation, he quoted from an email sent on 6 August by the Secretary-General of the International Organisation of Employers (IOE) to the Deputy Director-General for Management and Reform, in which he complained that the IOE, as secretariat of the Employers, had been provided only with a basic draft programme and budget document that failed to show the narrative behind each proposed outcome, and that it had been given very limited time to provide comments. The email further regretted that, after all the efforts to produce a powerful Centenary Declaration and resolution whose terms would be reflected in the programme and budget, the Employers had been able to take only limited and very provisional actions. The email added that the group had been requesting information about the links between the strategic budget and the operational budget from the Office for a number of years. Finally, the author anticipated an uneasy discussion during the current session of the Governing Body.

108. The Employers' group had not received a response to that email until September, and the subsequent draft programme and budget essentially failed to address important issues on which his group had been prevented from providing satisfactory input, such as the inclusion of a standalone outcome on employers' and workers' organizations.

109. *Speaking on behalf of IMEC,* a Government representative of the United Kingdom said that the comprehensive additional information provided had helped to clarify a number of outstanding issues. IMEC stood ready to work with the Office in developing its results-based management approach, and supported the draft decision.

110. *Speaking on behalf of the Africa group,* a Government representative of Eswatini said that it was still not clear why global figures had been provided in respect of the results framework, contrary to previous ILO practice. Disaggregated figures by region helped regional groups to see how the Office was performing in terms of meeting targets. Another concern was the absence of any supporting material to help in interpreting the figures in the information note on the strategic budget provided to delegations just before the current meeting. His group would thus appreciate clarification before proceeding further.

111. *Speaking on behalf of the Eastern European group,* a Government representative of Poland endorsed the comments made by IMEC and agreed with the Director-General that support for the current budget proposal marked only the beginning of a process that would soon include preparations for the 2022–23 biennium. Her group supported the draft decision.

112. *Speaking on behalf of GRULAC,* a Government representative of Uruguay, welcomed the specific information provided on spending for each outcome by region, and expressed her group's support for the draft decision.

113. *Speaking on behalf of ASPAG,* a Government representative of the Islamic Republic of Iran expressed the hope that the first programme of work in the second century of the ILO would respond effectively to the elements of the Centenary Declaration. His group supported the draft decision.

114. *A representative of the Director-General* (Deputy Director-General for Management and Reform) acknowledged that the charts in the information note were not easy to understand on first reading. The Office had tried to demonstrate how the operational budget was feeding into the strategic budget of each outcome, without going to the output level. However, it was challenging because it mixed two forms of accounting.

115. With regard to the consultation process, he said that following the round of consultations held from 15–17 July, another round of consultations had been requested and, since the Office had indicated that the earliest a summary of policy outcomes could be produced was 1 August, it was agreed to hold an informal consultation in the week of 5 August. However, representatives of the Employers' group later informed the Office that they would no longer be available that week, and could only meet on 2 August. After the Office had explained that it would not be possible to accelerate the production of the document, the Employers had still agreed to go ahead with the consultations. It was incorrect to suggest that the Office had gone back on any of its commitments.

116. With regard to the question of why the target figures were being reported at the global level rather than the regional level, he said that the Governing Body had previously decided to move towards a results-based management approach and to align with the United Nations approach However, in the coming weeks, the outcome-based work teams would begin planning and would be able to provide further information about the regional breakdown, but that information would no longer appear in the programme and budget document.

117. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that in light of the clarifications provided by the Office, he was prepared to support the draft decision.

118. *The Chairperson* noted the reservations of the Employers' group, indicating its inability to support the draft decision.

Decision

119. ***The Governing Body, in accordance with the resolution concerning the adoption of the Programme and Budget for 2020–21 and the allocation of the budget of income among member States, adopted by the International Labour Conference at its 108th Session (2019), adopted the programme of work and results framework presented in document GB.337/PFA/1/1.***

(GB.337/PFA/1/1, paragraph 290)

Programme and Budget for 2020–21: Financial implications of the judgment of the Administrative Tribunal of the ILO concerning the decisions of the International Civil Service Commission (ICSC) regarding the revised post adjustment index for Geneva (GB.337/PFA/1/2) (GB.337/PFA/INF/2)

120. *The Worker spokesperson* said that her group welcomed the judgment of the Administrative Tribunal of the ILO and the Office's immediate application of the ruling to all staff. Regarding its budgetary impact, she noted that staff travel could probably be reduced but expressed her group's concern that other proposed measures to cover the unanticipated cost of US$8.8 million would hinder the provision of the Office's services to constituents. Consultations should be held with the Staff Union on any issues that could affect the conditions of work or employment of staff, either directly or indirectly.

121. Using the provision for unforeseen expenditure in Part II of the operational budget to cover the unanticipated cost would mean that the provision would not be available for other additional expenditure that might be required over the biennium, which might limit the Office's services or activities. Seeking alternative financing methods would inevitably result in the cancelation of activities or meetings. The group therefore supported the approach that sought to mitigate impact on the programme of work by recommending an exceptional derogation of the Financial Regulations to allow the use of any net premium arising from 2018–19 to offset the unforeseen expenditure in 2020–21. Recalling the previous uses of the net premium approved by the Governing Body and the International Labour Conference, she said that the use of the partial or full net premium and any available surpluses should be discussed by the Governing Body at its 338th Session (March 2020). She called on the

Governments to accept that approach. Supporting the draft decision, she proposed the inclusion of a new subparagraph (b), to read:

(b) to request the Office to subject any proposal having consequences on conditions of work or employment of staff to internal social dialogue with the ILO Staff Union;

122. *The Employer spokesperson* said that the Tribunal's judgment confirmed that his group's approach in questioning the rationale for the salary cuts and the arbitrary methodology of the International Civil Service Commission (ICSC) had been justified. The measures proposed by the Office to cover the cost of US$8.8 million were troubling, and he asked whether the Office had prepared any alternatives. In view of the circumstances, it would have been reasonable to anticipate the situation. Expressing concern regarding the proposal to temporarily freeze recruitment for vacant positions, he sought clarification as to the basis of decisions in that regard, the number and level of affected positions and the duration of that measure. While it could be possible to improve planning and limit the number of missions, reducing staff travel may affect the quality of services for constituents. Reducing discretionary expenditure on staff development would be contradictory to the Human Resources Strategy 2018–21 and would affect other institutional strategies. It would be useful to know how much the Office intended to recover through such measures. Furthermore, crucial operational capacities would be jeopardized if the provision for unforeseen expenditure in Part II of the budget was used to finance in part the US$8.8 million. His group reserved its position concerning the use of any net premium or surplus from the financial period 2018–19 and would be guided by the views of the Governments in that regard. His group supported the inclusion of a new subparagraph (b) in the draft decision, as proposed by the Workers' group, but the wording should be reformulated so that the Office was requested to consult the Staff Union rather than to "subject" proposals to internal social dialogue with the Staff Union.

123. *Speaking on behalf of ASPAG*, a Government representative of China requested the Office to provide more detailed information on the financial implications of the Tribunal's judgment for the Programme and Budget for 2020–21. His group also sought further information regarding internal administrative measures to manage the unanticipated cost, in particular the proposal to temporarily freeze recruitment for vacant positions. Welcoming the Office's proposal to consider alternative resources through savings from the current biennium, he said that his group supported the draft decision.

124. *Speaking on behalf of GRULAC,* a Government representative of Uruguay took note of the financial implications for the Organization of the implementation of the Tribunal's judgment concerning the ICSC decisions regarding the revised post adjustment index for Geneva. She welcomed the Office's efforts to cover the costs without immediate implications for member State contributions. Regarding the proposals to finance the expenditure, further information should be provided about the extent of the cost-saving measures and whether the use of the provision for unforeseen expenditure and the surplus resulting from the current financial period would be sufficient. Given that GRULAC had pushed for a zero nominal growth budget for 2020–21, the real growth in the budget approved by the Conference already demanded the highest degree of flexibility from member States, which were facing significant fiscal and budgetary challenges at the national level.

125. *Speaking on behalf of the Africa group,* a Government representative of Eswatini said that it pained his group greatly that the prudent guidance it had consistently given on the ICSC matter had been ignored. The lack of responsibility in the financial planning of the Office must be examined critically in order to prevent such occurrences in future. The budget had been readjusted during the 335th Session (March 2019) of the Governing Body without heed to his group's concerns regarding the need to make contingency provisions.

126. To say that the shortfall was "unanticipated" or "unforeseen" was misleading. The Governing Body had clearly appreciated the implications of the matter well on time but it had failed to take action. All the options proposed in paragraph 6 to cover the unbudgeted cost were, in his group's view, desperate measures that would have negative consequences on the efficiencies of the Organization.

127. In addition, the document was so superficial that it raised more questions than it answered. In particular, he wished to know why the Office had not foreseen the financial risk inherent in failing to provide for an unfavourable judgment by the Tribunal. Also, as the application of the judgment had been immediate, the Office should explain the current state of affairs, specifically, whether discussions with the Staff Union were ongoing to inform the Organization's staff of the next steps, and of when the Office would pay back the difference in earnings that had resulted from the implementation of the ICSC decision.

128. The Office should also explain in more detail how much it anticipated to raise from each of the measures set out in paragraph 6, and the impact that such measures could have on the efficiency of Office operations and the delivery of ILO programmes. Noting that subparagraph 9(a) of the draft decision used language such as "to the extent possible" and "should this not prove possible", he called on the Office to provide much firmer wording. Pending written responses to his questions, he requested the adoption of a decision by the Governing Body to be deferred until later in the session.

129. *Speaking on behalf of IMEC and the Eastern Europe group*, a Government representative of the United Kingdom said that the compensation of the unbudgeted costs should be done in a proactive, systematic and transparent manner. To that end, she asked the Office to establish a detailed plan with concrete measures to compensate the US$8.8 million under Part I of the budget. Doing so would obviate the need also to anticipate the provisions under Part II of the budget. Accordingly, IMEC proposed the deletion of the clause "failing that, through the use of the provision for unforeseen expenditure, in Part II" from subparagraph 9(a) of the draft decision.

130. IMEC could not support the use of net premium balances if internal measures could not cover the full costs, since, under the Financial Regulations, such balances should either be returned to member States or be used to encourage the early payment of contributions through the Incentive Fund. IMEC therefore proposed the deletion of the original subparagraph (b). Equally, IMEC would not support the proposal to replenish any shortfall in the Working Capital Fund as a result of the costs associated with the judgment of the Tribunal by member States in the 2023 assessment without further consideration and a formal decision.

131. While IMEC respected the finality of the Tribunal's judgment, it was concerned about the implications for the UN common system. The Tribunal's discussions called into question the legality of the process used by the ICSC to determine post adjustments and raised difficult questions about the legality of the previous post adjustment in Geneva, which had been based on a survey conducted in 2010, and about whether it was appropriate to revert to the 2010 post adjustment to determine salaries. With respect to the amendment proposed by the Workers, her group supported its sentiment but believed that any dialogue should be in keeping with the provisions of the Staff Regulations. She proposed adding these words to the Workers' amendment.

132. *The Worker spokesperson* said that her group had no objection to the proposal to replace the reference to subjecting proposals to social dialogue by a reference to consulting the Staff Union, and agreed that the new subparagraph 9(b) should be redrafted accordingly. She sought confirmation of the Employers' position with respect to the original subparagraph 9(b).

133. *The Employer spokesperson* said that, on subparagraph 9(b), his group was now aligned with the Worker's group.

134. *A representative of the Director-General* (Deputy Director-General, Management and Reform) recalled that the Tribunal decision had not ruled on the methodology used by the ICSC, but rather on the legality of the decision-making process with respect to the ICSC Statutes. The Tribunal had found that the ICSC had not followed its Statutes in the decision-making process and that in fact, it should have simply made a recommendation for submission and consideration by the UN General Assembly. While the Tribunal had referred to methodology issues, it had made no finding on those matters.

135. It should be borne in mind that the US$8.8 million cost implication of the decision represented around 1.1 per cent of the regular budget, and that, over the past few biennia, the efficiency savings made by the Office had amounted to significantly more than 1 per cent. The Office was therefore of the view that it would be able to minimize, if not avoid, any impact on service delivery through the savings that would be identified. Through its system of vacancy management, the Office already made savings by assessing the classification, necessity and urgency of each position that became available in the Organization. It would continue to do so on a case-by-case basis; there would be no new blanket policy. Likewise, with respect to staff travel, the Office would continue to make savings where possible, again without unduly hindering programmatic work, through, for example, increased use of videoconferencing and reduced length of attendance at conferences. The Office already sought to constantly review all of its discretionary expenditure and redeploy surplus funds for priority purposes. Going forward, identification of cost savings would continue as an ongoing financial and organizational management approach.

136. Turning to the questions posed by the Africa group, he explained that the US$8.8 million had not been taken into account in the Programme and Budget for 2020–21 for the simple reason that there had been no decision at the time of its approval. The decision had been anticipated neither by the Office nor by the Governing Body. The decision of the Tribunal had been implemented within 30 days of notification, as required. All staff had had their post adjustment level restored and received the back pay owed to them.

137. The terminology used in subparagraph (a) of the draft decision reflected the standard terminology used whenever the Governing Body made a decision regarding unforeseen expenditure, for example for the funding of a commission of inquiry or an unplanned meeting. The wording reflected the fact that the Office would begin by making savings, and then move to other options. However, he wished to stress that the Office would make every effort to achieve sufficient savings to cover the unbudgeted costs and thus avoid impacting on programmed areas of work and indeed on the conditions of employment of staff. In addition, the Office would endeavour to make the necessary savings as early as possible in the next biennium.

138. Lastly, on the issue of social dialogue, he recalled that provisions for social dialogue were included both in the Staff Regulations and in agreements that supported the Staff Regulations. The Office fully intended to conduct consultations with the Staff Union on any matters that would have an impact on conditions of employment or employment itself. At the same time, the Office remained of the view that any such impact could, and would, be avoided.

139. *The Employer spokesperson* said that, contrary to the sense of the Office's explanation, paragraph 49 of Tribunal judgment No. 4134 spoke very clearly about methodology for determining salary adjustments, stipulating that it must be a "methodology which ensures that the results are stable, foreseeable and clearly understood or transparent". Paragraph 49 continued that the methodology that had been employed was "without real explanation as to the rationale in statistical, mathematical, methodological or otherwise scientific terms". Methodology was thus at the heart of the issue.

140. *Speaking on behalf of the Africa group,* a Government representative of Eswatini noted that paragraph 5.5.1 of the Standing Orders of the Governing Body read: "the Governing Body shall take no decision regarding any proposal involving expenditure without considering its estimated cost and making provision for the necessary expenditure". The group understood that paragraph to mean that the Governing Body could not take a financial decision without clarity as to which budget lines would be affected by that decision.

141. *The Worker spokesperson* said that her group would appreciate a clear answer to the question raised by the Africa group as to how the increased staff cost would be covered. Her group was pleased that the Governing Body understood that whenever any matters that impacted on staff were under discussion, the staff should be properly consulted and able to participate in social dialogue. Such was the intent of the Workers' proposed new subparagraph (b). The Workers could also support the sub-amendment to that subparagraph submitted by IMEC. Despite the Office's assurance that it would be possible to cover the unbudgeted cost of the revised post adjustment multiplier during 2020–21 through administrative economies, it was nonetheless important to retain the other proposed measures as well, in case the economies the Office referred to should prove insufficient. She recalled that both the Employers' and Workers' groups had been reluctant to implement the results of the 2016 cost-of-living survey in respect of the duty station Geneva before knowing the outcomes of potential legal challenges. The groups had given clear warning of such challenges, which could therefore scarcely be considered as unforeseen. Her group had warned that implementation of the results could expose the Office to financial liabilities. The Governments that had argued for rapid implementation should take responsibility for their action, and should not now be arguing for the removal of potential alternative sources of revenue to cover the unbudgeted additional costs. The Governing Body should now take the decision, as amended by the Workers' additional subparagraph (b), and, if helpful, with the addition of the word "possible" in subparagraph (c) before the word "use".

142. *The Employer spokesperson* joined his Worker colleague in calling for an answer to the question raised by the Africa group in respect of paragraph 5.5.1 of the Standing Orders of the Governing Body. The Employers could support all other points raised by the Worker spokesperson.

143. *A representative of the Director-General* (Treasurer and Financial Comptroller) informed the Governing Body that no provision for additional staff costs had been made in the Programme and Budget for 2020–21, because the estimates in the budget were predicated on the post adjustment rates in force at the time. During the briefings and consultations held in March and June 2019 with Governing Body representatives as part of the preparation of the draft budget, the Office had explained that, although aware of the potential risks resulting from the ICSC or General Assembly decisions, it could not attempt to predict those decisions. It had acknowledged that, should the situation change, steps would have to be taken to address the new circumstances. Standing Order paragraph 5.5.1 was indeed the clause behind draft decision subparagraph (a). The purpose of that clause was to ensure that when the Governing Body was considering an additional activity, such as a meeting or a commission of inquiry, not foreseen in the programme and budget, the Governing Body was made aware of the financial implications of that activity, and how it would be funded. The decision to restore the staff salaries was not a new activity for which Governing Body approval was been sought. At the current session of the Governing Body, the Office was reporting back to the Governing Body on how it would finance that increased cost. As a staff cost, it would appear under the staff cost line.

144. *The Worker spokesperson* expressed her wish to move forward on the assumption that the Office would do its utmost to find the necessary resources from the current budget and through cost-saving measures in a way that met with the Governing Body's approval. She called on the Governing Body to adopt the draft decision as amended, with its three subparagraphs.

145. *The Employer spokesperson* expressed support for the draft decision, as amended.

146. *Speaking on behalf of the Africa group*, a Government representative of Eswatini reiterated his group's disappointment that subparagraph (a) did not comply with paragraph 5.5.1 of the Standing Orders of the Governing Body. In the light of the explanations given by the Office and the emerging consensus, his group could, however, support subparagraphs (b) and (c) of the draft decision, as amended.

147. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom noted that subparagraph (a) provided the Director-General with flexibility to propose alternative methods of financing if necessary. The Office would unlikely have further details on its efforts to cover the costs in March 2020 and would prefer to delete subparagraph (c) in its entirety. However, in the interests of transparency, her group suggested that subparagraph (c) should be amended to read:

(c) to request the Director-General to update the Governing Body on this issue at the 340th Session (October–November 2020) of the Governing Body.

148. *Speaking on behalf of GRULAC*, a Government representative of Uruguay said that her group would be willing to support the amendment proposed by IMEC.

149. *Speaking on behalf of ASPAG*, a Government representative of the Islamic Republic of Iran expressed support for the amendment proposed by IMEC.

150. *Speaking on behalf of the Eastern European group*, a Government representative of Poland said that her group also supported the amendment proposed by IMEC.

151. *The Employer spokesperson* said that he did not see the rationale for replacing subparagraph (c). The addition of the word "possible", as proposed by the Workers, would simply provide the Director-General with the option of using any available surpluses and net premium balances to offset the unbudgeted staff costs, if deemed absolutely necessary.

152. *The Worker spokesperson* emphasized that, under subparagraph (c), the decision in question would be postponed to a later date. In view of the points raised, she would be willing to postpone the discussion to October–November 2020. She reiterated that her group's suggestions would allow the Office to consider certain risks that may arise.

153. *The representative of the Director-General* (Treasurer and Financial Comptroller) clarified that the use of any net premium, surplus or derogation from the Financial Regulations would have to be considered by the Governing Body in March and referred to the Conference in June 2020 in conjunction with the closure of the accounts. If no decision were taken in March and June, the net premium and any surplus would be distributed among member States.

154. *The Worker spokesperson* said that, in the light of the Office's explanation, she wished to withdraw her previous acceptance of the IMEC proposal. There would clearly be no point in postponing the examination of the use of surpluses and net premium balances to October-November 2020.

155. *Speaking on behalf of IMEC*, a Government representative of Canada expressed concern regarding the use of any net premium. The Incentive Fund provided a method for avoiding late payments from member States in UN system organizations. Her group did not support its use to cover expenditure arising from the Tribunal's judgment. If the Governing Body had to consider the decision in March 2020, she could consider subparagraph (c) as amended by the Workers, although she proposed that the words "net premium balances" should be deleted.

156. *Speaking on behalf of the Africa group*, a Government representative of Eswatini noted the consensus reached on some aspects of the draft decision. However, his group would still like further clarification regarding the compliance of subparagraph (a) with the Standing Orders of the Governing Body.

157. *The Worker spokesperson* said that the explanations given by the Office had been sufficiently clear to reassure her that the proposal in subparagraph (a) was in line with the Financial Regulations. The Office was simply asking constituents to give it some space to find the sum of US$8.8 million within the existing budget, but to take into account that additional forms of financing might be required. Regarding the proposal by IMEC to delete the reference to net premium balances and recalling that no final decision would be taken at the current session, she would like further clarification from the governments concerned as to why they objected to a text that did not bind them to a specific financial obligation.

158. *Speaking on behalf of IMEC*, a Government representative of Canada reiterated her group's unwavering support for the tripartite nature of the ILO. Her group had shown flexibility in its approach, retracting two proposals that had enjoyed considerable support from the Government benches. The net premium was a very important issue to IMEC. Against the backdrop of a funding crisis at the UN and the failure of certain member States to pay their contributions on time, the Incentive Fund ensured that member States paid for the important work of the ILO. It was therefore important to maintain the integrity of that Fund. There was no need to presuppose what the Office would propose in March. For that reason, she was advocating the use of more general language, in a conciliatory spirit, with due respect for the social partners' positions. She, in turn, would welcome flexibility from the social partners on the matter.

159. *Speaking on behalf of GRULAC*, a Government representative of Uruguay recalled that her group had made considerable concessions so that the programme and budget could be adopted. She called for flexibility in order to find a solution that respected the views expressed by the many governments that supported the amendments proposed by IMEC.

160. *The representative of the Director-General* (Treasurer and Financial Comptroller) explained that the net premium was divided into two components: 50 per cent went to the Incentive Fund, which was intended to encourage the early payment of contributions, and the remaining 50 per cent was distributed among all member States, in proportion to their assessed contributions. He assured the Africa group that the Office's proposal in subparagraph (a) of the draft decision was absolutely in conformity with the Standing Orders of the Governing Body and the Financial Regulations.

161. According to the Financial Regulations, when an appropriation was included in the budget without specification of the precise purposes for which it was to be applied, no part of such appropriation could be expended until a detailed statement as to the nature and object of the expenditure had been considered and approved by the Governing Body. In the current case, detail had been provided: the amount was US$8.8 million for staff costs. The draft decision did not concern the need to expend that money, but rather requested authority, in the event that the amount could not be covered by savings, to use the provision under Part II of the programme and budget.

162. Aside from the treatment of surpluses and net premium balances, the draft decision reproduced the wording that had been used by the Office, and accepted by the Governing Body, for over 30 years in relation to activities involving additional expenditure. It provided that the Director-General should, in the first instance, look for savings from Part I of the budget. If that proved not to be possible, there was authority to use the provision for unforeseen costs. Should that second option not be possible, the Director-General would come back to the Governing Body at a future time with further proposals.

163. *The Employer spokesperson* thanked the Office for its explanation and noted with interest that only half of the net premium went to the Incentive Fund, which he hoped would reassure IMEC. The Governing Body seemed to be facing a dilemma; however, while he agreed that governments should have an incentive to pay their contributions towards the work of the ILO, the priority must be to ensure that the ILO staff who performed that work received the remuneration owed to them. In order to do that, all options must be considered.

164. *The Worker spokesperson* pointed out that neither her group nor the Employers' group had supported the proposal, put forward by IMEC, to remove the wording "failing that, through the use of the provision for unforeseen expenditure, in Part II" from subparagraph (a). Recalling that the net premium balance had previously been used for the ILO building renovation, she remained of the view that the reference to net premium balances should stay in the draft decision. Otherwise, if there were insufficient surpluses, it was difficult to see how staff would be paid.

165. *Speaking on behalf of IMEC*, a Government representative of Canada reiterated that her group had been fairly flexible on a number of points, but Government representatives had received clear instructions from their capitals on the net premium issue. She recalled that IMEC had not agreed to the use of the net premium for phase 2 of the headquarters building renovation project, for the same reasons. She reiterated her call for the draft decision to include general language that took into account IMEC's position.

166. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that, in the light of the explanations given, his group was inclined to support subparagraph (a), as well as subparagraphs (b) and (c) as proposed by the Workers' group. He would favour retaining the reference to net premium balances, as, if surpluses were not found, it would make sense to have the option of using them.

167. *Speaking on behalf of ASPAG*, a Government representative of the Islamic Republic of Iran reiterated his support for the amendments proposed by IMEC as the basis for moving forward.

168. *Speaking on behalf of GRULAC*, a Government representative of Uruguay reiterated his group's support for IMEC's proposals and urged the Governing Body to continue working towards a solution that would be satisfactory to all.

169. *Speaking on behalf of the Eastern European group*, a Government representative of Poland said that, in the light of the explanations provided by the Office, it should be possible for the Governing Body to move forward.

170. *The Director-General* suggested that it would be useful for the Governing Body to continue its discussion with a view to finding consensus on the very important matter under discussion.

171. *The Chairperson* invited the Governing Body to consider a revised amendment to the draft decision proposed by IMEC.

172. *Speaking on behalf of IMEC*, a Government spokesperson from the United Kingdom said that although her group's position on the use of certain funding mechanisms was unlikely to change, it was proposing an amendment to the draft decision in the interest of flexibility and compromise. The wording in subparagraph (b) would be replaced with: "to request the Director-General to propose to the Governing Body at its 338th Session (March 2020), if necessary, alternative methods of financing that might arise relating to the closure of the 76th financial period (2018–19); and". A new subparagraph (c) would be added, reading: "to request the Office to consult with the ILO Staff Union on any proposal having consequences on conditions of work or employment of staff through internal social dialogue, and in keeping with the Staff Regulations."

173. *The Worker spokesperson*, *the Employer spokesperson* and a Government representative of Eswatini *speaking on behalf of the Africa group* supported the draft decision as amended by IMEC.

Decision

174. ***The Governing Body decided:***

(a) ***to request the Director-General to implement, to the extent possible, measures to achieve under Part I of the budget sufficient savings to cover the unbudgeted cost of implementing the revised post adjustment multiplier during 2020–21, estimated at US$8.8 million, failing that, through the use of the provision for unforeseen expenditure, in Part II. Should this not prove possible, the Director-General would propose alternative methods of financing at a later stage in the biennium; and***

(b) ***to request the Director-General to propose to the Governing Body at its 338th Session (March 2020), if necessary, alternative methods of financing that might arise relating to the closure of the 76th financial period (2018–19); and***

(c) ***to request the Office to consult with the ILO Staff Union on any proposal having consequences on conditions of work or employment of staff through internal social dialogue, and in keeping with the Staff Regulations.***

(GB.337/PFA/1/2, paragraph 9, as amended by the Governing Body)

Second item on the agenda

Update on the headquarters building renovation and the security perimeter projects (GB.337/PFA/2 and GB.337/PFA/2(Add.1))

175. *A representative of the Director-General* (Deputy Director-General for Management and Reform) presented document GB.337/PFA/2(Add.1) to the Governing Body and said that the Office would continue to assess current bids for plot 4057 on the basis of the criteria outlined in paragraph 4; once the preferred bidder was identified, negotiations and the sale of the land should be concluded as quickly as possible in order to commence phase 2 of the renovations and keep costs down.

176. *The Employer spokesperson* noted with satisfaction that phase 1 of the building renovation had been completed without disrupting Office activities, with a low rate of accidents and within the limits of the financial plan. However, estimated costs for phase 2 could increase in view of the discontinuity between the two phases. He welcomed the progress of the tendering process for the sale of plot 4057, noting that the proceeds of the sale would raise sufficient funds to cover the construction of the full security perimeter at ILO headquarters, as well as certain elements previously removed from the scope of phase 2.

177. He requested clarification on the apparent contradiction between the criteria enumerated under subparagraphs 4(c) and (d) of document GB.337/PFA/2(Add.1) regarding the intention to limit dependency on Office involvement post-sale and the opportunity to participate in improved development potential. While acknowledging the commercial sensitivity of the decision to be taken on the bids received, he called on the Office to consult the Officers of the Governing Body on the contractual terms for the sale of plot 4057 and proposed an amendment to the draft decision to that effect.

178. He noted that the security measures to be implemented in 2020–21 were aligned with the security plan adopted at the 335th Session of the Governing Body and that they would be studied with the United Nations Department of Safety and Security (UNDSS) and their specifications and implications shared with the Government of Switzerland.

179. *The Worker spokesperson* welcomed the completion of the renovation of the final third of the building ahead of schedule, within budget and with a low accident rate. It was also positive that no further issues had been raised by construction sector unions since November 2018, and that savings had been made in phase 1 of the project. However, the failure to secure funding for phase 2 of the project would lead to further delay, increased costs and safety risks.

180. She noted with satisfaction the number of offers received by the Office for plot 4057 that would cover the costs of phase 2 of the renovation including a revised full security perimeter. Noting also the proposed "one ring" approach for the security perimeter, she underscored that her group did not support the construction of a perimeter wall surmounted by a fence around the headquarters building, as that would go against the image of openness that should characterize the ILO. While security concerns were understandable, efforts should be made to avoid restricting constituents' access to the building, including during the periods outside Governing Body or Conference sessions. Recalling her comments at the March session, she reiterated that restricting access to the property as a whole was not commensurate with the assessed level of risk; her group had asked for other options to be explored. It was also essential to ensure that good occupational safety and health provisions were made for staff in the basement, which should be renovated in the same way as other parts of the building.

181. Given that three of the offers received for the plot met the criteria set out in document GB.337/PFA/2(Add.1) and exceeded the projected cost of phase 2, she supported the draft decision. Although her group had initially supported the Employers' proposed amendment to the draft decision, it took the view that finalizing the contractual terms for the sale should be entrusted to the Office.

182. *Speaking on behalf of the Government group,* a Government representative of Nigeria commended the high quality of the work done under phase 1 of the renovation, noting the low accident rate and early completion. His group valued the Office's efforts to keep the total budget for phase 1 within the limits of the endorsed financial plan and maintain the initial budget, and welcomed the savings generated. It was positive that negotiations with potential tenants were under way and that a letter of intent had been signed with the United Nations Children's Fund (UNICEF), since co-location with a single organization would be beneficial.

183. He welcomed the Office's work to identify potential investors to purchase plot 4057 and asked to be kept updated regarding the evaluation of proposed projects. His group appreciated the focus on the "one ring" approach to building security, the associated work on funding the security upgrade and the consultations with UNDSS and hoped to receive more information on those matters at the next session of the Governing Body. Efforts should also continue to promote safe and healthy working conditions, and identify creative funding alternatives in a responsible and sustainable manner. His group supported the original draft decision.

184. *The representative of the Director-General* (Deputy Director-General for Management and Reform), responding to a query raised by the Employers' group, explained that several bidders for plot 4057 had expressed an interest in the ILO retaining a degree of ownership throughout the development process, so that they could take advantage of the status of the ILO. However, neither the ILO nor the Swiss authorities were in favour of such an outcome, which was why subparagraph 4(c) in document GB.337/PFA/2(Add.1) had been included in the proposal evaluation criteria. Subparagraph 4(d), meanwhile, had been inserted to ensure that the ILO could benefit from any improved development potential if the successful bid included additional value contingent on land use approvals; several bidders had proposed such an option in addition to the base price for the land. The two criteria were therefore distinct.

185. Noting the concerns expressed by the Workers' group regarding building security, he said that the Office was continuing to review the options together with its own security staff and the UN security services. The current thinking was that, instead of fencing the whole property, a closer perimeter could be installed around the building, with a small external reception building to allow visitors to be screened. It was important to maintain the openness and the parkland around the building, while ensuring that the area around the pond, and potentially the grassed area behind the building, could be used securely. Regarding the offices on the lower floors, they would be renovated to the same standard as those in the rest of the building.

186. Although he recognized the intent behind the amendment to the draft decision proposed by the Employers' group, he was concerned that additional consultations could delay what were likely to be intense negotiations. In the past, the Governing Body had given the Director-General authority to finalize contracts for the sale of land. As an alternative to the amendment, the Office could instead agree to keep the Officers of the Governing Body informed of the progress made; the matter was due to be concluded by the end of the year.

187. *The Employer spokesperson* said that fears of delays were misplaced. The proposed amendment addressed the issue of governance; the Governing Body should share the responsibility for such an important contract. However, the offer of keeping the Officers of the Governing Body informed could present a solution.

Outcome

188. ***The Governing Body took note of the information provided in document GB.337/PFA/2 and welcomed the successful progress of phase 1 of the renovation project to date.***

(GB.337/PFA/2, paragraph 33)

Decision

189. ***The Governing Body:***

(a) authorized the Director-General to finalize contractual terms for the sale of plot 4057 located in Geneva, consistent with the criteria set out in paragraph 4 of document GB.337/PFA/2(Add.1);

(b) recommended to the Conference that it approve, at its 109th Session (June 2020), in accordance with article 11.1 of the Financial Regulations, the transfer of the sale proceeds to the Building and Accommodation Fund by adopting a resolution in the following terms:

The General Conference of the International Labour Organization,

Decides that the net proceeds from the sale of the ILO-owned land, plot 4057 located in Geneva, Switzerland, be credited to the Building and Accommodation Fund; ***and***

(c) decided that those proceeds required for the completion of the renovation of the headquarters building, including the security perimeter, be allocated for that purpose.

(GB.337/PFA/2(Add.1), paragraph 9)

Third item on the agenda

Proposed 2020–21 budgets for extra-budgetary accounts: Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) (GB.337/PFA/3)

190. *The Worker spokesperson* welcomed integration into the CINTERFOR programme of the priorities established in the Panama Declaration for the ILO Centenary: The future of work in the Americas, adopted at the 19th American Regional Meeting (2–5 October 2018, Panama City, Panama). The Workers agreed with prioritizing knowledge management, South–South and triangular cooperation, and making the fullest possible use of information and communications technologies in all of its working areas. In seeking innovations and improvements, sight must not be lost of the digital divide in the regions, to avoid the risk of worsening existing inequalities.

191. With regard to synchronizing vocational training with productive development policies and technological developments, the group stressed the need for the active participation of workers' organizations in discussions at national, regional and sectoral level, to ensure that solutions were arrived at in tripartite fashion and contributed to SDG 8. However, vocational training should not be limited to productive development, but should also take account of the need to provide quality public services. The group welcomed the priority placed on training that strengthened the capacities of workers' and employers' organizations in tripartism and social dialogue. The programmes should help workers' organizations to include vocational training clauses in collective bargaining agreements, and should reinforce tripartism in the design and governance of vocational training institutes. CINTERFOR should also uphold the standard-setting role of the ILO, by promoting the Centenary Ratification Campaign, and encouraging ratification and implementation of the following instruments: the Social Security (Minimum Standards) Convention, 1952 (No. 102); the Employment Policy Convention, 1964 (No. 122); the Paid Educational Leave Convention, 1974 (No. 140); the Human Resources Development Convention, 1975 (No. 142); and the Human Resources Development Recommendation, 2004 (No. 195). Research should focus not only on the creation of new jobs, but also on aspects such as new tasks, data protection, and health and safety issues related to connectivity. The ILO Research Department, INWORK and SECTOR should be involved in evaluating the effect of digitalization and its impact on the world of work.

192. Regarding regulatory frameworks and financing schemes, the group supported a public, tripartite and inclusive system of vocational training and education to reduce inequalities and promote decent work. Programmes or mechanisms for skills recognition and certification, including national qualifications frameworks should be linked to migration management policies to bolster integration in the subregions or corridors used for labour migration, to ensure that migrant workers benefited from equal labour rights.

193. The Workers' group supported promoting programmes and systems of quality apprenticeship that took a human-centred approach to the future of work, and placed value on inclusive and high-quality public education and effective lifelong learning for all. It approved the proposals set out in the report for institutional strengthening and information management in vocational training and for applying new methodologies and technologies to vocational training. Comprehensive training proposals should be developed to reinforce linkages between trade union training, and vocational and lifelong training, both in general courses and in specific trade union courses, in particular in training for trainers.

194. Regarding vocational training for equal opportunities and social inclusion, the group supported the blended method, but reiterated the existence of the digital divide in the region. It might prove interesting to explore certain initiatives placing free computers in schools, including the Uruguayan Ceibal Plan, or the Argentinian Conectar Igualdad Plan. Technical assistance was required, as well as the development of new strategies, in line with international standards, to bring vocational training into line with national policies on inclusion and equality, to protect migrant and domestic workers, workers in the informal economy, workers with disabilities and rural workers.

195. Tripartite consultations were vital for synchronizing training with employment services, vocational guidance and active labour market policies, to be able to identify key questions, promote decent work, and address the main changes in the world of work in both the private and public sectors.

196. CINTERFOR should ensure that all progress made in its programmes, and vocational training experience gained by workers' organizations, were shared with vocational training institutes in other regions. The group supported the draft decision.

197. *The Employer spokesperson* said that the ILO, in partnership with governments and the social partners, should promote the acquisition of skills and qualifications by all workers throughout their working lives. The Organization should support CINTERFOR's efforts to contribute to policy priorities in the following areas: productive development; promoting an enabling environment for enterprise; the transition to the formal economy; environmental sustainability; climate change and responding to new and diverse forms of employment. The group was pleased to see that CINTERFOR was working in that direction, linking more closely with the services of the ILO, and developing strategic alliances with international and national development cooperation bodies.

198. ACT/EMP should actively support closer collaboration between employers' organizations and CINTERFOR in the region by providing technical cooperation in the design and implementation of programmes specifically for employers. Existing skills should be mapped, and the skills that would be required by the Latin American and Caribbean labour market over the next ten years identified. A regional mapping exercise on dual education initiatives should be undertaken, highlighting the publications and activities of the Global Apprenticeship Network (GAN) as a successful example of collaboration between business, employers' organizations and international organizations. The CINTERFOR network should actively encourage vocational training institutions to listen to employers' organizations, and to tailor training programmes to their needs. Small and medium-sized enterprises (SMEs) often had difficulty in finding suitable training programmes. Priority should be given to those enterprises, and their training programmes should focus on formalizing the economy and increasing productivity. Public policies should promote training, and skills-certification.

199. While encouraging the Centre to take all opportunities to mobilize resources, through technical cooperation projects, both in the host country and the region, the group called on Uruguay to pay its CINTERFOR contributions for 2019 urgently. The Employers supported the draft decision.

200. *Speaking on behalf of GRULAC,* a Government representative of Uruguay stressed the critical importance of vocational training in a world of work going through profound transformations. GRULAC appreciated the priorities and areas for action identified in the report, and highlighted the special importance of CINTERFOR in promoting inclusion, reducing inequalities, creating opportunities for SMEs and combating informality in the region. The group supported the draft decision.

201. *The Government representative of Uruguay*, speaking in her national capacity, thanked the Employers and Workers for their comments and informed the Employers that the Government was giving its full attention to the question of its CINTERFOR contribution for 2019.

202. *A representative of the Director-General* (Regional Director for Latin America and the Caribbean)) thanked Governing Body members for their contributions. The Office had taken full note of the suggestions made and of the areas of particular concern to constituents.

Decision

203. ***The Governing Body approved the income and expenditure estimates of the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) extra-budgetary account for 2020–21, as set out in Appendix I of document GB.337/PFA/3.***

(GB.337/PFA/3, paragraph 31)

Fourth item on the agenda

Programme and Budget for 2018–19: Regular budget account and Working Capital Fund (GB.337/PFA/4)

204. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that since 1 October 2019 contributions for 2019 and prior years amounting to 29,979,324 Swiss francs (CHF) had been received from seven member States, as detailed below:

Member States	Contribution received for 2019	Contribution received for arrears	Total contributions received in Swiss francs
Argentina		300 000	300 000
Cameroon		29 446	29 446
Croatia	10		10
Madagascar	11 170		11 170
Panama	8 409		8 409
United States		29 625 129	29 625 129
Zambia		5 160	5 160
Total	**19 589**	**29 959 735**	**29 979 324**

205. Including contributions received between 1 October and 28 October 2019, total contributions received in 2019 amounted to CHF263,363,691, comprising CHF218,862,095 for 2019 contributions and CHF44,501,596 for arrears. The balance due as of 28 October 2019 was CHF225,803,766.

206. *The Worker spokesperson* expressed gratitude to those governments that had settled their contributions and welcomed the fact that there had been a slight increase in the number of States doing so since the previous biennium. She invited the governments that had not yet done so to settle their contributions before the end of the year. Her group supported the draft decision.

207. *The Employer spokesperson* noted the information on the position of 2018–19 budgetary income and expenditure and the update on contributions provided by the Office. Although the payment of assessed contributions could be a challenge for certain member States, the Office should continue its efforts to minimize arrears. Urging governments to comply with their financial obligations to the ILO, he expressed support for the draft decision.

208. *Speaking on behalf of the Africa group,* a Government representative of Mauritania expressed deep concern regarding the number of member States in arrears and urged them to resolve the situation as quickly as possible. Delays in the payment of contributions had held back the implementation of the Programme and Budget for 2018–19; they interrupted the delivery of programmes that would benefit constituents and negatively affected projections for future years. His group supported the draft decision.

209. *Speaking on behalf of IMEC,* a Government representative of the United Kingdom expressed regret regarding the reduction in the level of contributions received in comparison to the previous year, noting that the ILO's ability to fulfil its mandate depended on the timely payment of those contributions. Given the wider pressures on UN financing, her group urged all member States to pay their contributions in full as soon as possible. She supported the draft decision.

Decision

210. ***The Governing Body delegated its authority under article 16 of the Financial Regulations to the Chairperson who may approve any transfers within the 2018–19 expenditure budget that the Director-General may propose, if needed, prior to the closing of the biennial accounts and subject to the endorsement of such approval by the Governing Body at its next session.***

(GB.337/PFA/4, paragraph 11)

Fifth item on the agenda

Other financial questions

Proceeds from the sale of the ILO Brussels office (GB.337/PFA/5)

211. *The Employer spokesperson* said that the proposals outlined in the document were relevant and cost-effective, in relation to both the ILO budget, as they would increase the Building and Accommodation Fund, and the objectives of the UN reform process. He supported the draft decision.

212. *The Worker spokesperson* said, with regard to the reasoning in the draft decision, that her group saw value in being located more centrally and closer to the EU institutions and constituents' offices. She asked the Office to maintain the visibility of the ILO in the UN House, with open access to its tripartite constituents. She supported the draft decision.

213. *Speaking on behalf of IMEC,* a Government representative of the United Kingdom noted the need for investment in the ILO Brussels office and highlighted the goal regarding common premises set as part of the UN reform process. Her group supported the sale of the ILO Brussels office and its relocation to the UN House, which should allow effective pooling of resources and a more unified UN presence. She supported the draft decision.

Decision

214. ***The Governing Body:***

(a) recommended that the International Labour Conference at its 109th Session (2020) approve, in accordance with article 11.1 of the Financial Regulations, the transfer of the proceeds from the sale of the ILO-owned premises in Brussels, Belgium, to the Building and Accommodation Fund after deducting an amount of US$155,000 to cover the cost-sharing charge in UN Common Premises for the ILO Office for the European Union and Benelux countries for 2020–21; and

(b) proposed to the Conference at the same session a resolution in the following terms:

The General Conference of the International Labour Organization,

Decides that the net proceeds from the sale of the ILO-owned premises located at rue Aimé Smekens, 40, 1030 Schaerbeek, Brussels, Belgium be credited to the Building and Accommodation Fund after deducting an amount of up to US$155,000 to meet the cost-sharing charge attributed to the ILO for its occupancy of space in the UN House, Brussels during the biennium 2020–21.

(GB.337/PFA/5, paragraph 8)

Audit and Oversight Segment

Sixth item on the agenda

Annual evaluation report 2018–19 (GB.337/PFA/6)

215. *The Worker spokesperson* noted with satisfaction that the biennial milestones for independent evaluations, contained in Part I of the report, had been reached. However, the group would like to know why those for internal evaluations had not, and whether that was due to overstretched staff. It was important to strike the correct workload balance between servicing constituents through implementation of programmes, and assessing that work by conducting internal evaluations. Under sub-outcome 1.3, the group wished to know why there were such large differences in numbers between employers', workers' and government representatives trained in evaluating the Decent Work Agenda in the SDG era, as shown in figure 2. In respect of recommendation 1 in paragraph 22 of the report, the group stressed that the agreement of donors was important when clustering evaluations and the donor agreements signed should reflect that clearly. No progress had been made in respect of impact evaluations and the group would appreciate information in that connection. Regarding sub-outcome 2.4, the group supported the self-induction programme to increase evaluators' understanding of the unique added value of the ILO. In addition, it was important to ensure that the ILO's normative mandate and mechanism for social dialogue were integrated into evaluations and project design. The guidance note that the Office had developed in that connection was welcome. The group also appreciated under sub-outcome 2.2 that Protocols 1 and 2 had been revised to include guidance on gender equality and non-discrimination.

216. In respect of Part II of the report, the group was particularly concerned that it was in the areas of quality of project design, constituent involvement and validity of design that scores were the lowest. Moreover, the design and implementation of projects continued to address poverty reduction inadequately. The projects' weak capacity to leverage resources and sustain results over time in the areas of promotion of labour standards and the integration of tripartism were also worrying and the ILO should continue to address this issue. The majority of projects received low to average ratings for performance in implementation and efficiency, and only one quarter of projects achieved a successful rating for monitoring and reporting. The group could agree with the recommendations and support the draft decision.

217. *The Employer spokesperson* said that although Part I of the report showed that progress had been made in integrating a culture of evaluation in the ILO, more could be done. Regarding outcome 1, the rate of internal evaluations was noted as being low. Therefore, the Office should renew its efforts to strengthen internal evaluations and improve the accountability framework. Regarding topics for high-level evaluations, the tripartism and normative mandate of the ILO should be particularly evaluated. The Employers' had repeatedly stressed the importance of research and knowledge management. However, despite their strategic importance, those areas had never been evaluated. The Knowledge Strategy 2018–21 and the Research Strategy 2020–23 could provide a framework for that evaluation. The group would like to know why far fewer employers' representatives than government or workers' representatives had been trained in evaluating the Decent Work Agenda in the SDG era. Closer coordination with ACT/EMP should resolve that issue.

218. With respect to outcome 2, the group reaffirmed its support for clustering evaluations. The Office should encourage donors to follow that practice, and establish the procedures to allow cluster evaluations to be used. The pilot projects suggested in table 4 of the report seemed appropriate. Project evaluations must be more closely aligned with tripartism and the standard-setting mandate of the ILO. The Organization's development cooperation efforts should include strengthening the capacities of ministries and the social partners and providing them with incentives to engage in tripartism and social dialogue. This is the value of the ILO's contribution to the UN system.

219. Regarding outcome 3, the group was concerned at the reduced use by management of recommendations in evaluations, especially in view of the clear reduction in fully or partially completed recommendations. The recently introduced automated system for management to follow up on recommendations might have contributed to this reduction by depersonalizing the exchanges. Management should take steps to redress that situation.

220. In Part II of the report, figure 10 showed that the quality of project design and involvement of constituents was mediocre. Low participation by constituents resulted in a large number of donor-led projects that failed to respond to constituents' needs. Projects needed to respond to capacity-development needs as the recent high-level evaluation of capacity development showed. Less than half of projects garnered the support of the constituents, calling into question the validity of the projects' design and their capacity to attain the goals of the programme and budget. Figure 11 also presented an unacceptable picture of the poor performance of ILO projects aimed at promoting tripartism and standards. The Office must urgently review project design and approval processes, as well as their follow-up frameworks. Key success factors from the meta-analysis of the evaluations should be better integrated. Closer involvement of the departments concerned, ACT/EMP and ACTRAV, was essential. The results-based management principles of monitoring, feedback and guidance towards objectives should be applied to all ILO projects and programmes.

221. Finally, the Employers stressed the crucial importance of projects under the RBSA. They expressed their satisfaction with the initial engagement with ACT/EMP, ACTRAV and the International Labour Standards Department, which ensured a more solid design, greater validity, sustainable results and a real impact of those projects. RBSA projects should also use formal monitoring and reporting mechanisms.

222. *Speaking on behalf of the Africa group*, a Government representative of Mauritania said that his group welcomed the report, and appreciated its clear structure, with Part I, Implementation of the ILO's evaluation strategy, based on three outcomes, in turn supported by a series of sub-outcomes. The group appreciated that future planned evaluations would include fundamental principles and rights at work, collective bargaining and freedom of association. His group noted the identified problems with efficiency in the ILO's work. His group supported the draft decision.

223. *Speaking on behalf of IMEC*, a Government representative of Finland said that IMEC welcomed the ILO's strengthened commitment to results-based design and management that strengthened the effectiveness of independent evaluation of DWCPs and technical cooperation projects. A strong enabling evaluation culture and independent evaluation function were needed. IMEC supported the establishment of the results-based management task force, and noted that strengthened capacity building, guidance and an enhanced knowledge system had improved the quality of evaluation reports. The group approved of the expansion of the knowledge base and of access to evaluation information, especially through *i*-eval Discovery. IMEC wished to know how many external evaluations had been carried out in 2018, in order to obtain a picture of all evaluations that had taken place. The lessons learned from the external evaluations should be integrated into ILO institutional knowledge.

224. IMEC noted the strengthened evaluation capacity of staff in regions and departments under sub-outcome 1.2, and that 30 additional staff members had been certified as evaluation managers. To encourage growth of the evaluation network, further incentives for staff to participate should be provided. Limited availability of technical backstopping and qualified monitoring and evaluation expertise could impede results-based project design, implementation, performance monitoring systems and evaluation. The group welcomed the achievement of sub-outcome 1.3, but observed that work remained for sub-outcome 1.4, particularly on the SDG's. IMEC applauded the work of the ILO Evaluation Office (EVAL) to promote SDG-sensitive monitoring and evaluation of DWCPs through evaluability assessments, and the co-coordinator role played by EVAL in the UN Evaluation Group's working groups on evaluation and the SDGs. Sub-outcome 1.5 was partially achieved, but required further work. IMEC appreciated the growing recognition of the importance of mainstreaming evaluation and suggested a further increase in full-time monitoring and evaluation staff.

225. IMEC noted that sub-outcome 2.1 was on track. The group understood that cost reduction was not the only reason for clustering, and recognized that cluster evaluations could help to reduce evaluation fatigue and could add value by drawing meaningful lessons across projects of similar thematic focus, or within countries or defined regions. It was not clear, however, how clustering would increase the independence and credibility of evaluations. On the understanding that the clustering of evaluations was one, but not the only, option, IMEC could support recommendation 1. The group also supported the possible pilots for clustered evaluations within identified typologies as set out in table 4, an approach aligned with the UN development system reform discussions and efforts to strengthen independent system-wide and joint evaluations. IMEC thus also appreciated the role of EVAL in the development of system-wide evaluations, and in piloting the United Nations Sustainable Development Cooperation Framework evaluations in selected countries.

226. IMEC welcomed the achievements of all three indicators under sub-outcome 2.2, including the updated protocols. Regional evaluation officers should support ILO project staff and partners to ensure that projects were evaluable. Noting the improvement in assessed comparisons of average ratings for the UN System-Wide Action Plan on Gender Equality and Empowerment of Women, she emphasized that evaluations should better consider gender equality and the empowerment of women and welcomed the revised guidance note on gender equality in evaluation. Guidance on the ILO's contribution to the SDGs would be needed. She noted that despite EVAL's efforts no progress had been made under sub-outcome 2.3, though there was scope for improvement, and welcomed the plans to complete the ex-post quality assessment of impact evaluations. IMEC welcomed the increased use of *i*-eval Discovery under sub-outcome 3.1 and recommended that all external evaluations should be included in the database.

227. Turning to Part II of the report, she recalled the transformative approach for a validation process of the ILO's performance endorsed by the Governing Body in 2018 and expressed regret that the transition to that system had been slower than anticipated. IMEC welcomed the finding that the pro-poor focus and gender-sensitivity of projects had improved, but noted that other performance criteria had become less successful. The group expressed particular concern that only 5 per cent of "highly successful" projects had explicitly specified poverty effects or applied poverty-targeting measures. The information provided in the report on the implementation and efficiency of management and use of resources was concerning, and work should be undertaken to improve the goal orientation, monitoring and reporting, and internal coordination of projects. Many projects had been overambitious, as indicated by the lack of resources to deliver their outputs. In a sample of assessed RBSA-funded projects, IMEC noted the lower-than-average performance in the achievement and sustainability of immediate objectives, gender-responsiveness and pro-poor focus of interventions. All the findings should be thoroughly analysed and the challenges identified must be addressed. Thus, IMEC supported recommendation 2.

228. *A representative of the Director-General* (Director, Evaluation Office) said that the progress report showed that good progress had been made on the three strategy outcomes, with 95 per cent of biennial milestones being achieved. The one exception had been impact evaluation, where progress had been slow. External assessments of evaluation reports had demonstrated that quality had improved, including on gender coverage. Independent evaluations were prioritized over internal evaluations, given their importance. However, a training programme on internal evaluation procedures had been introduced, which was leading to gradual improvement. While more could have been done in the area of impact evaluation, the policy focus was on performance evaluations. An impact evaluation was only undertaken if specifically called for and budgeted in the project document because of resource constraints. However, EVAL would ensure the quality of impact evaluations when they were conducted though ex-post assessments.

229. Concerning the percentages of ILO constituents receiving evaluation training linked to evaluation of the SDGs, he said that there was no special budget for such capacity-building activities and EVAL therefore relied on collaboration with other partners. A number of training courses had been organized with ACTRAV, which included a module on evaluation and the SDGs. Discussions had been initiated with ACT/EMP to run similar courses for representatives of employers' organizations. Similarly, for government representatives, EVAL had worked with the International Training Centre of the ILO, Turin, to incorporate those elements into existing training programmes.

230. The initial improvements in management response to evaluation recommendations had slightly reduced with the introduction of the new Automated Management Response System and more rigorous criteria for considering recommendations "completed", but he reassured the constituents that the figures would improve.

231. More could have been done to introduce transformational changes to evaluation practices in the ILO, but this required collaboration with other departments. There had to be an enabling environment for this, which called for a learning culture, good knowledge management, participation in the evaluation process by all line managers, and good project design, incorporating lessons learned from evaluations. Many of those elements were part of the Office's work to improve results-based management.

232. The purpose of cluster evaluations was to produce more strategic evaluations and better connect the dots between projects; the intention had never been to enhance independence and credibility. Clustering evaluations would not necessarily reduce costs; in fact, costs might increase in some cases. Efficiency could be increased however by pooling evaluation resources, thus lowering transaction costs. Those changes would not be made overnight, but the process would continue.

233. Regarding Part II of the report, he said that the same methodology had been used for the previous four biennia. Analysing 26 indicators across a sample of 40 project evaluations the assessment served as a proxy indicator for the ILO's overall performance. Despite varying performance in previous years, there had been a consistent overall trend. While there had been a drop in some areas, for example in efficiency, the ILO had been identified in the study as being value-driven in the use of its resources and overall cost-effective.

234. With regard to the concerns raised about the pro-poor focus, while only 5 per cent of projects had received a score of "highly successful", a further 25 per cent had received a score of "successful", which showed a positive trend. EVAL would continue to work with the Global Management Team, the Evaluation Advisory Committee and the Office to ensure that evaluation findings were put into effect.

Decision

235. ***The Governing Body endorsed the recommendations of the Annual evaluation report 2018–19 (paragraphs 22 and 73 of document GB.337/PFA/6) for implementation by the ILO and the priorities for the 2019–21 programme of work for evaluations.***

(GB.337/PFA/6, paragraph 74)

Seventh item on the agenda

High-level evaluations of strategies and Decent Work Country Programmes (GB.337/PFA/7)

236. *The Employer spokesperson*, congratulating EVAL on its independent, balanced and professional work, enquired about EVAL staff numbers. Referring to part I of the high-level independent evaluation of the ILO's strategy and actions towards the formalization of the informal economy, he noted that the evaluation did not cover the ILO's work to foster an enabling environment for enterprises, which was critical to reducing informality. Moreover, the Office should assist in efforts to increase the development and productivity of enterprises, and support informal economic units and micro, small and medium-sized enterprises that were trapped in the informal economy.

237. On effectiveness, he noted that key finding 4 referred to resource limitations. However, he recalled that discussions in the Governing Body in March 2018 had revealed that the strategic budget allocated to outcome 6 (formalization of the informal economy) for 2016–17 had been US$51.5 million, but that actual expenditure had been US$28 million. The unspent US$23 million indicated poor resource planning and delivery, as recognized in the ILO Programme Implementation Report 2016–17. Given the predictable nature of the regular budget, he wondered how the evaluation had reached the conclusion that resources were limited and why country programmes and global products were significantly underfunded. The Office should work with the constituents beyond social protection, business development services and use of digitalization in its approach to the formalization of the economy by addressing the unfair competition faced by formal enterprises from the informal economy.

238. Referring to recommendation 2, he said that the recommendation did not clarify how the Office intended to implement private-sector engagement. Under recommendation 4, the Partnerships and Field Support Department (PARDEV) should be the unit responsible for the work to strengthen conceptual and technical capacities to provide services and solutions adapted to the needs of the informal economy, despite capacity development being relevant under all policy outcomes. PARDEV should provide technical support to the social partners on transitioning to formality. The Office response to recommendation 6 indicated that knowledge materials would be developed to enable the social partners to include informal economy workers and economic units. However, informal economy actors were not part of the legal economy and therefore they could not be recognized or included by employers' organizations. He requested the Office to amend its response accordingly, and replace "extend membership" with "reach out" in paragraph 33 of document GB.337/PFA/7.

239. Turning to part II, he said that PPPs were of critical importance to his group and were capable of enhancing the sustainability of ILO interventions, allowing the Office to better understand the realities faced by enterprises and assisting it in developing more practical approaches. His group disagreed that PPPs were "underutilized"; their unstable nature meant that dependence on them should be avoided, and that the basis for the conclusion that they were "under-exploited" was unclear. He asked whether data existed on what percentage of budgets of other United Nations organizations was provided by PPPs. His group also disagreed that PPPs should be used to make improvements to global supply chains, and it supported the Office's response to the relevant recommendation. The greatest challenge faced by enterprises was national governance, rather than issues in supply chains. Furthermore, supply chains comprised a small fraction of a country's workforce; PPPs should apply to all workers. Business networks were a very effective alternative that maximized impact and required much less marginal effort.

240. It was deeply regrettable that due diligence processes were undermining the objectives of PPPs. The inefficiency reported in the document was unacceptable, and examination of the under-exploitation of PPPs should scrutinize not only financial matters, but also opportunities lost to Office politics. The referral of decisions on some PPPs to the Director-General was a cause for concern; the Office should be transparent in its rejection of PPPs and establish a clear decision-making process, which must include appropriate deadlines and involve ACT/EMP. To increase sustainability, and given that enterprises' financial contributions under PPPs were relatively small, consideration should be given to a structure that would allow several enterprises to contribute to existing work, and the social partners should be engaged strategically in the design of PPPs. His group disagreed with the call in recommendation 7 for long-term agreements with private partners; PPPs should target specific activities for specified time frames.

241. Turning to part III, he drew attention to the need for the Office to make DWCPs more relevant by addressing their lack of constituent ownership. He also expressed concern that DWCPs were perceived by some as being donor projects. He asked why the document omitted outcome 10 from the outcomes that were addressed by DWCPs; institutional capacity-building for employers' and workers' organizations should be a priority. The Office should utilize alternative funding, such as the RBSA, which would allow it to deepen its cooperation in countries and on themes for which donor funding was not readily available. He asked how the RBSA was used in southern Africa to advance the priorities of the DWCPs, particularly institutional capacity-building among the social partners. His group supported the recommendations contained in part III of the document, and the related responses from the Office. In particular, he drew attention to recommendation 1, which called for capacity-building for the social partners and consultations with ACT/EMP and ACTRAV.

242. *The Worker spokesperson,* addressing part I of the document, said that, despite the topic's recognized relevance, the apparent inadequate ownership of Recommendation No. 204 concerning the transition from the informal to the formal economy and shortcomings in its implementation were a cause for concern. Supportive of the document's recommendations on the approach advocated by Recommendation No. 204, her group wished to underscore the importance of regional adaptation in all efforts to formalize the informal economy. It would welcome clarification of the redefined work arrangement proposed in paragraph 37.

243. Recommendations 2 and 9 were linked, in that they both addressed cooperation with the organizations in the United Nations system, where the ILO must exercise its normative mandate. The General Surveys of 2019, 2020 and 2021 were relevant to the topic of the informal economy and should be taken into account when implementing the ILO strategy and in its interactions with other agencies. The ILO should champion coherence in the UN and multilateral systems to promote workers' rights, and select its partnerships carefully. Recommendation 4, which related to the creation of an environment that enabled enjoyment of the right to organize, collective bargaining and social dialogue and the development of innovative approaches, should be implemented as part of a holistic approach to the transition to the formal economy. The Office should consider undertaking further work on preventing the informalization of formal workers, particularly in global supply chains and the green economy.

244. Turning to part II, she welcomed the evaluation as shedding light on the PPPs and identifying sustainability as an area of weakness. She sought clarification on who, besides the constituents and ILO officials, had been consulted during the evaluation. Future evaluations of PPPs involving the ILO should consider how they improved performance in industrial relations, and due diligence processes should examine how enterprises made improvements to industrial relations. Her group generally welcomed the response from the Office and fully supported Office rejection of some of the recommendations. However, her group did not agree that the procedures, appraisals and clearance processes relating to PPPs need to be reviewed. They had proved efficient, and the existing consultation process remained relevant, although it was regrettable that enterprises with poor labour records had been allowed to work with the ILO. The ILO should take the lead in the harmonization process for partnership approaches in the United Nations system being undertaken by the United Nations Sustainable Development Group by promoting clear selection criteria that examined enterprises' labour records and respect for trade union rights, in line with the ILO policy and procedure relating to PPPs. Her group opposed PPPs with enterprises that did not respect fundamental human, trade union and labour rights, and it was concerned at the silent privatization of the United Nations system.

245. She noted that some of the recommendations in part III of the document had been made previously. Consideration must now be given to how future DWCPs could be designed and implemented differently, particularly on resource mobilization, monitoring and accountability, and integration of gender and non-discrimination aspects. That question required more in-depth discussion if concrete improvements were to be made. Her group was concerned at the provision of ILO support to non-traditional partners: clarification of the nature of that support and whether it had affected delivery of the planned outputs might be required. She requested clarification of the implementation of the ILO's normative mandate in southern Africa, and her group's views should be understood in the context of its comments on the Programme and Budget for 2020–21 advocating for the alignment of regional work with the ILO Centenary Declaration for the Future of Work. The call contained in the resolution concerning the second recurrent discussion on social dialogue and tripartism for the mainstreaming of social dialogue and tripartism across all policy outcomes, DWCPs and development cooperation should be understood to promote internal coherence, but also coherence in work with other agencies, particularly in the context of the SDGs and the United Nations development system reform. Her group supported the draft decision.

246. *Speaking on behalf of the Africa group*, a Government representative of Senegal said that the efforts made by the ILO to support the formalization of the informal economy, which represented more than half of economic activity in a number of African countries, had raised awareness among member States of the need to act. Recommendation No. 204 and the transition strategy developed by the ILO were particularly important in that regard, and to the achievement of SDG 8. The Africa group therefore welcomed the evaluation's findings and supported, in particular, the recommendations on increased use of digital technology to incentivize formalization and on the importance of statistics and research to track progress on formalization.

247. The results of the evaluation of the ILO's PPPs were interesting, but delays caused by differing operational cultures and the lack of data on performance and added value were regrettable. Private sector actors in Africa should be fully involved in PPPs and in establishing the nature of those partnerships to ensure that they were strategic and inclusive. The eight recommendations showed the importance of developing the ILO's partnerships with non-state actors to bring added value to achieving the universal aims of the Organization.

248. In addition to the four member States of the SADC, a number of African countries had benefited from DWCPs because they met a need of social partners for national and international frameworks. Resource limitations and the underfunding of DWCPs was a recurrent issue common to all States. In many countries, DWCPs were ineffective and had scarcely been implemented. The concept of DWCPs should be reviewed and the social partners in the countries invited to take ownership of them and give adequate attention to their implementation. Among the barriers to implementation were unrealistic expectations, over-ambitious goals, limited technical capacities and budgets and insufficient resources. The Africa group remained committed to the measures and strategies developed by the ILO to support member States in achieving the goals of social justice and decent work. The States whose DWCPs had been evaluated should take into account the findings of the evaluation and implement the key recommendations to the extent possible. The most crucial recommendation was to consider a more custom-made approach to designing DWCPs. The Africa group supported the draft decision.

249. *Speaking on behalf of ASPAG*, a Government representative of Bangladesh noted that more focus was needed on coherence, effectiveness, efficiency and impact in work on formalization of the informal economy. It was important to integrate relevant interventions into the UN Sustainable Development Cooperation Frameworks to formalize the informal economy and prevent the informalization of formal jobs, while allocating needs-based resources at the country level. South–South and triangular cooperation could be instrumental to addressing the informal economy, particularly through knowledge sharing, cooperation and the provision of resources to member States. The Office should continue providing technical assistance to countries of Asia and the Pacific to support national strategies on proper education and skills development to enable the informal workforce to enter formal manufacturing and service jobs. Efforts to support the growth of formal micro, small and medium-sized enterprises should be boosted. Member States should increase efforts to formalize employment, and adverse economic effects should be avoided for those whose only source of livelihood was the informal economy.

250. PPPs had been found unsatisfactory in terms of coherence, efficiency, impact and sustainability. More systematic, accountable and transparent screening and oversight was needed, especially for partnerships with financial implications. The recommendations and lessons learned from the evaluation of PPPs should be given due consideration when formulating the new development cooperation strategy.

251. Some of the challenges identified in the four countries whose DWCP had been evaluated, such as limited technical capacity, budget constraints and the limited management capacities of national steering committees, were also common in many countries in Asia and the Pacific. The Office should address those challenges while continuing to support all country offices and decent work technical support teams in their capacity development activities. Capacity development should also be inclusive of constituents. When integrating the SDGs into the new generation of DWCPs, the principles of gender equality and non-discrimination were of utmost importance. His group looked forward to the application of the new diagnostic instruments to support planning and SDG-sensitive monitoring and evaluation of DWCPs, and to consideration of the recommendations of the three evaluations in ILO programmes and the results framework for 2020–21.

252. *Speaking on behalf of the EU and its Member States*, a Government representative of Finland said that North Macedonia, Montenegro, Serbia, Albania, Norway, Armenia and Georgia aligned themselves with her statement. She recognized the significance of Recommendation No. 204, given the magnitude and prevalence of the global informal economy. Work on the formalization of the informal economy was underfunded but received RBSA resources, to which EU Member States contributed significantly. In view of the need for greater engagement by all stakeholders, she supported the recommendation to place emphasis on supporting workers' and employers' organizations in building alliances with actors of the informal economy. The recommendations on the inclusion of gender issues, diversity and non-discrimination against vulnerable persons, and a just transition to environmental sustainability in formalization measures were also notable.

253. With regard to PPPs, she encouraged the Office to work with the social partners to develop the capacity of all constituents to build awareness of innovative finance and its potential to scale up decent work outcomes. The results of the high-level evaluation – particularly with regard to the effective supply chain approach, the diversity of PPPs and the UN common approach to due diligence in that field – would be useful to the discussion of the Development Cooperation Strategy 2020–25 at the following session of the Governing Body.

254. In the light of the evaluation of DWCPs in four SADC member countries, on which the views of the Africa group were of particular interest, the Office should strengthen efforts to integrate the SDGs into the new generation of DWCPs. She asked to what extent the DWCPs had contributed to the promotion of fundamental principles and rights at work, and highlighted the importance of recommendations 1 (reinforce the capacities of the social partners) and 4 (make additional efforts to promote gender equality and non-discrimination). The EU and its Member States supported the draft decision.

255. *A Government representative of China* suggested that the Office should focus on the working areas set out in the Centenary Declaration, improve the implementation of the evaluation strategy, determine the themes and targets of evaluations more clearly, and improve the evaluation approach by linking it more effectively with the indicators set out in the results-based framework for 2020–21. More quantified evaluation reports and better monitoring of the implementation of the Programme and Budget for 2020–21 and achievement of the labour-related SDGs were needed.

256. Recommendation No. 204 played an important role in promoting the formalization of the informal economy, but the lack of horizontal coordination with work in other policy outcome areas needed to be tackled. Formalization should be achieved through comprehensive policy implementation, including on social protection, compliance and sectoral policy. Engagement with workers in the informal economy was lacking and vulnerable groups required greater attention in the transition to a sustainable economy. The evaluation had not taken into account differences in national circumstances. The Office should seriously consider the recommendations made in the evaluation and integrate formalization of the informal economy into the eight policy outcomes of the Programme and Budget for 2020–21.

257. PPPs were a critical part of the ILO's future development and an important source of extrabudgetary voluntary donations, but huge untapped potential remained. The Office should seriously consider the recommendations made in the evaluation report and make more efforts on the categorization, design, access, operation, oversight and application of programme results. Transparency should be improved to boost the influence and visibility of the ILO in the private sector around the world.

258. He expressed appreciation for the efforts of the Office to assist countries in southern Africa with DWCPs and encouraged it to learn from the past, enhance communication and coordination with tripartite constituents in the region and continue to provide the region with technical assistance. He supported the draft decision.

259. *A Government representative of Mexico* noted that DWCPs should be aimed at achieving measurable progress on decent work with the involvement of the tripartite constituents through cooperation, development and building partnerships, taking account of country-specific circumstances. In Mexico, a tripartite memorandum of understanding had been signed during the Director-General's 2019 visit to the country, which had prioritized decent work, social protection, international labour standards and tripartite social dialogue. The information on past experience and good practices in the independent evaluation of the four DWCPs would assist Mexico in implementing its own programme.

260. *A representative of the Director-General* (Deputy Director-General for Policy) said that the Office would continue to work with commitment on preventing informality and on transitioning to the formal economy. The relevant outcomes for the 2020–21 biennium were more cross-cutting than in the current biennium and drew on all the expertise of the Office. The intention was to build on achievements under the current outcome to support the transition of informal economy workers and economic units to the formal economy. Experts would be identified across the Office, both at headquarters and in the field, to take responsibility for and coordinate work on outcomes that concerned the informal economy.

261. *A representative of the Director-General* (Chief, Inclusive Labour Markets, Labour Relations and Working Conditions Branch) welcomed the comments and guidance provided and noted that they would be taken into account. He clarified that the Office took into consideration the need to increase productivity of enterprises to facilitate their operation in the formal economy and to support those trapped in informality in the Programme and Budget for 2020–21, notably in outcome 4, including output 4.3 dedicated to the formalization of enterprises. That was a huge challenge, as more than half of the people in employment in the world work in informal economic units. Recommendation 4 on strengthening capacities for formalization would be implemented through the incorporation of this thematic area under several of the next policy outcomes, as well as through events held at the Turin Centre, such as the Academy on the Transition to the Formal Economy, which had been well assessed by past tripartite participants. He had taken note of the comments on representation of actors of the informal economy, and recalled that paragraph 33 of Recommendation No. 204 stated that "[e]mployers' and workers' organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy", and the Conclusions concerning the second recurrent discussion on social dialogue and tripartism stated in point 5(a) that the Office should "[s]trengthen the capacity of the most representative organizations of employers and workers to include in their ranks, according to national practice, representatives of membership-based representative organizations of workers and economic units from the informal economy to enable them to engage effectively in tripartite and bipartite social dialogue …".

262. *Another representative of the Director-General* (Director, Partnerships and Field Support Department) welcomed the comments, which would be instrumental contributions to the further development of the Development Cooperation Strategy for 2020–25 and the operationalization of the Programme and Budget for 2020–21. Consideration of the many different categories of partnerships with non-state actors meant that the evaluation had contained a number of generalizations. Partnerships that included a financial contribution to the Office were, as any financial partnership, subject to the rules and procedures and measurement methods of development cooperation programmes. Beyond the financial partnerships, engagement with the private sector was also crucial to especially promoting decent work in their business practices. Partnerships sometimes involved financial contributions to the ILO but could also be of a different nature of engagement. In relation to the question on other UN agencies' income deriving from the private sector engagement, one example was the World Health Organization which received voluntary contributions of around US$2 billion, of which 28 per cent was funding originating from so-called non-state actors, which was a category that included foundations and other non-state actors in addition to the private sector. The Office noted that it had played an active role in the Strategic Results Group on Partnerships of the UN Sustainable Development Group since its inception, specifically in a task team dealing with PPPs. In this task team the ILO had been able to promote the unique nature of the ILO and its mandate as well as advocating that common approaches to PPPs for the UN reflect the specific concerns and interests of the ILO constituents, in particular the social partners. The Office thanked the social partners for their inputs to these efforts. Similar engagement from the social partners in such future processes would also be needed.

263. *Another representative of the Director-General* (Regional Director for Africa) said that the Office had taken good note of the comments to help to improve DWCPs in Africa and other regions, particularly in the context of UN reform. Resources were a key concern for the implementation of the DWCPs. Some member States in the region made budgetary allocations to fund DWCP outcomes. Despite the existence of such good practices, this was uneven. One innovative method of funding from the regular budget involved aligning the outcomes of DWCPs and the programme and budget outcomes and creating synergy in coordinating the two processes. A pilot initiative on the use of RBSA funding was under way, but that would remain a limited source. Opportunities to secure extrabudgetary funding from development partners to target all DWCPs or components thereof was under discussion.

264. Further to the independent high-level evaluation of the ILO's capacity-development efforts, [1] there was an effort to strengthen capacity-building for social partner institutions to ensure the necessary capacities at the national level. Capacity-building to promote gender equality was another area of ongoing work for the Office. Social partners' engagement in the development of DWCPs had improved, but was not adequate with regard to implementation and monitoring. A results-based management task force had been established to deepen the "results culture" within the Office and among ILO constituents and thereby contribute to effective ownership throughout the DWCP process. Much had changed since 2010, when some of the DWCPs had been developed. Good practices from the region and elsewhere would help with the development of the new generation of DWCPs.

265. *Another representative of the Director-General* (Director, Evaluation Office), responded to questions on the evaluation methodology that had been raised. In response to a question of the Employers' group he explained the evaluation findings that the outcome on formalization of the informal economy was under-resourced because not all of the resources initially pledged by technical units had ultimately been delivered. In response to a question from the Workers' group, he said that the full evaluation report contained details on all stakeholders consulted for the evaluation of PPPs: 164 stakeholders had been interviewed, of whom 40 were constituents, 28 were non-state actors involved in PPPs, five were donors and 91 were field and headquarters staff members.

266. *The Employer spokesperson* welcomed the responses given by the Office and noted that many of the concerns raised could be discussed at the March 2020 session of the Governing Body. He reiterated his comment that the development of a strong regulatory framework for business was the best way to combat informality, and requested the Office to redouble its efforts in that respect. His group supported the draft decision.

Decision

267. ***The Governing Body requested the Director-General to take into consideration the recommendations of the three high-level independent evaluations presented in document GB.337/PFA/7 (paragraphs 28–36, 67–74 and 119–124) and to ensure their appropriate implementation.***

(GB.337/PFA/7, paragraph 132)

[1] GB.334/PFA/7.

Eighth item on the agenda

Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU (GB.337/PFA/8(Rev.1))

268. *The Worker spokesperson* stressed the importance of preserving the ILO's tripartite and normative mandate across the UN system, in relation to the review of donor reporting requirements. With regard to private sector partnership arrangements in the context of the 2030 Agenda, any further follow-up to the recommendations should be guided by the Governing Body discussions not only of the report of the independent high-level evaluation of the ILO's PPPs, 2008–18 but also of the ILO Development Cooperation Strategy for 2020–25. The Organization should not be rushed into any follow-up until tripartite consensus could be achieved. She welcomed the Office's proposed pursuit of effective and efficient measures to address conflicts of interest, including through active participation in relevant inter-agency forums. With regard to the review of the internship programmes, she acknowledged the ILO's role in sharing its advanced experiences with other UN entities and agreed with the concerns raised by the members of the UN System Chief Executives Board for Coordination (CEB) about some of the proposed benchmarks. There should indeed be further discussion on good practices going forward. With regard to the review of whistle-blower policies and practices, she agreed that there needed to be differentiated implementation of the good practices based on each organization's context. On the matter of improving efficiency and effectiveness in administrative support services by enhancing inter-agency cooperation, she stressed the importance of not compromising the tripartite structure of the ILO. It was important to take into account the issues raised by the members of the CEB relating to the ambitious time frames and the fact that common approaches did not always result in savings in moving forward. The Staff Union should also be consulted. Lastly, on the question of enhancing accessibility for persons with disabilities, she fully supported the ILO's leading role in developing the United Nations system-wide framework for disability inclusion.

269. *The Employer spokesperson* noted that the Office had implemented most of the relevant recommendations made in the seven reports covered in the document. With regard to the review of donor reporting requirements, he agreed that UN system-wide harmonization needed to be done without compromising organization and donor requirements, emphasizing in particular that the reporting should respect the tripartite nature of the Organization. With regard to the report on private sector partnership arrangements, he said that recommendation 3 was a particular concern, since it pointed to brokering partnerships with the private sector "assisted by the United Nations Global Compact". However, at the ILO, such partnerships would need to be discussed with representative business organizations in a given country. Although the Office had already noted in one of the reference documents that the specific needs of different organizations with respect to private sector engagement would vary depending on their mission and mandate, he requested that the Office strengthen its response by stressing the role of employers' organizations. Those organizations supported updating collaboration frameworks and creating a shift in focus towards stimulating partnership rather than simply offering protection from risk. With regard to recommendation 5 on whistle-blower policies and practices, the Employers' group commended the Office for further improving on reporting misconduct. Since the multilateral system was under increasing scrutiny, it was ever more important for the ILO and its officials to uphold the highest standards. The ILO Ethics Office should be empowered as an independent function and given adequate resources. He supported the draft outcome.

270. *Speaking on behalf of the Africa group*, a Government representative of Chad said that the report of the JIU showed that a standardized, joint report to the whole UN system strengthened the exchange of information on matters of substance and enabled more informed decision-making. The group supported the draft outcome and requested that the Office ensure that the JIU report recommendations and findings were followed up.

271. *Speaking on behalf of IMEC*, a Government representative of Canada commended the work of the JIU, which was indispensable for the implementation of the 2030 Agenda and the UN reform. She requested clarification from the Office regarding the exclusion from the ILO follow-up reference documents of some of the JIU reports that had been published in 2018 and that had contained recommendations for both the Office and the Governing Body. The Office should ensure that it regularly updated its implementation actions on the JIU Web-Based Tracking System so that constituents could track the ILO's follow-up status on JIU recommendations. IMEC welcomed the generally positive conclusions on the work of the ILO in recently concluded JIU reviews and the willingness of the Office to engage in further exchanges with other UN agencies, and highlighted the reference to the ILO as an example of modelling best practice concerning internship programmes. In the interests of accountability and transparency, IMEC would welcome the inclusion of the JIU's reports on the UN System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP) and on audit and oversight committees in the UN system, as well as relevant forthcoming system-wide reports, in future ILO documents. IMEC appreciated the Office's good practice of reporting on the JIU recommendations of the previous three years and its constructive approach to the recommendations. Although the responses provided by the Office to all JIU recommendations were generally welcomed, it was not appropriate for the Office to respond to, or decide on the acceptance of, recommendations addressed to the Governing Body before consulting it. The Office was asked to clarify its decision, in line with that of the CEB, not to accept certain recommendations of the review of mechanisms and policies addressing conflict of interest in the UN system, despite the fact that some other organizations had accepted them. IMEC disagreed with the Office's decision not to accept recommendation 4, addressed to the legislative bodies of the organizations, of the JIU review of whistle-blower policies and practices in the UN system organizations. It noted with concern that the JIU had reported that the ILO did not have a structurally independent ethics function and requested that the Office, in consultation with the Independent Oversight Advisory Committee (IOAC), undertake a review of its oversight functions. The ILO should strive to be at the forefront of the UN system of implementing best practices in relation to whistle-blower protection policies and oversight functions. The ILO was encouraged to continue proposing and rating the relevance of topics envisaged for inclusion in the JIU programme of work.

272. *A representative of the JIU*, invited to speak by the Chairperson, said that the ILO's rate of acceptance of JIU recommendations had increased, and was relatively high and above the JIU's benchmark. Under its strategic framework for 2020–29, the JIU would focus on changes that had been implemented based on its reports and therefore commended the ILO's high level of implementation of accepted recommendations, which was evidence of a learning culture, and the inclusion in the reference documents of intended impacts and CEB recommendations. The JIU valued its collaboration with the ILO in developing its strategic framework for 2020–29, and through the use of ILO work for benchmarking as reflected in a few reviews that it had recently undertaken, notably on internship programmes and change management, as well as on projects such as the ILO's customization of the JIU's benchmarking framework for results-based management.

273. *A representative of the Director-General* (Director of the Strategic Programming and Management Department) noted that the JIU reports on UN-SWAP and on strengthening the policy research uptake in service of the 2030 Agenda had been received after the internal deadline for inclusion in the current report and would be covered in the 2020 report on matters relating to the JIU. The Office had not accepted recommendation 4 of the review of whistle-blower policies and practices because current ILO practice, involving annual reporting by the internal auditor and Head of Oversight to the Governing Body, differed from, but was also more highly regulated than, the system proposed by the recommendation. Regarding the review of mechanisms and policies addressing conflict of interest in the UN system, recommendation 3 had not been accepted because the ILO already employed the good practice of passing all relevant information through an external auditor and the IOAC. Recommendation 4 had not been accepted because the rules and regulations, which all ILO staff were obliged to follow, already included a non-disclosure clause and so no additional clause was necessary in contractual agreements. The Office always bore in mind the need, as recalled by the Employers' and Workers' groups, that the follow-up of JIU recommendations should never compromise the Organization's tripartite values and structure, such as in the case of PPPs, where the Office was careful not to follow a system-wide one-size-fits-all approach. The Office was currently updating the ILO's whistle-blower policy in order to strengthen protections and procedures throughout. With regard to the implementation of the UN Disability Inclusion Strategy, focal points had been appointed and an Office-wide performance report was being prepared.

Outcome

274. ***The Governing Body noted the information provided in documents GB.337/PFA/8(Rev.1), GB.337/PFA/8/REF/1 and GB.337/PFA/8/REF/2, and provided guidance to the Office.***

(GB.337/PFA/8(Rev.1), paragraph 28)

Personnel Segment

Tenth item on the agenda

Statement by the staff representative

275. The statement by the staff representative is reproduced in Appendix II.

Eleventh item on the agenda

Composition and structure of the ILO staff: Action plan for improving the diversity of the ILO workforce (GB.337/PFA/11)

276. *The Worker spokesperson* reiterated her group's support for diversity among ILO staff, including progress towards gender equality in the Professional and higher categories. However, it was necessary to look beyond geographical and gender diversity and consider the recruitment of people with worker and employer backgrounds; the Office's proposal to encourage applicants with experience relevant to the three constituent groups in vacancy announcements was therefore welcome. As hiring persons with disabilities was also an important element of enhancing diversity and inclusion, she reiterated her request for an overview of the number of people with disabilities recruited by the ILO.

277. Any measures aiming at increasing diversity must respect the principle of obtaining a staff of the highest standards of competence, efficiency and integrity, including in the proposed consultative process to review the current specification of minimum requirements in generic job descriptions. The Office should engage the Staff Union in discussions, keeping in mind the collective agreement on a procedure for recruitment and selection, and on the implementation of the proposed action plan. She supported the draft decision.

278. *The Employer spokesperson* requested clarification from the Office on the meaning of the term "under-represented countries" in the document.

279. *A representative of the Director-General* (Director, Human Resources Development Department) explained that, the system of desirable range used by UN entities for ensuring equitable geographical distribution was introduced in the United Nations Secretariat in 1948 to calculate for each member State a range of regular budget professional posts within which it would be considered adequately represented. Geographical representation was calculated by the ILO on the basis of two factors: the assessed budgetary contributions factor and the membership factor, Those factors were used to calculate the indicative range for the number of posts to be nominally allocated to each member State. Some countries would therefore be classed as "under-represented" if they were below the median value of those desirable ranges.

280. *The Employer spokesperson* said that the previous discussion at the Governing Body had involved multiple amendments to reflect the need to enhance both the diversity of professional experience of staff and the skills base to reflect the ILO's tripartite nature. However, none of the seven proposed initiatives envisaged any concrete steps to broaden the talent pool to include individuals with diverse skill sets and experience relevant to constituents. The document had also not sufficiently responded to his group's request for information on the composition of the ILO staff, including statistics on the professional backgrounds of officials at the P5 level and above. Increased efforts were also required to achieve gender parity at those levels. The document had not addressed how to increase the recruitment of staff with experience of working with constituents. The issue of diversity among ILO staff must include the question of professional backgrounds and constituent-relevant experience to ensure that the ILO could understand and serve its constituents and benefit from diverse ways of thinking. The ILO was often perceived, including by senior UN officials, as representing only one constituent group. Human resources strategies should primarily aim at providing tripartite constituents with technical excellence delivered by competent staff with the capability to cater to constituents' various needs.

281. Under initiative 1 (extending outreach), no information had been provided on staff skill sets. The Office needed to be aware of shortcomings in its experience and skills base to ensure that recruitment for the small window of 25 per cent of vacancies normally filled by external candidates was done in a targeted manner. To that end, the Office could carry out a staff survey on skills and experience, analyse the "field of study" category in the employee profile in ILO People, or add a new category to the profile with a standardized list of professional experience. In line with the Centenary Declaration, the Office would require more expertise on lifelong learning, technology and productivity. Outreach efforts must take account of skill sets in greater demand by constituents.

282. He asked the Office to clarify whether its reference to "employers' organizations" under initiative 1 meant the International Organisation of Employers, which would then reach its member organizations. On initiative 3 (review of generic job requirements), the Office's proposal to recognize the potential value of substantial and relevant work experience, particularly of tripartite constituents, did not need to be qualified. However, requirements such as extensive experience in international organizations were unnecessary barriers to diversity, since they favoured well-connected candidates and those living in proximity to international organizations, and excluded others with great potential. The Office should aim to ensure that the ILO was globally inclusive. Furthermore, the systematic prioritization of internal mobility must not inadvertently deter external candidates from applying for ILO vacancies. The Office should therefore adopt innovative approaches to encourage candidates with a range of profiles, including business experience. For certain posts, such as field office directors, experience of working with tripartite constituents should be mandatory. He requested the Office to follow up on that strong request at the following session of the Governing Body.

283. Efforts to improve geographical diversity were greatly constrained by UN system rules that established representation in accordance with budgetary contributions. As the leading entity in the UN system on the world of work, the ILO should, however, seek to set a precedent for the hiring practices of other UN organizations. The current method of determining geographical representation should be reviewed, as it failed to take account of distribution of skills: if one country had a high concentration of highly skilled workers in a particular area but was already adequately represented, the Office would not benefit from those skills.

284. As to the statement in paragraph 5 of the document that "certain measures, if so desired, may require adjustments to the Staff Regulations", he reiterated his group's belief that the promotion of geographical, gender and professional diversity should not come at the expense of the established merit-based approach to recruitment, given the importance of having staff with the right skills and experience. Article 4.2(a) of the Staff Regulations reflected key considerations to be made when filling vacancies.

285. His group proposed amending the draft decision to read:

(a) instructed the Office to further elaborate on the comprehensive and time-bound action plan for improving gender parity and geographical diversity and ensuring that the necessary breadth of skills and experience of ILO staff, which include experience relevant to the three constituents, are taken into account to effectively deliver on the mandate of the Organization.

(b) requested the Office to submit a revised action plan with strengthened measures on enhancing constituents' relevant skills and experience of ILO staff at the 338th Session (March 2020) of the Governing Body; and

(c) requested the Director-General to present an update on the Human Resources Strategy 2018–21 for its review at the 340th Session (October–November 2020) of the Governing Body.

286. *Speaking on behalf of ASPAG*, a Government representative of Japan welcomed the action plan, as the Asia and the Pacific region was considerably under-represented, and called on the Office to implement all measures in the plan. Gender equality should be pursued alongside and within the context of geographical diversity, supported by the principles of merit-based selection. The proposed improvements to the hiring process, such as extended outreach and training on unconscious bias, should begin immediately. Targeted recruitment of young entry-level candidates could improve the situation, but a strategy to balance the workforce at higher-levels was also needed.

287. She fully supported the proposed review of generic job requirements. Requirements should be limited to those genuinely needed for a particular position, and systemic barriers should be removed. The requirement for extensive international experience disadvantaged certain groups of candidates with fewer opportunities. As language requirements were often an obstacle to candidates from her region, knowledge of only one ILO working language should be sufficient.

288. ASPAG supported the positive action approach, facilitated by any necessary amendments to the Staff Regulations, to accelerate efforts to address geographical under-representation, as merit resided in all parts of the world. As part of initiative 7, she requested the Office to provide detailed information on the formula used to calculate the desirable ranges of national representation and how it was applied to posts allocated to each country. Since 75 per cent of ILO vacancies were filled by internal candidates, the action plan should address forms of ILO employment other than regular budget posts, such as staff serving in development cooperation projects. Her group supported the draft decision.

289. *Speaking on behalf of GRULAC*, a Government representative of Uruguay welcomed the proposed action plan to improve gender parity and geographical diversity, the establishment of the task force on geographical diversity and the seven proposed initiatives. Under initiative 1 (extending outreach), the Office should draw on good practices used by other agencies, including regional and national measures. In relation to gender and age, it was notable that, according to figures previously provided, [2] there were more women than men in the 35 and under and 36–45 age brackets among Professional and higher category staff, but more men than women for the same staff categories in higher age brackets. However, the sharp increase in the number of staff members in the Professional and higher categories due to reach the mandatory age of separation in 2021–22 – a large proportion of whom were men – would provide an excellent opportunity to improve geographical representation and gender balance.

290. Regarding initiative 7 (establish an annual ILO gender parity and geographical diversity outlook report), work should be done to revise how diversity was assessed in relation to the desirable ranges of national representation, which was determined for regular budget positions at the Professional and higher categories on the basis of each member State's rate of contribution to the regular budget; it would be appropriate for the representation of all regional groups to grow in similar proportions on the basis of new recruits to the Organization, avoiding the major imbalance between regions that had existed for the past two decades.

291. Although she recognized that the scope for improving gender parity and increasing geographical diversity would be limited over the next five years, she urged it to continue its efforts to overcome barriers to diversity. Short- and medium-term improvements would not occur spontaneously, but through deliberate, planned efforts. Her group supported the draft decision.

292. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that the issue of staff diversity had been discussed at previous sessions of the Governing Body. At its 335th Session, the Governing Body had requested the Office to present at its 337th Session 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 had also specified that

[2] GB.335/PFA/11, chart VIII(b).

the plan should 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 2018–21; and had encouraged the Office to widely disseminate job postings to constituents to encourage a wide pool of applicants. However, the document presented in response to that decision did not meet expectations, as it failed to indicate the gender and geographical distribution of regular staff by category and grade, and did not provide a comprehensive, time-bound action plan for improving geographical diversity. His group was therefore unable to engage in productive discussions on the matter and asked for the agenda item to be suspended until the Office had provided the information requested.

293. *Speaking on behalf of the Eastern European group*, a Government representative of Poland noted the efforts of the Office to improve diversity, notably in relation to geographical representation, but expressed concern that many countries from her region remained unrepresented or under-represented. Insufficient progress had been made towards achieving better representation at all levels, including in senior positions. It was critically important to ensure that the staff composition of the ILO was equitable and that it could tap skills and talents in each region. Regional balance needed to be attained at every level, at headquarters and in the field.

294. In addition to the geographical statistics provided in the document, tables showing changes in staff numbers from member States in the various representation categories over time would be useful. Her group had no objections to the proposed action plan, which was the first step towards achieving equitable geographical representation. She therefore urged the Office to continue its work on policies and actions to improve recruitment from unrepresented and under-represented countries. Such work should notably encompass selection policies and targets for progress, accompanied by an effective and transparent monitoring and reporting process. Her group would continue to engage constructively with the Office on the subject.

295. *Speaking on behalf of the Governments of Canada, Sweden, the United Kingdom, Turkey, Belgium, Iceland, Denmark, France, Norway, Finland, Germany, Austria, Australia, Ireland, the United States, Israel, Netherlands and Switzerland*, a Government representative of Canada said that the proposed action plan raised a number of questions. The lack of gender balance at senior levels of the Organization was a matter for concern as the ILO should be a leader in that respect and maintain efforts to ensure gender parity throughout the Organization. She asked whether attention was being paid to the attrition of women at senior levels and requested further details on the exact ratios at all levels and trends over time. In addition, she wished to know how the proposed action plan correlated to the ILO Action Plan for Gender Equality 2018–21 tabled for discussion by the Governing Body at its 338th Session, and how it incorporated the recommendations of the UN System-wide Strategy on Gender Parity. In view of the Office's conclusion that the current context significantly limited its scope to improve gender parity and increase geographical diversity over the next five years and raised challenges in terms of maintaining the status quo, the proposed action plan required strengthening in order to achieve the stated goal of overcoming barriers in the manner specified. She noted that the information provided on geographical diversity was not gender disaggregated; the categories were not mutually exclusive.

296. She welcomed the proposals to advertise vacancies more broadly and to make use of the Junior Professional Officer Programme, which certain countries had opened to non-nationals. All staffing processes should be transparent and competitive and direct appointments should be limited; she concurred that recruitment should be done in a deliberate, clearly articulated, transparent and legally sound manner. While the increase in the mandatory age of separation clearly presented challenges due to high retention levels, she asked whether there was movement at other levels that could create new opportunities. In addition, the document did not clearly address how internal and inter-agency mobility could create more opportunities; more information should be provided on how the proposed action plan would interact with internal recruitment and mobility processes.

297. Staff should be selected on the basis of merit and competence through a fair, transparent process, as was recognized across the UN system and codified in the founding documents of multiple UN organizations. However, she concurred that the Office should implement recruitment and outreach strategies to increase representation from member States that were less than adequately represented, and improve gender balance. She therefore supported the Office's efforts to modernize generic job descriptions and address unconscious bias in selection panels. On the other hand, any proposals that undermined the provisions of article 4.2(a)(i) of the ILO Staff Regulations, which identified competence, efficiency and integrity as being of paramount importance in filling vacancies, would raise concerns; the Office should provide assurances that it would not weaken those provisions and provide further details on changes to the Staff Regulations or other relevant regulatory texts that it deemed necessary. She therefore asked the Office to consult the Governing Body before making any changes to the regulatory framework, and to include any relevant discussions on the ILO Action Plan for Gender Equality 2018–21 in the action plan.

298. *A Government representative of Nepal*, highlighting the importance of efficient and effective management of human resources, said that a more geographically representative ILO would be better able to fulfil its mandate. Although the Asia and the Pacific region was currently under-represented among ILO staff, the proposed action plan would improve geographical diversity in line with the ILO Human Resources Strategy 2018–21. He commended the establishment of the internal task force and expressed support for the seven initiatives outlined in the document, which should help improve issues of representation in the Organization. Particular attention should be paid to ensuring that additional language requirements were not a barrier to recruiting competent staff from the Asia and the Pacific region. He urged the Office to implement the proposed action plan in a timely manner and take measures to guarantee the representation of unrepresented and under-represented countries. His Government supported the draft decision.

299. *A Government representative of China* welcomed the Office's efforts to improve gender balance and geographical diversity and noted the progress made. However, the enhancement of geographical diversity continued to be a concern; staff numbers should reflect member States' contribution to the regular budget. He called upon the Office to analyse the reasons behind its failure to recruit more candidates from under-represented countries, and propose practical ways to resolve the issue.

300. His Government supported the proposed action plan, but considered that the Office should take a number of additional steps. Outreach activities under initiative 1 should focus more on under-represented constituents, and allocate additional resources to them. Direct promotional activities organized by the ILO in under-represented States to provide more information on its organizational culture and systems of the ILO would generate interest among potential candidates, particularly younger candidates, and help them develop relevant skills that would increase the likelihood of their recruitment.

301. He supported the proposal to establish talent pipelines for National Professional Officers, General Service category staff, staff serving in development cooperation projects and Junior Professional Officers under initiative 2. In addition, he encouraged the Office to offer better training and career guidance for those groups, and a friendly policy environment. Efforts should also be made to improve the retention rate for Junior Professional Officers. The plans to review generic job requirements under initiative 3 should involve consultation with all stakeholders, while work on targeted recruitment under initiative 4 should also include higher-level positions. He welcomed the proposed annual report on staff composition and structure and expressed support for the draft decision.

302. *A Government representative of the Islamic Republic of Iran* agreed that it was vital for the success of the ILO that its staff should be recruited to secure the highest standards of efficiency and competence while ensuring equitable geographical distribution. Given that member States from his region were under-represented among ILO staff, the seven initiatives outlined were of significant importance and required effective implementation. It was of crucial importance that the proposed action plan addressed other forms of ILO employment in addition to vacancies accounted for under the regular budget and further data mining was performed to improve the information available. More specific steps to improve diversity should include the removal of systemic barriers, for instance by clarifying and reducing international experience requirements, and efforts to ensure that application deadlines were reasonable, especially for internships, which required special attention. His Government supported the proposed action plan and draft decision.

303. *The representative of the Director-General* (Director, Human Resources Development Department) underscored that the document was not intended to call into question the emphasis placed on merit in the filling of vacancies. Article 4.2(a)(i) of the Staff Regulations was clear on that point; although it also referred to age, gender and geographical basis, those elements were considered secondary to competence, efficiency and integrity. The Office had simply wished to express its desire, in response to previous requests from the Governing Body, to attract candidates from all the regions. It was a worthy goal but could not be achieved overnight. Many investments had been made to that end, including in collaboration with workers' and employers' organizations and governments; all constituents had a role to play.

304. Referring to comments on the adequacy of the data provided, notably from the Africa group, he explained that initiative 7 was intended as a starting point for more detailed reporting in the future. Some of the information requested, such as the distribution of staff by grade and gender, had already been provided at the 335th Session of the Governing Body; the document under discussion was intended to provide a closer focus on certain issues and should be read in parallel with previous documents. He confirmed that the proposed action plan also took into account the ILO Action Plan for Gender Equality 2018–21, the UN System-Wide Strategy on Gender Parity and the Human Resources Strategy 2018–21; in the interests of efficiency, the Office would not repeat information already provided in other documents.

305. Regarding specific targets, he reiterated that progress had been made with respect to gender parity in the Professional category grades P1 to P4, although further efforts were needed at the P5 level and above. Overall, women accounted for more than half of the workforce, but targeted action was needed to improve their representation in senior positions. In relation to geographical representation, he recognized that the current data, which was based on those employed under the regular budget, was inadequate, which was why initiative 7 made provision for broadening the scope of reporting to encompass the wider population of the ILO staff; that would provide a better overview of diversity in the Organization. Initiatives 1 and 3 also aimed to ensure that professional background was better taken into account.

306. He emphasized that any changes to the internal framework, such as the ILO Staff Regulations, would be carried out in consultation with the Staff Union. Indeed, any significant changes to the Regulations would have to be approved by the Governing Body. The Office had sought to remain faithful to the Governing Body decision that had called for an action plan. In the light of the Centenary Declaration and of other challenges, including budget restrictions, investment in human resources was more important than ever. It was time for the Organization to take action and ensure that it could hold its own in a highly competitive environment.

307. *A representative of the Director-General* (Deputy Director-General for Management and Reform) said, in response to the Employers' query regarding ensuring the necessary breadth of skills within the ILO workforce, that the Business Innovations Unit and the Human Resources Development Department had commenced joint work on mapping the ILO's future skills needs. In response to the query from the Government representative of Canada regarding the relationship of the strategy with the ILO's internal mobility approach, he noted that levels of attrition not related to retirement were low but that internal mobility was used wherever possible to address gender and geographical diversity issues.

308. He recognized the need to take urgent action in some areas and expressed appreciation for the guidance provided by the discussion with the Governing Body which, with its strong common view and commitment to supporting the Office would help it address the significant challenge of improving diversity within the ILO.

309. In response to the query from the Africa group regarding the subsequent report referred to in the decision taken on the issue of diversity at the 335th Session of the Governing Body, he noted that this called for the statistical reports on both gender and geographical distribution issued annually in March to be used in future to report on the impact of the proposed action plan. The subsequent report is due to be submitted to the 340th Session of the Governing Body.

310. Further stages were envisaged for the action plan, including widening the focus to encompass other dimensions of diversity, but would depend on changes to current regulatory policies and procedures, and some may require the approval of the Governing Body. It was important for the Organization to be ready to implement further changes in the medium-term, when rates of attrition increased once the immediate impact of the change in mandatory retirement age has abated.

311. The internal task force on geographical diversity was itself diverse and also included representation from various departments. Its members had provided valuable input based both on their own careers and their experience as members of selection panels.

312. The Office requested the approval of the Governing Body for the draft decision so that it could take concerted action immediately, with a view to returning to the Governing Body at its 340th Session for guidance and approval on the further development of the action plan and associated formal actions.

313. *Speaking on behalf of the Africa group*, a Government representative of Uganda expressed concern regarding the lack of disaggregation of information by geographical area in the document. He recalled that the decision taken on the issue of diversity at the 335th Session of the Governing Body had required the Office to "indicate the … geographical distribution of regular staff by category and grade". The group could not fully evaluate the action plan until such information had been provided.

314. *The Worker spokesperson* said that her group could support the draft decision only on the understanding that the action plan would be developed further in the future and that there would be regular reporting on the issue. She did not support the amendment proposed by the Employers' group.

315. *A Government representative of Bangladesh* expressed his support for the amendment proposed by the Employers' group.

316. *The representative of the Director-General* (Deputy Director-General for Management and Reform) said, in response to the Africa group, that the decision taken by the Governing Body on the issue of diversity at its 335th Session had requested the Office to present a comprehensive, time-bound action plan at its 337th Session and a subsequent report, at a later session, which would be the 340th Session in October–November 2020, covering gender and geographical distribution of the ILO staff.

317. *Speaking on behalf of the Africa group*, a Government representative of Uganda noted that since the chapeau to subparagraph (a) of the decision taken on the issue of diversity at the 335th Session of the Governing Body referred specifically to the 337th Session, it followed that all actions listed in that subparagraph should be delivered at that session. He asked the Office to provide the missing information, which should be easy to compile, to the Governing Body during the current session so that a decision could be taken.

318. *The Employer spokesperson* said that in the absence of support from the Workers' group for his proposed amendment, he supported the request of the Africa group for a suspension on the agenda item until the required information could be provided.

319. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that following informal consultations with the Office, his group was proposing an amendment to the draft decision that would address the point of contention raised earlier in the meeting while also fulfilling the requirements of the decision in document GB.335/PFA/11. Subparagraph (c) would now read "requested the Director-General to present to the 338th Session of the Governing Body information regarding gender and geographical distribution of regular staff by category and grade in line with the Governing Body decision in document GB.335/PFA/11".

320. *The Employer spokesperson* suggested that the wording of subparagraph (a) of the draft decision should be amended to read "endorsed the action plan for improving gender parity 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, taking into account that certain measures might be subject to processes of internal social dialogue".

321. *The Worker spokesperson* said that her group accepted the amendment to the draft decision as proposed by the Africa group and asked the Employer spokesperson for the reasoning behind his group's proposed amendment.

322. *The Employer spokesperson* replied that his group's amendment introduced a reference to experience with tripartite constituents into the draft decision and should be acceptable to all constituents since the new wording had been lifted from the Governing Body's decision in document GB.335/PFA/11.

323. *The Chairperson* invited the Africa group to comment on the amendment proposed by the Employers' group.

324. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that both the original draft decision as proposed by the Office and the amendment proposed by the Employers' group were valid, but that he understood the Worker spokesperson's hesitancy to accept the new proposals without time to consider and comprehend them.

325. *The Chairperson* suggested that discussion of the item should be adjourned until the following day to allow time for informal consultations.

326. *The Worker spokesperson* said that she had clarified the language of the amendment to the draft decision in paragraph 29(a) proposed by the Employers' group by reordering some of the text. She understood that the Employers proposed amending subparagraph (a) to read:

> … endorsed the action plan as set out in document GB.337/PFA/11 for improving gender parity and geographical diversity within the ILO workforce and for ensuring that the necessary breadth of skills and experience of ILO staff, which include experience relevant to the three constituents, are taken into account to effectively deliver on the mandate of the Organization, taking into account that certain measures might be subject to processes of internal social dialogue;

327. *The Employer spokesperson* said that the new language reflected most of what he had requested. However, he further proposed that the words "and for ensuring" should be deleted and replaced with "while requesting the Office for improved measures to ensure".

328. *The Worker spokesperson* said that rather than further amending the language of the proposed amendment, which had originally been proposed by the Employers' group, it should be recalled that the proposal had not yet been accepted by the Governments.

329. *Speaking on behalf of GRULAC*, a Government representative of Uruguay said that her group would prefer to keep the draft decision as originally proposed in the document. Although her group was prepared to be flexible in order to reach consensus, it would prefer not to include the additional subparagraph (c) proposed by the Africa group.

330. *Speaking on behalf of the Eastern European group*, a Government representative of Poland said that the decision as originally drafted, without additional subparagraph (c), would be the best option.

331. *Speaking on behalf of ASPAG*, a Government representative of the Islamic Republic of Iran said that having given due consideration to the amendments and sub-amendments proposed, his group would prefer to retain the draft decision as originally proposed.

332. *Speaking on behalf of the Africa group*, a Government representative of Uganda said that subparagraphs (b) and (c) had already been agreed as amended; the ongoing question related to subparagraph (a). It was not good practice to go back on what had been agreed. He therefore requested to include subparagraph (c), as previously proposed. With regard to subparagraph (a), he supported the amendment proposed by the Employers' group, while recognizing that the Workers' group had raised a valid point.

333. *Speaking on behalf of IMEC,* a Government representative of Canada said that her group preferred original subparagraph (a). However, it was supportive of and prepared to be flexible concerning the Africa group's amendment of subparagraph (c).

334. *Speaking on behalf of GRULAC,* a Government representative of Uruguay said that, in view of the support expressed by other groups for subparagraph (c), her group could be flexible.

335. *Speaking on behalf of the Eastern European group,* a Government representative of Poland said that her group could accept the inclusion of subparagraph (c) in the interest of consensus.

336. *Speaking on behalf of ASPAG,* a Government representative of the Islamic Republic of Iran indicated that, in order to move the discussion forward, his group could accept subparagraph (c).

337. *The Employer spokesperson* withdrew his group's sub-amendment and expressed support for the draft decision as amended by the Africa group and with the amendment proposed by his own group and reformulated by the Workers' group, even though that rewording did not fully reflect the decision from the March session.

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

339. *The Worker spokesperson* said that, having achieved the clarity her group desired by reformulating subparagraph (a) as amended by the Employers' group, and having already accepted draft subparagraph (c) as proposed by the Africa group, the Workers' group was in a position to adopt the amended draft decision. In reference to those groups that preferred to retain the original draft decision together with subparagraph (c), she observed that the action plan would be further developed and constituents must take care not to micromanage the Office during that process.

340. *Speaking on behalf of the Eastern European group,* a Government representative of Poland thanked the Office for its efforts to improve gender and geographical diversity in the ILO workforce. Regarding the statistical part of future reports on the composition and structure of the ILO staff, she said that the preparation of specific tables providing the level of representation of member States, based on the existing system of geographical distribution, would help to achieve workforce diversity targets and further improve data on the composition of staff.

Decision

341. ***The Governing Body:***

(a) ***endorsed the action plan as set out in document GB.337/PFA/11 for improving gender parity and geographical diversity within the ILO workforce and for ensuring that the necessary breadth of skills and experience of ILO staff, which include experience relevant to the three constituents, are taken into account to effectively deliver on the mandate of the Organization, taking into account that certain measures might be subject to processes of internal social dialogue;***

(b) ***requested the Director-General to take into account the guidance provided by the Governing Body in implementing the action plan and to present an update on the Human Resources Strategy 2018–21 for its review at the 340th Session (October–November 2020) of the Governing Body; and***

(c) ***requested the Director-General to present to the 338th Session (March 2020) of the Governing Body, information regarding gender and geographical distribution of regular staff by category and grade in line with the decision adopted by the Governing Body at its 335th Session (March 2019) concerning document GB.335/PFA/11.***

(GB.337/PFA/11, paragraph 29, as amended by the Governing Body)

Thirteenth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Recognition and withdrawal of the recognition of the Tribunal's jurisdiction by other international organizations (GB.337/PFA/13/1)

342. *The Employer spokesperson* welcomed the requests from the Global Green Growth Institute and the International Cocoa Organization for the Governing Body's approval of their recognition of the Tribunal's jurisdiction and noted the withdrawal of recognition by the International Fund for Agricultural Development (IFAD). He expressed concern, however, about the grounds cited by IFAD for its withdrawal, including that the standard of proof did not adequately protect against misconduct and was not the most appropriate for international organizations' investigations. He invited the Office to examine those grounds in preparing draft amendments to the Statute of the Tribunal.

343. On the understanding that no additional costs would be incurred by the Tribunal as a result of the decision, his group supported the draft decision.

344. *The Worker spokesperson* noted with satisfaction the requests of those organizations for approval of their recognition of the Tribunal's jurisdiction, which were a welcome sign of their trust in its work, and took note of the reasons given by IFAD for its withdrawal. However, she reiterated her support for the opinion of the Tribunal's judges that the withdrawal of recognition of a tribunal's jurisdiction because an organization disagreed with its case law was contrary to the rule of law and weakened the independence and impartiality both of the tribunal from which that organization was withdrawing and that which it wished to join. She sought clarification from the Office regarding the position of IFAD's staff association in relation to the decision to withdraw. Her group noted with satisfaction that IFAD would remain under the jurisdiction of the Tribunal until 31 March 2020 so that all claims already submitted to IFAD's internal justice system could be appealed before the Tribunal. The Workers' group supported the draft decision.

345. *Speaking on behalf of IMEC*, a Government representative of the United States proposed an amendment to the draft decision that would bring it into line with previous discussions on withdrawal provisions at the 335th Session of the Governing Body. As the Governing Body was solely required to take note of an organization's decision to withdraw for that denunciation to be considered binding, he proposed that subparagraph (b) of the draft decision should be amended to read "took note that IFAD will no longer be subject to the competence of the Tribunal with effect from 1 April 2020; and"; that subparagraph (c) should be deleted; and that subparagraph (d) should become new subparagraph (c).

346. *A representative of the Director-General* (Legal Adviser) said that the legal office at IFAD had made clear that they wanted to proceed with their withdrawal in accordance with the rules and not create any bad precedent. They had proposed the effective date of 31 March 2020 following extensive consultations with IFAD's staff association and at its specific request to ensure that any pending grievances would be referred to the Administrative Tribunal of the ILO and not the United Nations Appeals Tribunal. It was, however, for the Governing Body to decide the effective date of withdrawal.

347. *The Worker spokesperson* said that she preferred the original wording of the draft decision, since it responded to a specific request from IFAD and was the same language used for previous withdrawing organizations.

348. *The Employer spokesperson* agreed that the original language was more precise and therefore supported the draft decision as originally proposed.

349. *Speaking on behalf of IMEC*, a Government representative of the United States asked for the Office's views on his proposed amendments.

350. *The representative of the Director-General* (Legal Adviser) confirmed that the language in the draft decision was the same with that used in the previous five cases of withdrawal.

351. *Speaking on behalf of IMEC*, a Government representative of the United States asked whether it would be acceptable simply to replace the word "confirmed" with the words "took note" in subparagraph (c).

352. *The Worker spokesperson* said that she would prefer to retain the original text, since the Governing Body was in reality taking a decision.

353. *The Employer spokesperson* agreed that the original text was preferable. Every word was important.

354. *Speaking on behalf of IMEC*, a Government representative of the United States said that in view of the discussion at the previous session of the Governing Body regarding its lack of authority over the governing bodies of other entities under the jurisdiction of the Administrative Tribunal of the ILO, it was his view that the Governing Body was not able to confirm a withdrawal and should merely take note of it. According to the current Statute, withdrawal from the jurisdiction of the Administrative Tribunal was the prerogative of the organization concerned.

Decision

355. ***The Governing Body:***

(a) approved the recognition of the Tribunal's jurisdiction by the Global Green Growth Institute (GGGI) and the International Cocoa Organization (ICCO), with effect from the date of such approval;

(b) took note of the decision of the International Fund for Agricultural Development (IFAD) to discontinue its recognition of the jurisdiction of the Administrative Tribunal as from 1 April 2020;

(c) confirmed that IFAD will no longer be subject to the competence of the Tribunal with effect from 1 April 2020; and

(d) requested the Director-General to follow up with IFAD regarding the payment of any outstanding costs.

(GB.337/PFA/13/1, paragraph 15)

Matters relating to the Administrative Tribunal of the ILO

Proposed amendments to the Statute of the Tribunal (GB.337/PFA/13/2)

356. *A representative of the Director-General* (Deputy Director-General for Management and Reform) introduced the document.

357. *The Worker spokesperson* noted the various elements that were taken into account in practice when selecting and appointing judges for the Administrative Tribunal, as laid out in the document. The Governing Body should ensure that there was consideration of the representation of different legal traditions on the Tribunal, which did not necessarily correspond to geographical region. She noted that the current composition reflected the presence of various regions. Gender should also be taken into account. Specific references to fair geographical representation, gender composition and maximum number of terms of office were not necessarily needed in the Statute, provided that the other important criteria were taken into account and that any amendments on those issues also included amendments related to the withdrawal of organizations.

358. Recalling the views that her group had expressed during the discussion of the proposed amendments at the 335th Session of the Governing Body, she also noted that the Administrative Tribunal of the ILO had originally been established as part of the League of Nations, which should be taken into consideration when looking at the formal requirements for accession and withdrawal. Given that the Governing Body approved an organization's recognition of the jurisdiction of the Tribunal, it should not simply "note" but confirm and determine the date of its withdrawal. In view of the recent trend of organizations withdrawing due to disagreements with the Tribunal's case law, it was worth noting that some other international administrative tribunals were less stringent, notably with regard to reinstatement. Her group strongly agreed that such withdrawals could be perceived as "forum shopping", which 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.

359. Her group had been surprised to see the reasons given in the document for postponing consideration of the amendments to the Statute. Although they welcomed the meeting between the President of the Tribunal and the legal advisers and staff representative bodies of member organizations, that did not prevent the Governing Body from adopting amendments to the Statute on a proper withdrawal procedure. With regard to the organizations that had expressed the view that the withdrawal procedure should be established outside the Statute bilaterally with each organization, she recalled that the Office had undertaken several rounds of consultations and taken most of their concerns into account before submitting the amendments. Also, according to the Statute, the ILO was not required to consult with other parties on amendments, it was the sole responsibility of the Governing Body and the Conference. While such consultations were welcome in the spirit of collaboration, they should not delay the process any further.

360. There had been consensus during the previous discussion on a number of issues, but, due to lack of time, the questions of whether an organization needed to provide reasons for its withdrawal and whether there should be an independent review of the functioning of the Tribunal had remained pending and the discussion deferred to the present session. In the document, however, the Office was proposing to keep the Governing Body informed of any agreed next steps in the consultation process, which was not in line with what had been decided. Waiting for agreed next steps to emerge from the consultations gave a de facto veto power to organizations that had already been consulted extensively on a matter that was ultimately the sole formal responsibility of the ILO. In addition, the legal basis for an independent review of the functioning of the Tribunal was unclear as the Tribunal functioned very well.

361. The proposed amendments aimed to codify existing practice and did not create any new legal obligations. They sought to introduce a transparent procedure and prevent any undermining of the independence and impartiality of the Tribunal. She therefore proposed amending the draft decision to read: "The Governing Body requested the Office to submit draft amendments to the Statute of the Tribunal at the 338th Session (March 2020) of the Governing Body, taking into account the guidance provided during the discussion".

362. *The Employer spokesperson* said that the Office had a difficult task in balancing the management of a legal body under its supervision while respecting its independence and impartiality. He asked for more details about why 27 organizations had requested that the withdrawal process be established outside the Statute and, if possible, their proposals.

363. All member organizations having accepted the jurisdiction of the Tribunal were obliged to respect the independent authority and impartiality of its rulings and should not change their views if they received an unfavourable ruling. They were free to recognize the jurisdiction of the Tribunal and free to withdraw from it. The Employers' group therefore believed that the withdrawal procedure needed to be well-defined and flexible, and not be a barrier to joining. Providing reasons for withdrawal should not be obligatory but part of an understanding to share best practices and good governance in a spirit of transparency.

364. His group would prefer to wait for the outcome of the Tribunal's consultations rather than to undertake an independent review. The Office should keep the Governing Body informed.

365. There should be a formal alignment with other administrative tribunals on the question of eligibility criteria for judges. His group had no objection to a balanced geographical representation and gender equality on the Tribunal, but skills and professional experience should be the primary requirement. Term limits for judges seemed to be a good practice. He requested the Office to prepare proposed amendments of article III of the Statute for the 338th Session of the Governing Body and supported the amendment proposed by the Workers' group.

366. *Speaking on behalf of the Africa group*, a Government representative of Rwanda said that he appreciated the Office's reflection on the proposals to amend article III of the Statute with regard to terms of office, fair geographical representation and gender composition of judges on the Tribunal. He requested further information about the views of the representatives of the member organizations on those proposals. He supported the amendment proposed made by the Workers' group.

367. *Speaking on behalf of GRULAC*, a Government representative of Uruguay said that it was not in the interest of legal certainty to amend the Statute to address the potential withdrawal of organizations. However, it would be a good idea for the Tribunal to carry out a review of its procedures in order to make improvements in line with best practices.

368. *Speaking on behalf of IMEC,* a Government representative of the United States said that he appreciated the information about the regional representation and balance of judges, however gender balance would require more effort. He recalled his group's previous requests for a critical reflection on the potential reasons for previous withdrawals and for an independent review on the functioning of the Tribunal.

369. The tendency to impugn the motives of organizations seeking to withdraw by suggesting that they were "forum shopping" was a concern. Organizations should be able to withdraw regardless of motive. The organizations that had been consulted on the proposed amendments had raised important issues and had legitimate reasons to oppose changes that would limit their freedom to withdraw from the Tribunal should their governing bodies decide to do so. He requested more information about their suggestions for improving the functioning of the Tribunal in line with international best practices.

370. IMEC was concerned that there had been instances when the Administrative Tribunal of the ILO had applied an overly stringent standard of proof in cases of sexual harassment, exploitation and abuse. Such a practice could lead to the reinstatement of staff who had been dismissed on such charges. The UN Secretary-General's zero-tolerance policy on sexual harassment should be fully implemented throughout the UN system. That was particularly important at the ILO given the recent adoption of its Violence and Harassment Convention, 2019 (No. 190), and Recommendation, 2019 (No. 206).

371. Noting that the document had highlighted several areas in which the Tribunal was not aligned with best practices, it was time for an independent review of its functioning, following the model of the study commissioned by the UN General Assembly in its 2005 resolution on reviewing its own internal justice system. Therefore, he agreed with the draft decision but proposed adding another sentence to read:

> ... called on the Director-General to commission an independent review of the functioning of the Tribunal, including its procedures and its jurisprudence, having regard to internationally recognized best practices, conducted by a body that would include appropriate experts from the fields of international administrative law and internal justice within the UN system, as well as a person with senior management and administrative experience in an international organization.

372. *A Government representative of India* said that, since article III of the Statute contained no explicit provision regarding the renewal of terms, the same judges were repeatedly being reappointed, in violation of the letter and spirit of the Statute. To help appoint more candidates from unrepresented and underrepresented African, Asian–Pacific and GRULAC nations, the ILO should pay the same attention to geographical distribution and gender balance as the UN Dispute Tribunal and the UN Appeals Tribunal. The issue of geographical representation should invariably be included in any ILO discussion on the principles of equitable distribution, and the Statute of the Tribunal should provide for a transparent and consultative nomination and appointment mechanism. The ILO should promote gender equality and diversification in the Tribunal, in the same way as it did in its other spheres of activity.

373. India proposed amending article III, paragraph 1, of the Statute of the Administrative Tribunal of the ILO by adding, "from all geographical regions," after the word "nationalities", and article III, paragraph 2, by adding "The judges are entitled for only one additional term of three years". India requested the Director-General to engage actively with member States to devise an open nomination process, and to share detailed information on the outcome of that process with the Governing Body.

374. *The representative of the Director-General* (Legal Adviser), responding to points raised, said that the organizations opposed to the proposed amendments had argued either that the Governing Body or the International Labour Conference should not be able to amend the Statute without their prior consent, or that the withdrawal should not be covered in the Statute itself but in a separate agreement, or that any new withdrawal process would be tantamount to imposing retroactively conditions that they had not agreed at the time of their admission to membership of the Tribunal. In response to the concern regarding limitations on organizations' freedom to withdraw, he said that the Office was simply proposing an orderly withdrawal process that mirrored the admission process, hence its suggestion to include the relevant wording immediately after the phrase referring to admission. Concerning the various suggestions for amending article III to take account of gender distribution and limit the number of terms of office that judges could serve, the Office agreed that the statutes of the UN Dispute Tribunal and the UN Appeals Tribunal, as the most recently adopted of their kind, could offer useful guidance. Referring to the 2005 General Assembly resolution cited by IMEC, he observed that its proposed redesigning of entire UN internal justice, intended to correct a system found to be "slow, cumbersome and costly" (A/RES/59/283, p. 2), had involved six months of work by an expert panel, after which the new two-tier justice system came into effect in 2009. A subsequent assessment review of the new system in 2015 had taken more than a year and cost more than US$1 million.

375. In response to the comment by the Government representative of India that consecutive reappointments of Tribunal judges violated the letter and the spirit of the Statute, he noted that in fact the Statute imposed no limit on the number of terms of office.

376. *The Worker spokesperson* said that it was not appropriate for the Tribunal to consult other organizations about possible amendments to its Statute and report back to the Governing Body, as others had suggested, and she did not believe that was what the Tribunal had in mind. Rather, the Tribunal was reaching out to its wider environment to listen, learn and obtain feedback, and gain a better understanding of its functions. That process was ongoing, but should not affect the current efforts to seek an orderly withdrawal procedure. She agreed with the Legal Adviser that the only intention of the secretariat's proposed amendment was to allow the orderly withdrawal of organizations that had freely expressed their intention to withdraw. Regarding proposals that the Tribunal align itself with best practice, she recalled that the UN had taken good note of ILO practices when reorganizing its own tribunal because, while not perfect, they were widely acknowledged as the best available. Concerning the remarks by IMEC regarding the application of the UN Secretary-General's zero-tolerance policy on sexual harassment and the standard of proof applied in the ILO Tribunal context, she warned against engaging in complicated debates that were better handled by judges on a case-by-case basis. It was impractical and completely inappropriate to conduct an independent review of the Tribunal's functions, given the overriding importance of not impinging on judiciary independence and the Tribunal's already high standing and credibility within the UN system, as described by the Legal Adviser. She did not consider that the ILO membership had so little trust in the Tribunal that it would demand such a thorough review of its procedures and processes. While there was need to maintain the transparency and ensure the questioning of all judiciaries, the appropriate response should come from within the body itself and not through the kind of review proposed by IMEC.

377. *The Employer spokesperson* commended the Tribunal on its proactive approach in embarking on consultations, since it could not be both judge and jury when it came to its own jurisdictional management. His group therefore welcomed the consultations that had started, and expected the Office to assess the reports that emerged and present the Governing Body with its conclusions at its next session. Had the consultations not already begun, it might have been feasible to follow the course proposed by IMEC, but too much time would be lost in trying to establish terms of reference and find experts in time to report to the next session. His group therefore recommended adoption of the amendment put forward by the Workers' group.

378. *Speaking on behalf of IMEC*, a Government representative of the United States said that it was not his group's intention to initiate a review as wide-ranging and costly as that undertaken by the UN. He recalled that the agencies consulting with the Tribunal had suggested a review of its practices, and asked the Legal Adviser to confirm whether he had advised IMEC during the previous Governing Body session that it would be appropriate to undertake an independent investigation of the Tribunal. IMEC was concerned that the Tribunal should not be placed on a pedestal that allowed it to escape scrutiny by the Governing Body as to its functioning and how it could be improved.

379. *The representative of the Director-General* (Legal Adviser), referring to an earlier comment by the Worker spokesperson, agreed that, strictly speaking, there was no legal obligation to consult other organizations under the Statute before adopting an amendment. However, that was the practice, exemplified by the procedures followed in 2016 when the Conference had adopted the repeal of article XII of the Statute. On the issue of best practice, he recalled that five years prior to the UN reform of 2009, the UN Joint Inspection Unit had identified three major differences between the then UN Administrative Tribunal and the ILO Tribunal, subsequently recommending to the General Assembly that it keep under review the issue of selection and appointment of members of the UN Administrative Tribunal with a view to bringing those practices into conformity with the Statute and practices of the ILO Tribunal, and that it amend the UN Administrative Tribunal Statute in line with the practices of the ILO Tribunal concerning issues of specific performance and compensation limitations. The latter two recommendations had still not been implemented, and it was sometimes said that they acted as an incentive for administrations to join the UN Appeals Tribunal instead of remaining with the ILO Tribunal. In reply to the comments of IMEC, he said that he had not been proposing a profound redesign of the Tribunal's judicial practices along the lines of the UN reform, but providing information for comparison. He explained that he had never advised IMEC that it would be appropriate to undertake an independent investigation of the Tribunal but that, in a private conversation with another IMEC spokesperson at the 335th Session, he had merely expressed the view, generally speaking, that it was healthy to review operating practices of institutions from time to time. He recalled the spokesperson from the Africa group stating at the same session that national parliaments reviewed the functioning of the judicial system from time to time, even though the judiciary was independent. He stood by that viewpoint, which he believed was shared by a number of regional groups in the Governing Body.

380. *The Worker spokesperson* observed that there seemed to be significant support for an orderly amendment procedure that did not obstruct the freedom of an organization to withdraw. The Office should therefore prepare the proposed amendments, which were not complicated. As to the possibility of including modern language on giving due regard to geographical distribution and gender balance in the composition of the Tribunal, example could be drawn from the Statute of the UN Tribunals, on the understanding that competency and experience in the higher judiciary would remain important selection criteria. She considered that the discussion on improving the functioning of the Tribunal could be left for the future, given that the Tribunal had engaged in a consultation with member organizations and their staff representative bodies in this regard.

381. *Speaking on behalf of IMEC*, a Government representative of the United States asked whether it was the case that the agencies in discussion with the Tribunal President had proposed a review of the Tribunal.

382. *A representative of the Director-General* (Legal Adviser) replied that the questions of withdrawal from or review of the Tribunal had not been raised during the meeting with member organizations held on 21 October during the Tribunal's 129th Session, on the grounds that it was a matter for the ILO Governing Body. However, the letter of 19 September from 27 international organizations opposing the possible amendments to the Statute expressly mentioned the need for an independent review of the functioning of the Tribunal.

Decision

383. ***The Governing Body requested the Office to submit draft amendments to the Statute of the Tribunal at the 338th Session (March 2020) of the Governing Body, taking into account the guidance provided during the discussion.***

(GB.337/PFA/13/2, paragraph 17, as amended by the Governing Body)

Fourteenth item on the agenda

Other personnel matters: Appointment to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) (GB.337/PFA/14/1(Rev.1))

Decision

384. ***The Governing Body provisionally appointed Mr Fabrice Merle as Employer titular member of the ILO Staff Pension Committee and Mr Ramin Behzad as Government titular member for the term of office from 9 October 2019 to 8 October 2022, on the understanding that those appointments would be confirmed by the International Labour Conference at its 109th Session (2020).***

(GB.337/PFA/14/1(Rev.1), paragraph 8)