

► Appendix I

Opening remarks by the Director-General including the introduction of the Programme and Budget proposals for 2022-23

341st Session of the ILO Governing Body (Monday, 15 March 2021)

Chairperson, members of the Governing Body,

I am pleased to welcome you all to this 341st Session. That pleasure is tainted somewhat by the fact that for the second consecutive time and following the previous cancelation of the Governing Body and postponement of the International Labour Conference in 2020 we are again constrained to meet virtually.

Last November, thanks to the efforts of us all, we showed that we can make a virtual Governing Body work, have substantive discussions, and take important decisions. And, we have learned from that experience and built upon it. Through the guidance you have provided, in very intensive consultations, we have further refined our working methods, and agreed on how to address agenda items – with no less than 22 being dealt with by correspondence, leaving 22 for debate in our virtual sessions and a further 17 for information only. The aim has been to reproduce, to the fullest extent possible, how we operate in a normal, physical session.

I cannot overstate how important these organizational achievements are. They are crucial for the institutional integrity and business continuity of the ILO. But I am conscious too that the challenges in this regard will not be finished even with the successful conclusion of this Governing Body.

And that is because we are also faced with the responsibility of ensuring the holding this year of a session of the International Labour Conference which we are all agreed is absolutely necessary and, for reasons of which we are painfully aware, will also be virtual. That task, given the size and complexity of the Conference is formidable. But if we approach the technical and political issues involved in the same spirit that we have brought to the preparation and conduct of these virtual Governing Body sessions then it can be done.

If we do it, then it will mark a decisive institutional victory of the ILO over COVID-19. If we fall short then the virus will have inflicted an important defeat on us all.

And looking beyond the Conference, the Governing Body is also required to take decisions to set in motion the process for the election of the next Director-General who will take office in October of next year.

I begin with these considerations which are about internal organizational matters because I am convinced that the capacity of the ILO to move forward with its work weighs heavily on the way in which the world of work will move forward along the path of recovery from the pandemic-induced crisis by which it has been immersed over the past year.

The ILO has measured and analysed the impact of the crisis, offered extensive policy advice, and advocated for a human-centred recovery. We have worked hard with our

Member States and in the international system, we have been visible, we have had impact.

For example, the COVID-19 response page on our website has had visits from 76,000 users since last April.

But the world of work is still in crisis, despite the real prospects for recovery unlocked particularly by the development and, we trust equitable distribution of vaccinations.

And that means that the activities of the ILO now and in the months ahead must, above all, be directed at promoting and implementing the human-centred recovery, guided by its Centenary Declaration for the Future of Work. That thought obviously applies with particular force to the programme and budget proposals to which I will turn in a few moments.

But in this context let me underline also that the preparation and adoption by this year's Conference of an outcome document will be decisive in positioning the ILO as a leader in the global response to and recovery from the crisis. As we have developed the building blocks for that outcome document we have learned quite a lot: that we need a strong political, global, tripartite statement; that we must not try to renegotiate or duplicate the Centenary Declaration; that we must not simply repeat what is already in our programme and budget and strategic plan; that we must add real value; and that we must get to the Conference with the highest degree of convergence and agreement. That is asking a lot. But we should not think we can do less.

The agenda of our meeting reminds us all of the broader multilateral context to the ILO's own activities. This is not new. The challenges and opportunities of UN reform have already been the subject of intense debate here. And we have a clear mandate from the Centenary Declaration to reach out for greater policy coherence in the multilateral system.

So the fact that both issues are again on our agenda might seem no more than the continuation of an ongoing conversation. But I think our current circumstances make them more than that. Because the traumatic experience of the pandemic not only requires us to focus on the effectiveness of multilateralism with greater intensity but also injects a new sense of urgency and purpose. That is evident from discussions in other organizations and I hope will find an echo here, an echo which generates action. The documents presented to the Governing Body are designed to facilitate your guidance on this. They provide a full and honest account of the ILO experience of UN reform and also of what we are doing and could in the future do in cooperation with other international organizations. It is an area where innovation, creativity, and ambition might be expected of us and beneficial to those we represent.

We will be returning as well to themes which were of high priority pre-pandemic but which have been "paused" in the move to virtual Governing Bodies. But they have lost none of their relevance.

We are, you will recall, required by the terms of the 2019 Conference resolution, to return to the question of possible inclusion of safe and healthy working conditions in the ILO framework of fundamental principles and rights at work. This is no small matter; indeed its significance could hardly be clearer than in the midst of a global pandemic. There are important political and technical issues to be addressed, but cutting through them basically the Governing Body has to answer two sequential questions: does it want

to designate occupational safety and health as a fundamental principle and right; and if the answer is “yes” how would it proceed to do so?

In similar vein, it is the moment, on the basis of the report of a meeting which reflected divided opinion, for the Governing Body to set a much-needed clear forward path for ILO action on global supply chains, something which has proven elusive since the Conference debate of 2016.

It is not for me, now, to comment on the merits of the diverse positions that have been repeatedly expressed here on this matter. But it is my responsibility to confront the Governing Body with a simple reality. Global supply chains are important to the world of work and raise major issues which are under active discussion elsewhere. There are expectations of the ILO, expectations that if not met may mean that these important issues will be dealt with in other places, instead of in this unique global tripartite forum where, you may think as I do, they properly belong. And we would all be diminished if that happened. I am confident that it will not.

As always at this stage of Governing Body proceedings, I have some reflections to make on the country-specific items before us. I generally do so without reference to the substance, confining myself to issues of process. I will stick to that precedent in respect of the Bolivarian Republic of Venezuela and Bangladesh, but depart from it with regard to Myanmar because there is obvious need to do so.

The case of the Bolivarian Republic of Venezuela is now at a point where the procedures that flow from an article 26 complaint are practically exhausted with the Governing Body in unfamiliar or indeed unprecedented territory. By contrast, in the case of Bangladesh, the opposite is true and there appears to be real prospects, at this early stage of resolving the issues involved through dialogue and a road map of cooperation for which the Governing Body called at its last session.

Notwithstanding these contrasts, the three criteria I always urge on the Governing Body apply equally to them:

- Process: we must act strictly and impartially in accordance with the procedures set out in our Constitution.
- Principle: our task is to have the ratified Conventions concerned applied in full, no less and no more.
- Perseverance: our efforts must be directed tirelessly to find consensus with a view to producing results which are not always immediate.

The case of Myanmar is different. We are not in the situation of an active article 26 complaint but faced with dramatic and tragic events in which the lives of peaceful demonstrators are being taken, and the basic principles of justice, rights, and democracy are at stake. It is this, as well as the ILO’s long involvement in the country, which has been so instrumental in bringing historic change that makes our debate necessary and timely. I trust we will come together in delivering without equivocation the message that these circumstances demand of us.

There is much else of substance before the Governing Body. We have the opportunity to sharpen our understanding of key issues of productivity and decent work and what the ILO should be doing to address them appropriately and strategically. We will return to the ILO strategy to promote the rights of indigenous people for inclusive and sustainable development.

I will turn now to the programmatic and financial issues on the agenda, including of course my programme and budget proposals. In this regard, let me first refer to the items which provide important background to those proposals or are relevant to the Office's capacity and working methods for their implementation.

As instructed by the Governing Body at its last session, we have provided preliminary information on how COVID-19 has impacted the delivery of the programme and budget for the current biennium specifically in 2020. This addresses both programmatic content and the financial underspend resulting particularly from the impossibility of travel and the cancellation of physical meetings. At this stage, this information is presented for information and guidance, but it is clear that at the end of the biennium important decisions of a financial nature will need to be made. Further proposals, with significant financial implications are also before the Governing Body on the use of the 2018–19 net premium.

It is worth keeping both of these resource points in mind when considering the programme and budget proposals themselves.

Similarly, the continuing pursuit of better performance, greater efficiency and effectiveness which has been a common denominator of every programme and budget I have presented, with this one no exception, finds expression in a number of documents before the Governing Body. That is notably the case for the human resource strategy and the information technology strategy on which there are updates, and the development cooperation strategy for which we present an implementation plan.

And in a different way, but no less importantly, the first report of the tripartite Working Group on full, equal and democratic participation addresses issues of basic significance for the optimal governance of our Organization.

Introduction of the Programme and Budget proposals for 2022–23

Turning now to my programme and budget proposals themselves, I can summarize their rationale and content in three key ideas: continuity; adaptation; and improved performance.

Continuity is practically a choice imposed by previous decisions of the Governing Body, reflected for example in the Strategic Plan adopted last November, to make the operationalization of the Centenary Declaration the guiding star for the Organization. That is what defined the programme for the current biennium, and it can hardly be considered a task of just two years.

This is why the eight proposed policy outcomes focus on the same areas as do those currently in place: the tripartite constituents and social dialogue; international labour standards; economic, social and environmental transitions full employment and decent work for all; sustainable enterprises; skills and lifelong learning; gender equality and equal opportunities; protection at work; and social protection for all.

The elements of continuity in these policy outcomes are clear, and they add up to the robust and coherent approach to the implementation of the ambitions of the Centenary Declaration that we have already committed to and from which it makes no sense to depart.

But, continuity must be combined with adaptation, above all the incorporation into each of the policy outcomes of the lessons and challenges generated by the social and economic impact of COVID-19, and the actions required to make the ILO the agent of human-centred recovery that we all wish it to be.

The Governing Body will note too that the outputs under each policy outcome are framed to increase the capacity of constituents to address the relevant issues and with reference to the international labour standards concerned. These permanent ILO comparative advantages, normative and tripartite, are the thread running through everything that is proposed.

It will note also that the establishment or consolidation of external partnerships is given emphasis, precisely because we want to be coherent about policy coherence.

And it will note that we continue to align policy outcomes with key SDG targets. The ILO was a first mover in aligning its programme with the UN-2030 Agenda. It is clear, one decade out, that we must stay the course to the end.

In this context of continuity and adaptation, a particular effort is made in my proposals to strengthen organizational performance. This is evidenced in the reinforced enabling outcomes, in the strengthened results framework, and in the proposed unit to drive knowledge and innovation across the Organization. The Office has made considerable progress in these areas and we have learned lessons particularly from our work in response to the pandemic. But we know that more needs to be done, and we are aware that across the multilateral system dedicated capacity in these areas is recognized a best practice. So I believe this is the logical next step.

In this connection, let me add that, as the Turin Centre Board is engaged in a major re-examination of its business model there will be major opportunities to harness further the expertise of the Centre not only in respect of knowledge and capacity-building but in innovation too.

I will, as always, conclude with the bottom line – the resource implications of the programme I am proposing.

In line with the long-term financial trajectory of the ILO, I am, once again, proposing a zero real growth budget amounting to US\$790,640,000 in constant dollar terms. This represents a nominal increase of US\$12.9 million, or 1.63 per cent to cover expected cost increases. This will be complemented by extrabudgetary, voluntary contributions for which on the basis of available evidence we estimate expenditure at US\$520 million for the biennium.

I have said before, and I repeat now, that I and my colleagues are acutely aware of the financial constraints on public finances in many of our Member States, particularly as they act impressively to support enterprises, workers, jobs and incomes in these times of pandemic.

We are aware that we must earn your confidence and support for the resources you place at our disposal. This is what drives our unrelenting efforts to deliver more value for the money you provide.

Within the zero real growth envelope, I am proposing to redeploy a further US\$10.44 million from backroom support functions to frontline substantive policy areas which deliver that value to Member States without compromising the stewardship of the Organization.

Concretely, that means the creation of three new technical posts at headquarters and five more in the field – one in each region. It also allows for the establishment of a full-time ethics officer which is a reflection of our unqualified commitment to the highest standards of behaviour and integrity. It means too that there are increases in regular budget allocations to all policy outcomes and all regions, necessarily modest, but real nonetheless.

Combined with the efforts of the past four biennia this would take the cumulative transfer of resources to improve service delivery to US\$79.84 million in the time I have served as Director-General. A reflection of the sincerity and reality of the Office's collective commitment to do more and to do better.

I hope you will find in the proposals before you, good reasons to invest your efforts and your resources in an ILO which is striving to respond to the formidable world of work challenges of the moment and to meet all of your expectations of us.

And with this, I commend my Programme and Budget proposals 2022–23 for your approval and for forwarding to the International Labour Conference for adoption.

Thank you.