



Second item on the agenda: Programme and Budget proposals for 2010–11 and other questions

Report of the Finance Committee of Government Representatives

1. The Finance Committee of Government Representatives met on 4 June 2009. Ambassador Alex Van Meeuwen (Belgium) was elected as Chairperson and Reporter. No Vice-Chairperson was nominated. The Chairperson welcomed to the meeting Mr Julien and Mr Nakajima, as observers, representing respectively the Employers' and Workers' groups of the Governing Body.

Programme and Budget proposals for 2010–11

2. The Committee had before it the Director-General's Programme and Budget proposals for 2010–11, first considered by the Governing Body at its 304th Session (March 2009). The Committee also had before it Report II: Draft Programme and Budget for 2010–11 and other financial questions, containing a report on the consideration of the Director-General's original and revised proposals as approved by the Governing Body.
3. The Director-General introduced the Programme and Budget proposals for 2010–11 with a proposed expenditure of US\$665 million. His introductory remarks are attached as Appendix I to this report.
4. Mr Julien, speaking as the spokesperson for the Employers' group on the Programme, Financial and Administrative Committee, indicated that substantive debate on the Programme and Budget for 2010–11 had occurred during the March 2009 session of the Governing Body, and that he did not want to reopen the discussion.
5. The Employers' group would not suggest voting against the proposed programme and budget, even though they had reservations about it in respect of the current situation. They would like the ILO to have a stronger voice and position in the international community.
6. He said that the budget was the best to date in terms of structure, presentation and the quality of the programming. He commended the use of modern audit, oversight and evaluation methods by the ILO; the interactive dialogue between the Office and social partners in preparing documents; the responsiveness of the Office; the improved quality of the documents; and the efforts made by departments to work together. He also welcomed

the fact that employment had become one of the ILO's top priorities, the focus placed on enterprises and on small and medium-sized enterprises, and the adjustments earmarked for migration issues.

7. The Employers' group was concerned that the proposed programme and budget would not mobilize parties to fight the economic crisis; instead it was a compromise to keep everyone happy. The Group had reservations over the lack of a mechanism and a team to ensure that the 2008 Declaration would be followed up. The Strategic Policy Framework could be improved by linking it more to the Declaration and having a more balanced distribution of indicators between the responsibility of governments and the Office.
8. The Office should review its working methods and hierarchical structures, with a view to concentrating and strengthening the management and responsibilities of the departments. More attention should be given to streamlining, to ILO field offices, to developing a proper reporting system on field activities, and to strengthening the skills and competencies of staff. The Office should allocate more resources and broaden the mandate of the Independent Oversight Advisory Committee.
9. The Employers recognized the improvements and the progress made in methods and transparency, which was why the budget should not be rejected. They saw the programme and budget as being technically sound, but politically weak. They encouraged the Office to accelerate its reforms and to strive for better services and excellence and called on constituents to examine ways of further strengthening and improving the actions of the ILO.
10. Mr Nakajima, representing the spokesperson for the Workers' group on the Programme, Financial and Administrative Committee, welcomed the recognition in the programme and budget, the Strategic Policy Framework and the Social Justice Declaration, of the impact of the economic crisis on the world of work. The Declaration provided a relevant framework to respond to the crisis, and it should be streamlined and made operational throughout the Office in outcome-based workplans.
11. The Workers supported the proposed zero real growth budget, on the understanding that it was a consequence of the crisis. The limited resources should be channelled to those who were most in need, namely workers who had been hardest hit by the crisis.
12. He said that the guiding principles for the Strategic Policy Framework and the programme and budget should not be weakened by a country or regional focus. While the Workers supported increased resources for regions and enhancement of Decent Country Work Programmes to cover the four strategic objectives, they expected all regions to have the same commitment to ratification and implementation of standards, industrial relations and improved working conditions.
13. There should be a focus on knowledge products and activities related to export processing zones, global supply chains and wages. The Workers regretted that emphasis on labour standards and involvement of social partners was not systematically reflected across all outcomes, and that the section on gender equality did not address the challenges stemming from the crisis. The Workers were disappointed that the situation concerning standards and their perspective on employment and social protection were not sufficiently highlighted in the programme and budget.
14. He said that, in light of the crisis, freedom of association and collective bargaining should be central to the ILO's work and, along with work on wages, employment relations, social security, occupational safety and health, and working conditions, should receive additional

resources. More funds should be made available to ACTRAV, which was facing increased demand from trade unions.

15. The representative of the Government of the Netherlands, speaking on behalf of IMEC, noted a marked improvement in quality and focus in the programme and budget and the Strategic Policy Framework, along with a fuller integration of both documents across strategic objectives and funding sources, evidencing a clear move towards results-based management. He pointed out that indicators were work in progress, especially those measuring the ILO's performance in the field, which should be a high priority. He stressed the need for the strategic framework to be aligned with the outcomes presented in the proposed programme and budget, and for the Strategic Policy Framework to reflect the comments made during the discussions of the March 2009 session of the Governing Body. A revised version of the Strategic Policy Framework, reflecting those comments, should be distributed to all constituents and should be included as a paper for information in the November Governing Body agenda, along with a progress document on the development of field indicators.
16. The representative of the Government of South Africa, speaking on behalf of the Africa group, welcomed the document and endorsed the programme and budget, expressing his satisfaction with its positive considerations in support of rural development, the informal economy, migration, and the Turin Centre. He expressed concern, however, over the growing dependency on donor funding.
17. The representative of the Government of France endorsed the IMEC statement. He said that the Conference programme illustrated the determination of the ILO to be at the heart of a fair globalization and that the social effects of the economic crisis made it necessary for the ILO to support its constituents.
18. The renovation of the ILO headquarters building was an urgent matter that should take into account possible funding sources, without resorting to member States' contributions. He wondered when a decision would be taken regarding the renovation. His Government would support a self-financed renovation scheme, and looked forward to receiving a comprehensive maintenance plan for the renovated structure.
19. He said that the strategic plan for human resources, to be submitted by the Office in November, should promote results-based management; that it should be in line with the objectives of the Strategic Policy Framework for 2010–15, and that it should reflect transparency on how vacancies were filled following retirements. He said that increased efficiency, the establishment of new management systems, better risk assessments and the rationalization of established procedures were needed. He also asked about the possibility of considering and adopting the final Strategic Policy Framework in conjunction with the programme and budget.
20. The representative of the Government of Sweden, speaking on behalf of the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) and the Government of the Netherlands, supported the IMEC statement and recognized the efforts that went into the production of the programme and budget, as well as the tripartite discussions that preceded it. He fully endorsed the budget, but remained concerned about the ILO's ability to raise the planned extra-budgetary funds for the next two biennia, in view of the current economic crisis.
21. The programme and budget was an ambitious attempt to implement results-based management. He commended the Office for the considerable progress and improvement made in the programme and budget and the Strategic Policy Framework. He noted the Office view that outcome-based workplans encouraged flexible use of resources and a

teamwork culture, and looked forward to future presentations of workplans for each of the strategic outcomes.

22. The representative of the Government of El Salvador expressed his Government's support for the budget. Although encouraged by the proposed Strategic Policy Framework, he was concerned about whether the ILO would have adequate regular budget resources to address constituents' needs and priorities in light of the current economic and social crisis.
23. The representative of the Government of India endorsed the Director-General's opening remarks regarding the necessity to provide enhanced services to the ILO's constituents as a result of the present financial crisis, noting that the Programme and Budget for 2010–11 provided for that, and the fact that the technical sectors would not be negatively affected.
24. He expressed concern over the increased reliance on extra-budgetary resources and the ambitious level of the Regular Budget Supplementary Account (RBSA) to fund Decent Work Country Programmes, as that made the Organization's activities dependent on the goodwill and financial capacity of donors. He was concerned that it was difficult to find RBSA resources to support industrial relations and occupational safety and health. He requested that the ILO develop a suitable mechanism to regulate and manage the funds generated under RBSA, so that the Decent Work Country Programmes did not suffer from uncertainty as to their funding. He called for a strong integration of regular budget resources and extra-budgetary contributions by introducing flexibility, putting in place a contingency plan, prioritizing targets, and incorporating an "unforeseen expenditure" component for gaps arising from RBSA shortages.
25. Although his Government appreciated the increases in the budget for field programmes in Asia and the Pacific, additional efforts should be made to mitigate the effects of the financial downturn on employment promotion and active labour markets in that region, while ensuring sustainable development by increased funding towards green jobs, skills development, micro-finance, gender equality, and the elimination of child labour. He supported the programme and budget.
26. The representative of the Government of Tunisia endorsed the statement made by the Africa group and supported the programme and budget proposal. The current economic crisis threatened stability and social peace and highlighted the need to face challenges regarding unemployment and the fight against poverty. She noted that the programme and budget supported the implementation of the 2008 Declaration. Strengthening the ILO's technical assistance capacity was essential in order to respond to member States' needs. She called for a new human resources strategy that would enhance performance at headquarters and in the field and would strengthen the capacity of field offices, especially in Algiers, and appealed for increased financial and technical support for the Occupied Arab Territories. She thanked the ILO for its translations into Arabic of Conference documents.
27. The representative of the Government of China supported the zero real growth budget proposed in the programme and budget. She emphasized the need for the ILO to strengthen its transparency and effectiveness in the context of the global crisis and for it to prioritize employment and social protection. That would help social partners to face the crisis, while achieving greater international prestige for the ILO.
28. The representative of the Government of Germany supported the IMEC statement and the Programme and Budget proposals for 2010–11, including zero real growth. She expressed some concerns, however, regarding the ILO's ability to meet regular budget expenses, in light of the current global crisis. It would be a challenge for the ILO to implement the

decisions of the G20 meeting in London, and she looked forward to seeing how the ILO would meet that demand.

29. The representative of the Government of New Zealand expressed her Government's continued support for the work of the ILO in delivering social justice through the Decent Work Agenda. Her Government has actively participated in the development of the Strategic Policy Framework, the review of the ILO field structure and follow-up to the ILO Declaration on Social Justice for a Fair Globalization, with particular interest in implementing results-based management.
30. Although the current global economic situation posed serious issues, it also provided opportunities for the ILO to help its constituents deal with the crisis. However, the crisis and the costs of dealing with it had had fiscal consequences for her Government, forcing it to cap or reduce its budgets, and reprioritize expenditure according to greatest need. She recognized the efforts to reduce the proposed cost increases, but believed that more could be done to achieve a zero nominal growth budget. Her Government would, therefore, abstain from voting on the programme and budget proposals.
31. The representative of the Government of Switzerland endorsed the IMEC statement and expressed his Government's support of the main lines of the Programme and Budget proposals for 2010–11, including the Strategic Policy Framework. Aside from being a member State of the ILO, Switzerland was the host country for the ILO's headquarters in Geneva and, as such, was concerned about the proposals for refurbishing the headquarters building. He reiterated his Government's request to include an annual provision of 1 per cent of the building's value for that purpose. This would mean an increase in such provision to US\$7 million, from the US\$2.5 million provided for in the current budget proposal.
32. The representative of the Government of Argentina supported the programme and budget and its zero real growth proposal. With regard to the budget, the ILO faced two challenges: its ability to implement what was set forth therein, including the 2008 Declaration, and to do so in the context of the current economic crisis. He supported the significant role of the ILO set down in the G20 Declaration. He called for a strengthening of human resources in regional offices in order to support constituents and the Turin Centre.
33. The representative of the Government of Cuba said that her Government was not opposed to the Programme and Budget proposals for 2010–11, in particular as it took into account the priorities set forth in the Decent Work Country Programmes, namely employment creation, social protection and poverty reduction, which required special attention. She recognized the efforts made in technical cooperation programmes to fulfil the purposes and objectives of the ILO and meet constituents' needs.
34. The representative of the Government of Egypt endorsed the Africa group statement and expressed support for the Programme and Budget proposals for 2010–11. He warned against the danger of relying on donor contributions to fund programme activities, in light of the current financial crisis.
35. Ms O'Donovan, the representative of the Secretary-General, explained that the Strategic Policy Framework had been approved by the Governing Body meeting in March 2009, taking into account the views expressed during the discussion. These views would be taken into account when implementing the three programme and budgets under the Strategic Policy Framework. In order to ensure that the document would be a useful reference for the ILO's constituents, Governing Body members and a wider audience, the Office would edit the Strategic Policy Framework document to reflect decisions from the subsequent discussion of the programme and budget, in particular the proposal to add two new

outcomes and to introduce a number of clarifications. The Office would publish that revised version on the ILO web site following the adoption of the programme and budget proposals by the Conference. A brochure would also be prepared, based on the introductory section of the Strategic Policy Framework, to provide a clear understanding of the ILO's wider vision for the next six years.

36. Although the question of the adoption of the Strategic Policy Framework was not part of the agenda of the Committee as established under the Constitution and Standing Orders of the Conference, and thus not formally presented for its consideration, the Office wished to assure the Committee that it was part of the framework for the implementation of the programme and budget.
37. Regarding the headquarters building refurbishing project, some decisions had already been taken by the Governing Body. The Director-General had been given the authority in the March Governing Body to proceed with consultations with Swiss authorities, and those were ongoing. Detailed proposals arising from those consultations would be presented at the November 2009 session of the Governing Body. She confirmed that the Office was seeking a solution which would not impact member States' contributions.
38. The Chairperson concluded that the Committee was prepared to adopt the Programme and Budget for 2010–11.

Resolution for the adoption of the Programme and Budget for 2010–11 and the allocation of the budget of income among member States

39. The Committee had before it document C.F./D.4 which contained summarized financial details of the Programme and Budget proposals for 2010–11 and a draft resolution for submission to the Conference. Following the decision in favour of the Governing Body's recommendation concerning the programme and budget, the Office had carried out the forward exchange contracts for the ILO's US dollar requirements for the 2010–11 biennium. The appropriate figures now to be inserted in the formal resolution were:

| | |
|---|-------------|
| Budget of expenditure | 726 720 000 |
| Budget of income | 726 720 000 |
| Budget rate of exchange | 1.07 |
| Equivalent budget total in Swiss francs | 777 590 400 |

40. The Treasurer and Financial Comptroller explained that document C.F./D.4 showed the final expenditure and income budget following the purchase of forward contracts to cover US dollar requirements. As a result of the contracts, member States' assessments were now protected against further exchange rate fluctuations during the 2010–11 biennium. The difference between the US dollar and the Swiss franc interest rates resulted in an exchange rate premium of approximately 3.4 million Swiss francs. In accordance with the Financial Regulations, this premium would be returned to member States at the end of the biennium, with one half being redistributed through the incentive scheme for the early payment of member States' contributions and the other half being refunded to all member States.
41. *The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.*

Requests for permission to vote in accordance with paragraph 4 of article 13 of the Constitution of the ILO

42. There were no papers under this item.

Status of collection of member States' contributions

43. The Committee had before it document C.F./D.2 containing information on the status of collection of member States' contributions as at 20 May 2009.

44. The Treasurer and Financial Comptroller reported that, in addition to the information contained in the Office paper, contributions had been received from the following member States:

| | 2009 | Arrears | Total in Swiss francs |
|--------------------------|-------------------|------------------|-----------------------|
| Tunisia | 121 164 | – | 121 164 |
| Iraq | 59 199 | 329 339 | 388 538 |
| Spain | 11 620 913 | – | 11 620 913 |
| Algeria | 332 291 | – | 332 291 |
| Central African Republic | 3 905 | 8 012 | 11 917 |
| Armenia | – | 38 130 | 38 130 |
| Nigeria | 187 764 | – | 187 764 |
| Antigua and Barbuda | – | 7 969 | 7 969 |
| France | 24 637 983 | – | 24 637 983 |
| Republic of Korea | – | 5 134 836 | 5 134 836 |
| Romania | 17 368 | – | 17 368 |
| Malta | 66 487 | – | 66 487 |
| Turkey | 1 332 678 | – | 1 332 678 |
| Total | 38 379 752 | 5 518 286 | 43 898 038 |

Total contributions received to date, therefore, amounted to 230,925,047 Swiss francs (CHF) comprising CHF214,677,932 for 2009 contributions and CHF16,247,115 for arrears of contributions. The balance due was CHF264,333,028.

45. The representative of the Government of Iraq was pleased to note that his country had paid its assessments in full. He explained that, due to the financial crisis, there had been a delay in the approval of the Iraqi national budget, and that was why Iraq had been in arrears with its contributions. He emphasized Iraq's strong commitment to the work of the ILO, in particular in the areas of labour legislation and job creation.

46. The representative of the Government of Tunisia confirmed that her Government's contribution had been remitted on 18 April 2009.

47. *The Committee took note of the information in the document.*

Scale of assessments of contributions to the budget for 2010

48. The Committee had before it Report II: Draft Programme and Budget for 2010–11 and other financial questions and C.F./D.3, containing a draft scale of assessments for 2010.
49. *The Committee recommends that the Conference adopt the resolution, the text of which appears at the end of this report.*

Assessment of the contributions of new member States

50. The Committee had before it Report II: Draft Programme and Budget for 2010–11 and other financial questions, containing details of the proposed rate of assessment of the contribution of Tuvalu.
51. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Composition of the Administrative Tribunal of the International Labour Organization

52. The Committee had before it Report II: Draft Programme and Budget for 2010–11 and other financial questions, containing details of appointments to the Administrative Tribunal of the ILO.
53. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Amendments to the Financial Regulations

54. The Committee had before it Report II: Draft Programme and Budget for 2010–11 and other financial questions, containing details of proposed amendments to the Financial Regulations.
55. *The Committee recommends that the Conference adopt this resolution, the text of which appears at the end of this report.*

Other questions

56. There were no papers under this item.
57. The representative of the Government of Cuba requested the assistance of the Director-General to resolve problems her Government was having completing bank transfers for contributions to CINTERFOR.

Appendices

58. The address of the Director-General regarding the Programme and Budget proposals for 2010–11 is attached as Appendix I to this report.
59. The draft scale for the assessment of contributions for 2010 is attached as Appendix II.
60. A table showing the proposed summarized budget of expenditure and income for 2010–11 is attached to this report (Appendix III), together with a summary of the proposed expenditure budget for 2010–11 by appropriation line (Appendix IV).
61. A statement showing the contributions due from each member State for 2010 is also attached as Appendix V.

Geneva, 4 June 2009.

(Signed) A. Van Meeuwen
Chairperson and Reporter

Resolutions submitted to the Conference

Resolution concerning the adoption of the Programme and Budget for 2010–11 and the allocation of the budget of income among member States

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 72nd financial period, ending 31 December 2011, the budget of expenditure of the International Labour Organization amounting to US\$726,720,000 and the budget of income amounting to US\$726,720,000, which, at the budget rate of exchange of 1.07 Swiss francs to the US dollar, amounts to 777,590,400 Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Resolution concerning the scale of assessments of contributions to the budget for 2010

The General Conference of the International Labour Organization,

Decides that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to adopt the draft scale of assessments for 2010 as set out in column 3 of Appendix II to this document.

Resolution concerning the assessment of contributions of new member States

The General Conference of the International Labour Organization,

Decides that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, the contribution of Tuvalu to the ILO budget for the period of its membership in the Organization during 2008 and for 2009 be based on an annual assessment rate of 0.001 per cent.

Resolution concerning the composition of the Administrative Tribunal of the International Labour Organization

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the terms of office of Mr Seydou Ba (Senegal), Mr Giuseppe Barbagallo (Italy), and Ms Dolores M. Hansen (Canada) for three years.

Resolution concerning amendments to the Financial Regulations

The General Conference of the International Labour Organization,

Recognizing that amendments to the Financial Regulations are required to ensure financial reporting complies with the International Public Sector Accounting Standards,

Decides, to make the following amendments to the Financial Regulations:¹

Article 10

2. As soon as possible after the Conference has adopted the budget and the total amount appropriated has been apportioned among the Members of the Organization in the manner prescribed by the Conference, the Director-General shall transmit all relevant documents to the Members of the Organization, indicating that the contributions for the financial period are due and payable in Swiss francs on 1 January of each of the years to which they relate and requesting each Member to remit its contribution on or as soon as possible after the due date. The expenditure budget shall be converted from United States dollars into Swiss francs at the budgetary rate of exchange.

~~5. All contributions due in a financial period shall be recorded as income in that financial period and shall be accounted for in United States dollars at the budget rate of exchange for that financial period.~~

~~6.5. The Director-General shall present to each session of the Governing Body a statement of the financial position assessed contributions made by member States and budgetary income and expenditure of the Organization.~~ A similar statement shall be presented annually to the Conference.

~~7.6. Any payment in respect of contributions made by a Member of the Organization which has not paid in full its contribution for previous calendar years shall, unless the Conference decides otherwise in particular cases, be credited against the earliest in date of such arrears, including amounts outstanding in relation to payment of contributions during former periods of membership, notwithstanding any expression of intention to the contrary by the debtor Member. Where arrears or such outstanding amounts have been consolidated, a Member of the Organization is required to pay its annual instalment in full before liquidating its current contribution for the year in question.~~

Article 17

1. Expenditure charged against the appropriations of a financial period shall consist of payments made during the financial period and ~~unliquidated obligations~~ covering goods received or services provided remaining unpaid as at the last day of the financial period. ~~Such portion of appropriations as may be required to meet these unliquidated obligations shall remain available for 12 months, at the end of which~~ Once payment has been made against such obligations any remaining balances shall be credited to miscellaneous income.

Article 23

~~1. The Director-General shall maintain such accounts as are necessary and shall prepare final accounts~~ financial statements for each ~~financial period~~ calendar year. ~~showing:~~

- ~~(a) the income and expenditure of all funds;~~
- ~~(b) the status of appropriations, including~~
 - ~~(i) the original budget appropriations;~~
 - ~~(ii) any supplementary appropriations;~~
 - ~~(iii) the appropriations as modified by any transfers;~~

¹ Additions are underlined and deletions are strikethrough.

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- (iv) ~~credits, if any, other than the appropriations voted by the International Labour Conference; and~~
- (v) ~~the amounts charged against the appropriations and against any other credits;~~
- (e) ~~statements of assets and liabilities at the close of the financial period.~~

He shall also give such other information as may be necessary to indicate the current financial position of the Organization.

2. The financial statements for the second year of the financial period shall include schedules of regular budget income and expenditure for the biennial financial period and the calculation of any surplus or deficit in accordance with article 10, paragraph 2, and article 18 of these Regulations.

Article 24

~~Besides the final accounts for the financial period, the Director-General shall inform the Governing Body of the position of the accounts at the end of each intervening year. For all entities for which the Governing Body adopts budgets for the financial period, the Director-General shall submit to the Governing Body, at the end of each financial period, a statement comparing the budget for each entity adjusted to include any transfers or supplementary appropriations authorized by the Governing Body with the actual income and expenditure for that entity.~~

Article 26

The ~~final accounts~~ financial statements of the Organization shall be presented in United States dollars and prepared in accordance with the accounting standards generally in use throughout the United Nations system. The accounting records may, however, be kept in such currency or currencies as the Director-General may deem necessary. Details of contributions assessed, received and outstanding shall be presented in Swiss francs in supporting schedules.

Article 27

The ~~final accounts~~ financial statements shall be submitted to the External Auditor not later than 31 March following the end of the ~~financial~~ period to which they relate.

Article 28

1. The Director-General shall submit the ~~final accounts~~ financial statements for each ~~financial period~~ calendar year and the External Auditor's reports thereon to the Governing Body before 1 May of the year following the close of that ~~period~~ year.

2. The Governing Body shall forward them to the Conference, as provided for in article 38, for consideration at its next session.

Article 29

The ~~final accounts~~ financial statements shall be adopted by the International Labour Conference.

Article 32

The Director-General may make such ex gratia payments as he deems to be necessary in the interests of the Organization. A statement of such payments shall be submitted with the ~~final accounts~~ financial statements.

Article 33

The Director-General may, after full investigation, authorize the writing-off of losses of cash, supplies, equipment and other assets, other than arrears of contributions. A statement of all such losses written off during the financial period shall be submitted to the External Auditor with the ~~final accounts~~ financial statements.

Article 38

1. The External Auditor shall issue a report on the audit of the financial statements and relevant schedules reflecting the position of the final accounts for each ~~financial period~~ calendar year, which shall include such information as he deems necessary in regard to matters referred to in article 36, paragraph 2, and in the additional terms of reference.

Appendix I

International Labour Conference – 98th Session

Address by Mr Juan Somavia, Director-General, to the Finance Committee of Government Representatives on the Programme and Budget proposals for 2010–11

Ambassador Van Meeuwen,

Excellencies, Delegates, Employers and Workers spokespersons of the PFAC, Dear friends,

You have before you today the recommendation of the ILO Governing Body to the International Labour Conference to adopt a Programme and Budget with a provisional total expenditure of some US\$ 665 million for 2010–11.

It is the result of an extended and intensive consultation process with constituents that reached its apex at the Governing Body last March.

I would like to express my sincere appreciation to Ambassador Rapacki, Chairperson of the Governing Body and also of the Programme, Financial and Administrative Committee. His commitment was key for steering the discussion towards the proposal that is now before you.

This is the first programme and budget document guided by the Declaration on Social Justice for a Fair Globalization, as well as the first such document under the new Strategic Policy Framework for 2010-15.

It reflects the commitment of the Office to provide enhanced services to constituents, in particular in these times of crisis. We recognize the extraordinary difficulties faced by Governments at a time when many new demands are being placed on your national budgets.

This places a particular responsibility on us to make best use of taxpayers' money, while emphasising transparency, accountability, efficiency and effectiveness.

There was clear agreement that the Decent Work Agenda, as articulated in the Declaration on Social Justice for a Fair Globalization and in the programme and budget proposals, is at the cornerstone of the ILO's response to the crisis across all regions.

The discussions on the budget proposal revolved around four interrelated issues. I will go through each of them, one by one.

The first issue concerns the level and structure of the regular budget.

The Governing Body recommended the same budget level of 2008-09, complemented with modest cost increases, as presented in Table B of Report II.

Resources for the regions have been increased by over US\$ 5 million. This represents an average increase of 2.8 per cent over the 2008-09 level. The cumulated increase for the regions over five biennia is equivalent to 10.5 per cent.

The increase for the regions has not been to the detriment of resources for technical sectors. The latter have been maintained, by and large, at 100 per cent of their current level.

The proposal includes a higher level of resources for statistical work, for labour administration and labour inspection, for evaluation and the Independent Oversight Advisory Committee.

In addition, during the discussion in March, several speakers made specific requests for resource allocations. I valued those comments.

In the adjustments to the Programme and Budget proposals I submitted to the PFAC I therefore proposed to allocate additional resources for work on: the informal economy, rural economy, migration, the Turin Centre and follow-up on decisions of the supervisory bodies.

At the same time, the proposal includes some US\$ 7.9 million of savings. This is the highest level of savings proposed in recent programme and budgets. This has been a systematic effort these last years.

The savings have been achieved mainly through a continuing reduction in administrative and support resources coupled with increasing use of information and communication technology. These savings have been channelled into our technical work. But we are reaching efficiency limits that may affect the quality of delivery.

My second point refers to the provision for cost increases.

Several governments acknowledged the effort made by the Office in reducing its original provision for cost increases.

Members of the Committee will recall that new data that became available during the Governing Body in March allowed the proposed provision to be reduced from 4.3 per cent to 3.6 per cent for the biennium.

Forecasts from financial institutions have continued to be monitored with no significant changes being reported. It is highly unlikely that future inflation forecasts will drop further. As I mentioned in March, the risk of an eventual inflationary impact of the large increases in public spending remains real.

The third issue concerns the discussion on voluntary contributions.

The programme and budget proposals intertwine regular budget and voluntary contributions. With regard to the latter, the proposal - before you - includes an estimated 20 per cent increase in extra-budgetary resources and the doubling of the Regular Budget Supplementary Account over 2008-09 levels. These are projections - not commitments.

Many governments, but also the Employers' and Workers' groups, commented extensively on this projected increase. Several speakers expressed doubts that voluntary contributions would increase by the amount foreseen in this time of crisis.

Others were concerned about the high reliance of the budget proposals on these two sources of funding, which may or may not materialize, and would make the Organization excessively dependent on donors.

These comments are sensible and justified. But as expressed to the PFAC last March, our proposal is based on experience.

In 2008, we have been successful in mobilizing US\$ 300 million in extra-budgetary resources, up from US\$ 240 million in 2007.

Similarly, we have collected some US\$ 42 million through the RBSA window. This has been a remarkable achievement for a new modality of voluntary contributions launched two years ago.

The event that we are organizing for delegates on 8 June will provide an opportunity to share information on progress made and lessons learned to date. I invite the members of the Finance Committee to attend that event.

We know that the targets we have set ourselves for 2010-11 are ambitious. But we did not want to lower our ambitions. Rather, we believe they reflect the needs and expectations of our constituents for technical cooperation and policy advice.

It is clear that the current crisis brings about new challenges and new risks for the ILO and its Members. At the same time, there are increasing and pressing demands on the Office, which may translate into new opportunities.

Looking forward, we are confident that the growing significance of the decent work approach to tackle the crisis will mobilize additional support for ILO work.

My fourth and last point concerns the discussion of the programme proposals.

I must say that I was impressed, and pleased, by the level of support to the thrust of these proposals.

The overwhelming majority of speakers commended the streamlined strategic framework, which is focused on the highest priorities of the Organization captured in a limited number of outcomes.

Many speakers praised the improvements in performance indicators and results targets, as well as the more rigorous approach to performance measurement.

There were suggestions for improvements in both the process and procedures for the consideration of the programme and budget proposals by the Governing Body.

I welcome such constructive proposals and these will be fully considered as we continue to learn and seek to improve how we manage this complex exercise.

In addition the PFAC Members formulated substantive and concrete suggestions to further improve the framework presented in March.

Annex 3 of Report II before you details the changes to the Programme and Budget that have been introduced to reflect those suggestions. Let me summarize briefly the key features of the proposed changes:

- first, there have been some drafting changes to reflect better the spirit of the Declaration on Social Justice for a Fair Globalization;
- second, several outcomes and indicators have been clarified;
- third, measurement criteria have been improved for the cases that had been identified during the discussion;
- fourth, we have raised targets whenever this was realistic, with emphasis on those that PFAC Members pointed out as particularly low;
- most importantly, there was a strong plea that each of the four groups of the fundamental principles and rights be assigned its own outcome, indicators and targets. In addition to the outcome on freedom of association and collective bargaining, we now have three separate outcomes on child labour, forced labour and discrimination at work.

The PFAC also welcomed the specific changes in working methods underpinning the proposals. These changes crystallize around a renewed emphasis on teamwork, through cross-cutting approaches for the 19 outcomes, shared responsibilities across the sectors at headquarters and the regions, and strong emphasis on collaborative work within the regions.

Work to change and adapt these new working methods is already under way. As of May, I enacted new measures to accelerate the ongoing reform on change management in the Office, as called for by the Social Justice Declaration. Outcome-based work plans – one for each of the 19 outcomes – will be prepared before the biennium 2010-11 starts.

The implementation of the two-tier field structure, which the Governing Body authorized me to take forward last March, has to be seen in this context also, and so do the further strategies on knowledge and human resources that we will discuss in the Governing Body next November.

Taken together, all these measures are part of our regular and systematic strides towards a more effective, efficient and results-oriented Office, operating on transparent, accountable and financially rigorous institutional practices.

More than ever, our uttermost aim is to improve the ILO's capacity to service Members globally, in regions and in countries.

In concluding, I would like to recall what I said in my opening statement to the Conference yesterday.

Last June, this Conference provided impetus for a new vision of the ILO by adopting the Declaration on Social Justice for a Fair Globalization.

That vision confirmed the confidence and continuing support of ILO Members for a strong, effective Organization. We have and will continue to work hard to justify the confidence placed in us.

Yesterday, I also listed the ILO response to the crisis and the different initiatives taken. The Organization has demonstrated its capacity to react rapidly and adapt to the new context. This responsiveness is facilitated by our continued strong emphasis on rigorous management.

These go together and make the ILO stronger.

The budget level that the Governing Body has proposed to you is built on a financially rigorous, results-oriented approach, emphasising transparency, savings, efficiency and effectiveness.

I am confident that the budget that the Governing Body is submitting to the Finance Committee will enable us to deliver on the commitments we have made and achieve the outcomes our Members are asking for.

Let me again thank the Finance Committee for its guidance throughout the years and ask you to agree to transmit the Governing Body's recommendation on the budget Resolution to the plenary for adoption.

Thank you for your attention.

Appendix II

Scale of assessments

| State | ILO | UN | Draft scale of ILO | Increase (Decrease) |
|-------------------------------------|-------------|-------------|--------------------|-----------------------|
| | assessments | assessments | assessments | (Diff. between |
| | 2009 | 2007-2009 | 2010 | cols 3 and 1) |
| | Col.1 | Col.2 | Col.3 | Col.4 |
| | % | % | % | % |
| 1 Afghanistan | 0.001 | 0.001 | 0.001 | - |
| 2 Albania | 0.006 | 0.006 | 0.006 | - |
| 3 Algeria | 0.085 | 0.085 | 0.085 | - |
| 4 Angola | 0.003 | 0.003 | 0.003 | - |
| 5 Antigua and Barbuda | 0.002 | 0.002 | 0.002 | - |
| 6 Argentina | 0.325 | 0.325 | 0.325 | - |
| 7 Armenia | 0.002 | 0.002 | 0.002 | - |
| 8 Australia | 1.788 | 1.787 | 1.788 | - |
| 9 Austria | 0.888 | 0.887 | 0.888 | - |
| 10 Azerbaijan | 0.005 | 0.005 | 0.005 | - |
| 11 Bahamas | 0.016 | 0.016 | 0.016 | - |
| 12 Bahrain | 0.033 | 0.033 | 0.033 | - |
| 13 Bangladesh | 0.010 | 0.010 | 0.010 | - |
| 14 Barbados | 0.009 | 0.009 | 0.009 | - |
| 15 Belarus | 0.020 | 0.020 | 0.020 | - |
| 16 Belgium | 1.103 | 1.102 | 1.103 | - |
| 17 Belize | 0.001 | 0.001 | 0.001 | - |
| 18 Benin | 0.001 | 0.001 | 0.001 | - |
| 19 Bolivia | 0.006 | 0.006 | 0.006 | - |
| 20 Bosnia and Herzegovina | 0.006 | 0.006 | 0.006 | - |
| 21 Botswana | 0.014 | 0.014 | 0.014 | - |
| 22 Brazil | 0.877 | 0.876 | 0.877 | - |
| 23 Brunei Darussalam | 0.026 | 0.026 | 0.026 | - |
| 24 Bulgaria | 0.020 | 0.020 | 0.020 | - |
| 25 Burkina Faso | 0.002 | 0.002 | 0.002 | - |
| 26 Burundi | 0.001 | 0.001 | 0.001 | - |
| 27 Cambodia | 0.001 | 0.001 | 0.001 | - |
| 28 Cameroon | 0.009 | 0.009 | 0.009 | - |
| 29 Canada | 2.979 | 2.977 | 2.978 | (0.001) |
| 30 Cape Verde | 0.001 | 0.001 | 0.001 | - |
| 31 Central African Republic | 0.001 | 0.001 | 0.001 | - |
| 32 Chad | 0.001 | 0.001 | 0.001 | - |
| 33 Chile | 0.161 | 0.161 | 0.161 | - |
| 34 China | 2.668 | 2.667 | 2.668 | - |
| 35 Colombia | 0.105 | 0.105 | 0.105 | - |
| 36 Comoros | 0.001 | 0.001 | 0.001 | - |
| 37 Congo | 0.001 | 0.001 | 0.001 | - |
| 38 Costa Rica | 0.032 | 0.032 | 0.032 | - |
| 39 Côte d'Ivoire | 0.009 | 0.009 | 0.009 | - |
| 40 Croatia | 0.050 | 0.050 | 0.050 | - |
| 41 Cuba | 0.054 | 0.054 | 0.054 | - |
| 42 Cyprus | 0.044 | 0.044 | 0.044 | - |
| 43 Czech Republic | 0.281 | 0.281 | 0.281 | - |
| 44 Democratic Republic of the Congo | 0.003 | 0.003 | 0.003 | - |
| 45 Denmark | 0.739 | 0.739 | 0.739 | - |
| 46 Djibouti | 0.001 | 0.001 | 0.001 | - |
| 47 Dominica | 0.001 | 0.001 | 0.001 | - |
| 48 Dominican Republic | 0.024 | 0.024 | 0.024 | - |
| 49 Ecuador | 0.021 | 0.021 | 0.021 | - |
| 50 Egypt | 0.088 | 0.088 | 0.088 | - |
| 51 El Salvador | 0.020 | 0.020 | 0.020 | - |
| 52 Equatorial Guinea | 0.002 | 0.002 | 0.002 | - |
| 53 Eritrea | 0.001 | 0.001 | 0.001 | - |
| 54 Estonia | 0.016 | 0.016 | 0.016 | - |
| 55 Ethiopia | 0.003 | 0.003 | 0.003 | - |

| State | ILO assessments 2009 Col.1 % | UN assessments 2007-2009 Col.2 % | Draft scale of ILO assessments 2010 Col.3 % | Increase (Decrease) (Diff. between cols 3 and 1) Col.4 % |
|-------------------------------------|--|--|---|--|
| 56 Fiji | 0.003 | 0.003 | 0.003 | - |
| 57 Finland | 0.564 | 0.564 | 0.564 | - |
| 58 France | 6.304 | 6.301 | 6.304 | - |
| 59 Gabon | 0.008 | 0.008 | 0.008 | - |
| 60 Gambia | 0.001 | 0.001 | 0.001 | - |
| 61 Georgia | 0.003 | 0.003 | 0.003 | - |
| 62 Germany | 8.581 | 8.577 | 8.581 | - |
| 63 Ghana | 0.004 | 0.004 | 0.004 | - |
| 64 Greece | 0.596 | 0.596 | 0.596 | - |
| 65 Grenada | 0.001 | 0.001 | 0.001 | - |
| 66 Guatemala | 0.032 | 0.032 | 0.032 | - |
| 67 Guinea | 0.001 | 0.001 | 0.001 | - |
| 68 Guinea-Bissau | 0.001 | 0.001 | 0.001 | - |
| 69 Guyana | 0.001 | 0.001 | 0.001 | - |
| 70 Haiti | 0.002 | 0.002 | 0.002 | - |
| 71 Honduras | 0.005 | 0.005 | 0.005 | - |
| 72 Hungary | 0.244 | 0.244 | 0.244 | - |
| 73 Iceland | 0.037 | 0.037 | 0.037 | - |
| 74 India | 0.450 | 0.450 | 0.450 | - |
| 75 Indonesia | 0.161 | 0.161 | 0.161 | - |
| 76 Iran, Islamic Republic of | 0.180 | 0.180 | 0.180 | - |
| 77 Iraq | 0.015 | 0.015 | 0.015 | - |
| 78 Ireland | 0.445 | 0.445 | 0.445 | - |
| 79 Israel | 0.419 | 0.419 | 0.419 | - |
| 80 Italy | 5.081 | 5.079 | 5.081 | - |
| 81 Jamaica | 0.010 | 0.010 | 0.010 | - |
| 82 Japan | 16.632 | 16.624 | 16.631 | (0.001) |
| 83 Jordan | 0.012 | 0.012 | 0.012 | - |
| 84 Kazakhstan | 0.029 | 0.029 | 0.029 | - |
| 85 Kenya | 0.010 | 0.010 | 0.010 | - |
| 86 Kiribati | 0.001 | 0.001 | 0.001 | - |
| 87 Korea, Republic of | 2.174 | 2.173 | 2.174 | - |
| 88 Kuwait | 0.182 | 0.182 | 0.182 | - |
| 89 Kyrgyzstan | 0.001 | 0.001 | 0.001 | - |
| 90 Lao People's Democratic Republic | 0.001 | 0.001 | 0.001 | - |
| 91 Latvia | 0.018 | 0.018 | 0.018 | - |
| 92 Lebanon | 0.034 | 0.034 | 0.034 | - |
| 93 Lesotho | 0.001 | 0.001 | 0.001 | - |
| 94 Liberia | 0.001 | 0.001 | 0.001 | - |
| 95 Libyan Arab Jamahiriya | 0.062 | 0.062 | 0.062 | - |
| 96 Lithuania | 0.031 | 0.031 | 0.031 | - |
| 97 Luxembourg | 0.085 | 0.085 | 0.085 | - |
| 98 Madagascar | 0.002 | 0.002 | 0.002 | - |
| 99 Malawi | 0.001 | 0.001 | 0.001 | - |
| 100 Malaysia | 0.190 | 0.190 | 0.190 | - |
| 101 Maldives, Republic of | - | 0.001 | 0.001 | 0.001 |
| 102 Mali | 0.001 | 0.001 | 0.001 | - |
| 103 Malta | 0.017 | 0.017 | 0.017 | - |
| 104 Marshall Islands | - | 0.001 | 0.001 | 0.001 |
| 105 Mauritania | 0.001 | 0.001 | 0.001 | - |
| 106 Mauritius | 0.011 | 0.011 | 0.011 | - |
| 107 Mexico | 2.258 | 2.257 | 2.258 | - |
| 108 Moldova, Republic of | 0.001 | 0.001 | 0.001 | - |
| 109 Mongolia | 0.001 | 0.001 | 0.001 | - |
| 110 Montenegro | 0.001 | 0.001 | 0.001 | - |
| 111 Morocco | 0.042 | 0.042 | 0.042 | - |
| 112 Mozambique | 0.001 | 0.001 | 0.001 | - |
| 113 Myanmar | 0.005 | 0.005 | 0.005 | - |
| 114 Namibia | 0.006 | 0.006 | 0.006 | - |
| 115 Nepal | 0.003 | 0.003 | 0.003 | - |

| State | ILO | UN | Draft scale of ILO | Increase (Decrease) |
|--------------------------------------|-------------|-------------|--------------------|-----------------------|
| | assessments | assessments | assessments | (Diff. between |
| | 2009 | 2007-2009 | 2010 | cols 3 and 1) |
| Col.1 | Col.2 | Col.3 | Col.4 | |
| % | % | % | % | % |
| 116 Netherlands | 1.874 | 1.873 | 1.874 | - |
| 117 New Zealand | 0.256 | 0.256 | 0.256 | - |
| 118 Nicaragua | 0.002 | 0.002 | 0.002 | - |
| 119 Niger | 0.001 | 0.001 | 0.001 | - |
| 120 Nigeria | 0.048 | 0.048 | 0.048 | - |
| 121 Norway | 0.783 | 0.782 | 0.783 | - |
| 122 Oman | 0.073 | 0.073 | 0.073 | - |
| 123 Pakistan | 0.059 | 0.059 | 0.059 | - |
| 124 Panama | 0.023 | 0.023 | 0.023 | - |
| 125 Papua New Guinea | 0.002 | 0.002 | 0.002 | - |
| 126 Paraguay | 0.005 | 0.005 | 0.005 | - |
| 127 Peru | 0.078 | 0.078 | 0.078 | - |
| 128 Philippines | 0.078 | 0.078 | 0.078 | - |
| 129 Poland | 0.501 | 0.501 | 0.501 | - |
| 130 Portugal | 0.527 | 0.527 | 0.527 | - |
| 131 Qatar | 0.085 | 0.085 | 0.085 | - |
| 132 Romania | 0.070 | 0.070 | 0.070 | - |
| 133 Russian Federation | 1.201 | 1.200 | 1.201 | - |
| 134 Rwanda | 0.001 | 0.001 | 0.001 | - |
| 135 Saint Kitts and Nevis | 0.001 | 0.001 | 0.001 | - |
| 136 Saint Lucia | 0.001 | 0.001 | 0.001 | - |
| 137 Saint Vincent and the Grenadines | 0.001 | 0.001 | 0.001 | - |
| 138 Samoa | 0.001 | 0.001 | 0.001 | - |
| 139 San Marino | 0.003 | 0.003 | 0.003 | - |
| 140 Sao Tome and Principe | 0.001 | 0.001 | 0.001 | - |
| 141 Saudi Arabia | 0.748 | 0.748 | 0.748 | - |
| 142 Senegal | 0.004 | 0.004 | 0.004 | - |
| 143 Serbia | 0.021 | 0.021 | 0.021 | - |
| 144 Seychelles | 0.002 | 0.002 | 0.002 | - |
| 145 Sierra Leone | 0.001 | 0.001 | 0.001 | - |
| 146 Singapore | 0.347 | 0.347 | 0.347 | - |
| 147 Slovakia | 0.063 | 0.063 | 0.063 | - |
| 148 Slovenia | 0.096 | 0.096 | 0.096 | - |
| 149 Solomon Islands | 0.001 | 0.001 | 0.001 | - |
| 150 Somalia | 0.001 | 0.001 | 0.001 | - |
| 151 South Africa | 0.290 | 0.290 | 0.290 | - |
| 152 Spain | 2.970 | 2.968 | 2.969 | (0.001) |
| 153 Sri Lanka | 0.016 | 0.016 | 0.016 | - |
| 154 Sudan | 0.010 | 0.010 | 0.010 | - |
| 155 Suriname | 0.001 | 0.001 | 0.001 | - |
| 156 Swaziland | 0.002 | 0.002 | 0.002 | - |
| 157 Sweden | 1.072 | 1.071 | 1.072 | - |
| 158 Switzerland | 1.217 | 1.216 | 1.217 | - |
| 159 Syrian Arab Republic | 0.016 | 0.016 | 0.016 | - |
| 160 Tajikistan | 0.001 | 0.001 | 0.001 | - |
| 161 Tanzania, United Republic of | 0.006 | 0.006 | 0.006 | - |
| 162 Thailand | 0.186 | 0.186 | 0.186 | - |
| 163 The form.Yug. Rep. of Macedonia | 0.005 | 0.005 | 0.005 | - |
| 164 Timor-Leste, Dem. Rep of | 0.001 | 0.001 | 0.001 | - |
| 165 Togo | 0.001 | 0.001 | 0.001 | - |
| 166 Trinidad and Tobago | 0.027 | 0.027 | 0.027 | - |
| 167 Tunisia | 0.031 | 0.031 | 0.031 | - |
| 168 Turkey | 0.381 | 0.381 | 0.381 | - |
| 169 Turkmenistan | 0.006 | 0.006 | 0.006 | - |
| 170 Tuvalu | - | 0.001 | 0.001 | 0.001 |
| 171 Uganda | 0.003 | 0.003 | 0.003 | - |
| 172 Ukraine | 0.045 | 0.045 | 0.045 | - |

| State | ILO assessments 2009 Col.1 % | UN assessments 2007-2009 Col.2 % | Draft scale of ILO assessments 2010 Col.3 % | Increase (Decrease) (Diff. between cols 3 and 1) Col.4 % |
|---------------------------------------|--|--|---|--|
| 173 United Arab Emirates | 0.302 | 0.302 | 0.302 | - |
| 174 United Kingdom | 6.645 | 6.642 | 6.645 | - |
| 175 United States | 22.000 | 22.000 | 22.000 | - |
| 176 Uruguay | 0.027 | 0.027 | 0.027 | - |
| 177 Uzbekistan | 0.008 | 0.008 | 0.008 | - |
| 178 Vanuatu | 0.001 | 0.001 | 0.001 | - |
| 179 Venezuela, Bolivarian Republic of | 0.200 | 0.200 | 0.200 | - |
| 180 Viet Nam | 0.024 | 0.024 | 0.024 | - |
| 181 Yemen | 0.007 | 0.007 | 0.007 | - |
| 182 Zambia | 0.001 | 0.001 | 0.001 | - |
| 183 Zimbabwe | 0.008 | 0.008 | 0.008 | - |
| | 100.000 | 99.967 | 100.000 | 0.000 |

Appendix III

Proposed summarized budget of expenditure and income for 2010–11

| | Expenditure | | | Income | | | |
|--|--------------------|----------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2008–09 Budget | 2010–11 Estimates | | 2008–09 Budget | | 2010–11 Estimates | |
| | US\$ | US\$ | | US\$ | CHF | US\$ | CHF |
| Part I Ordinary budget | 634,163,177 | 718,898,200 | Contributions from Member States | 641,730,000 | 789,327,900 | 726,720,000 | 777,590,400 |
| Part II Unforeseen expenditure | 875,000 | 875,000 | | | | | |
| Part III Working capital fund | – | – | | | | | |
| Part IV Institutional investments and extraordinary items | 6,691,823 | 6,946,800 | | | | | |
| Total Budget | 641,730,000 | 726,720,000 | | 641,730,000 | 789,327,900 | 726,720,000 | 777,590,400 |

Appendix IV

Proposed expenditure budget by appropriation line (in US dollars)

| Item | 2008-09 Budget | 2010-11 Estimates (in constant 2008-09 dollars) | 2010-11 Estimates (recosted) 1.23 to 1.07 |
|---|--------------------|--|--|
| PART I. ORDINARY BUDGET | | | |
| A. Policy-making organs | 71,931,510 | 68,943,483 | 79,304,958 |
| B. Strategic objectives | 475,936,861 | 480,673,229 | 542,334,389 |
| Employment | 146,336,447 | 148,199,424 | 167,210,568 |
| Social protection | 96,920,016 | 98,345,832 | 110,961,717 |
| Social dialogue | 139,193,081 | 138,096,454 | 155,811,582 |
| Standards | 93,487,317 | 96,031,519 | 108,350,522 |
| C. Management services | 56,320,405 | 55,063,332 | 63,243,523 |
| D. Other budgetary provisions | 35,402,984 | 35,402,984 | 40,120,297 |
| Adjustment for staff turnover | -5,428,583 | -5,428,583 | -6,104,967 |
| Total Part I | 634,163,177 | 634,654,445 | 718,898,200 |
| PART II. UNFORESEEN EXPENDITURE | | | |
| Unforeseen expenditure | 875,000 | 875,000 | 875,000 |
| PART III. WORKING CAPITAL FUND | | | |
| Working Capital Fund | - | - | - |
| Total Parts I-III | 635,038,177 | 635,529,445 | 719,773,200 |
| PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS | | | |
| Institutional investments and extraordinary items | 6,691,823 | 6,200,555 | 6,946,800 |
| Total Parts I-IV | 641,730,000 | 641,730,000 | 726,720,000 |

Appendix V

Income budget for 2010–11

Statement of contributions due from member States for 2010 (in Swiss francs)

| Member States | Assessed Contribution for 2010 | | Earned Credits Distributed in Respect of (1): | | | Total Credits | Net Contribution for 2010 |
|-------------------------------------|--------------------------------|------------|---|-----------------|---------|---------------|---------------------------|
| | | | 2008 | Prior years | | | |
| | % | Amount | Incentive Scheme | 50% Net Premium | Surplus | | |
| 1 Afghanistan | 0.001 | 3,888 | | - | 18 | 18 | 3,870 |
| 2 Albania | 0.006 | 23,328 | 81 | - | - | 81 | 23,247 |
| 3 Algeria | 0.085 | 330,476 | 1,104 | - | - | 1,104 | 329,372 |
| 4 Angola | 0.003 | 11,664 | 42 | - | - | 42 | 11,622 |
| 5 Antigua and Barbuda | 0.002 | 7,776 | | 535 | 705 | 1,240 | 6,536 |
| 6 Argentina | 0.325 | 1,263,584 | | - | 8,566 | 8,566 | 1,255,018 |
| 7 Armenia | 0.002 | 7,776 | 10 | - | - | 10 | 7,766 |
| 8 Australia | 1.788 | 6,951,658 | 24,840 | - | - | 24,840 | 6,926,818 |
| 9 Austria | 0.888 | 3,452,501 | 12,285 | - | - | 12,285 | 3,440,216 |
| 10 Azerbaijan | 0.005 | 19,440 | 3 | - | - | 3 | 19,437 |
| 11 Bahamas | 0.016 | 62,207 | 110 | - | - | 110 | 62,097 |
| 12 Bahrain | 0.033 | 128,302 | 458 | - | - | 458 | 127,844 |
| 13 Bangladesh | 0.010 | 38,879 | 137 | - | - | 137 | 38,742 |
| 14 Barbados | 0.009 | 34,992 | 102 | - | - | 102 | 34,890 |
| 15 Belarus | 0.020 | 77,759 | 228 | - | - | 228 | 77,531 |
| 16 Belgium | 1.103 | 4,288,411 | | - | 9,577 | 9,577 | 4,278,834 |
| 17 Belize | 0.001 | 3,888 | 1 | - | - | 1 | 3,887 |
| 18 Benin | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 19 Bolivia | 0.006 | 23,328 | | - | - | - | 23,328 |
| 20 Bosnia and Herzegovina | 0.006 | 23,328 | 72 | - | - | 72 | 23,256 |
| 21 Botswana | 0.014 | 54,431 | | - | - | - | 54,431 |
| 22 Brazil | 0.877 | 3,409,734 | | 41,267 | 13,641 | 54,908 | 3,354,826 |
| 23 Brunei Darussalam | 0.026 | 101,087 | | - | - | - | 101,087 |
| 24 Bulgaria | 0.020 | 77,759 | 278 | - | - | 278 | 77,481 |
| 25 Burkina Faso | 0.002 | 7,776 | 28 | - | - | 28 | 7,748 |
| 26 Burundi | 0.001 | 3,888 | | - | - | - | 3,888 |
| 27 Cambodia | 0.001 | 3,888 | 5 | - | - | 5 | 3,883 |
| 28 Cameroon | 0.009 | 34,992 | | - | - | - | 34,992 |
| 29 Canada | 2.978 | 11,578,321 | 41,387 | - | - | 41,387 | 11,536,934 |
| 30 Cape Verde | 0.001 | 3,888 | | - | - | - | 3,888 |
| 31 Central African Republic | 0.001 | 3,888 | 11 | 272 | - | 283 | 3,605 |
| 32 Chad | 0.001 | 3,888 | 11 | 21 | 9 | 41 | 3,847 |
| 33 Chile | 0.161 | 625,960 | | - | - | - | 625,960 |
| 34 China | 2.668 | 10,373,056 | | - | - | - | 10,373,056 |
| 35 Colombia | 0.105 | 408,235 | 1,294 | - | - | 1,294 | 406,941 |
| 36 Comoros | 0.001 | 3,888 | | - | - | - | 3,888 |
| 37 Congo | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 38 Costa Rica | 0.032 | 124,414 | 19 | - | 268 | 287 | 124,127 |
| 39 Côte d'Ivoire | 0.009 | 34,992 | | 202 | 89 | 291 | 34,701 |
| 40 Croatia | 0.050 | 194,398 | 12 | - | 331 | 343 | 194,055 |
| 41 Cuba | 0.054 | 209,949 | | - | 385 | 385 | 209,564 |
| 42 Cyprus | 0.044 | 171,070 | 551 | - | - | 551 | 170,519 |
| 43 Czech Republic | 0.281 | 1,092,514 | 3,904 | - | - | 3,904 | 1,088,610 |
| 44 Democratic Republic of the Congo | 0.003 | 11,664 | 31 | 1,494 | 1,030 | 2,555 | 9,109 |
| 45 Denmark | 0.739 | 2,873,196 | 9,906 | - | - | 9,906 | 2,863,290 |
| 46 Djibouti | 0.001 | 3,888 | | - | - | - | 3,888 |
| 47 Dominica | 0.001 | 3,888 | | 21 | - | 21 | 3,867 |
| 48 Dominican Republic | 0.024 | 93,311 | 334 | - | - | 334 | 92,977 |
| 49 Ecuador | 0.021 | 81,647 | | - | - | - | 81,647 |
| 50 Egypt | 0.088 | 342,140 | 1,143 | - | - | 1,143 | 340,997 |
| 51 El Salvador | 0.020 | 77,759 | | - | 197 | 197 | 77,562 |
| 52 Equatorial Guinea | 0.002 | 7,776 | 28 | - | - | 28 | 7,748 |
| 53 Eritrea | 0.001 | 3,888 | 13 | - | - | 13 | 3,875 |
| 54 Estonia | 0.016 | 62,207 | 217 | - | - | 217 | 61,990 |
| 55 Ethiopia | 0.003 | 11,664 | 42 | - | - | 42 | 11,622 |
| 56 Fiji | 0.003 | 11,664 | 38 | - | 36 | 74 | 11,590 |
| 57 Finland | 0.564 | 2,192,805 | 7,484 | - | - | 7,484 | 2,185,321 |

| Member States | Assessed Contribution for 2010 | | Earned Credits Distributed in Respect of (1): | | | Total Credits | Net Contribution for 2010 |
|-------------------------------------|--------------------------------|------------|---|-----------------|---------|---------------|---------------------------|
| | | | 2008 | Prior years | | | |
| | % | Amount | Incentive Scheme | 50% Net Premium | Surplus | | |
| 58 France | 6.304 | 24,509,649 | 83,557 | - | - | 83,557 | 24,426,092 |
| 59 Gabon | 0.008 | 31,104 | 79 | - | 81 | 160 | 30,944 |
| 60 Gambia | 0.001 | 3,888 | | - | - | - | 3,888 |
| 61 Georgia | 0.003 | 11,664 | 37 | - | - | 37 | 11,627 |
| 62 Germany | 8.581 | 33,362,516 | 117,420 | - | - | 117,420 | 33,245,096 |
| 63 Ghana | 0.004 | 15,552 | | - | - | - | 15,552 |
| 64 Greece | 0.596 | 2,317,219 | | - | 4,744 | 4,744 | 2,312,475 |
| 65 Grenada | 0.001 | 3,888 | | - | - | - | 3,888 |
| 66 Guatemala | 0.032 | 124,414 | 79 | - | - | 79 | 124,335 |
| 67 Guinea | 0.001 | 3,888 | | - | 27 | 27 | 3,861 |
| 68 Guinea-Bissau | 0.001 | 3,888 | | - | - | - | 3,888 |
| 69 Guyana | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 70 Haiti | 0.002 | 7,776 | | - | - | - | 7,776 |
| 71 Honduras | 0.005 | 19,440 | 52 | - | 45 | 97 | 19,343 |
| 72 Hungary | 0.244 | 948,660 | 3,197 | - | - | 3,197 | 945,463 |
| 73 Iceland | 0.037 | 143,854 | 509 | - | - | 509 | 143,345 |
| 74 India | 0.450 | 1,749,578 | 6,251 | - | - | 6,251 | 1,743,327 |
| 75 Indonesia | 0.161 | 625,960 | 2,061 | - | - | 2,061 | 623,899 |
| 76 Iran, Islamic Republic of | 0.180 | 699,831 | | 4,524 | 1,405 | 5,929 | 693,902 |
| 77 Iraq | 0.015 | 58,319 | | - | - | - | 58,319 |
| 78 Ireland | 0.445 | 1,730,139 | | - | 3,133 | 3,133 | 1,727,006 |
| 79 Israel | 0.419 | 1,629,052 | 1,168 | 9,324 | - | 10,492 | 1,618,560 |
| 80 Italy | 5.081 | 19,754,684 | | - | - | - | 19,754,684 |
| 81 Jamaica | 0.010 | 38,879 | 110 | - | - | 110 | 38,769 |
| 82 Japan | 16.631 | 64,660,530 | 201,909 | - | - | 201,909 | 64,458,621 |
| 83 Jordan | 0.012 | 46,655 | 9 | - | - | 9 | 46,646 |
| 84 Kazakhstan | 0.029 | 112,751 | 401 | - | - | 401 | 112,350 |
| 85 Kenya | 0.010 | 38,879 | 122 | - | - | 122 | 38,757 |
| 86 Kiribati | 0.001 | 3,888 | 3 | 21 | 9 | 33 | 3,855 |
| 87 Korea, Republic of | 2.174 | 8,452,408 | | - | 16,085 | 16,085 | 8,436,323 |
| 88 Kuwait | 0.182 | 707,607 | | - | - | - | 707,607 |
| 89 Kyrgyzstan | 0.001 | 3,888 | | - | - | - | 3,888 |
| 90 Lao People's Democratic Republic | 0.001 | 3,888 | | - | - | - | 3,888 |
| 91 Latvia | 0.018 | 69,983 | 249 | - | - | 249 | 69,734 |
| 92 Lebanon | 0.034 | 132,190 | | 383 | 215 | 598 | 131,592 |
| 93 Lesotho | 0.001 | 3,888 | 12 | - | - | 12 | 3,876 |
| 94 Liberia | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 95 Libyan Arab Jamahiriya | 0.062 | 241,053 | | - | - | - | 241,053 |
| 96 Lithuania | 0.031 | 120,526 | 398 | - | - | 398 | 120,128 |
| 97 Luxembourg | 0.085 | 330,476 | 1,154 | - | - | 1,154 | 329,322 |
| 98 Madagascar | 0.002 | 7,776 | 7 | - | 27 | 34 | 7,742 |
| 99 Malawi | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 100 Malaysia | 0.190 | 738,711 | 2,490 | - | - | 2,490 | 736,221 |
| 101 Maldives, Republic of | 0.001 | 3,888 | | - | - | - | 3,888 |
| 102 Mali | 0.001 | 3,888 | | - | - | - | 3,888 |
| 103 Malta | 0.017 | 66,095 | 15 | - | - | 15 | 66,080 |
| 104 Marshall Islands | 0.001 | 3,888 | | - | 2 | 2 | 3,886 |
| 105 Mauritania | 0.001 | 3,888 | | - | - | - | 3,888 |
| 106 Mauritius | 0.011 | 42,767 | 151 | - | - | 151 | 42,616 |
| 107 Mexico | 2.258 | 8,778,996 | | - | - | - | 8,778,996 |
| 108 Moldova, Republic of | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 109 Mongolia | 0.001 | 3,888 | 1 | - | 9 | 10 | 3,878 |
| 110 Montenegro | 0.001 | 3,888 | | - | - | - | 3,888 |
| 111 Morocco | 0.042 | 163,294 | 467 | - | - | 467 | 162,827 |
| 112 Mozambique | 0.001 | 3,888 | 13 | - | - | 13 | 3,875 |
| 113 Myanmar | 0.005 | 19,440 | | - | 89 | 89 | 19,351 |
| 114 Namibia | 0.006 | 23,328 | 84 | - | - | 84 | 23,244 |
| 115 Nepal | 0.003 | 11,664 | 41 | - | - | 41 | 11,623 |
| 116 Netherlands | 1.874 | 7,286,022 | 25,125 | - | - | 25,125 | 7,260,897 |
| 117 New Zealand | 0.256 | 995,316 | 3,559 | - | - | 3,559 | 991,757 |
| 118 Nicaragua | 0.002 | 7,776 | 21 | - | 9 | 30 | 7,746 |
| 119 Niger | 0.001 | 3,888 | | - | - | - | 3,888 |
| 120 Nigeria | 0.048 | 186,622 | 516 | - | - | 516 | 186,106 |
| 121 Norway | 0.783 | 3,044,266 | 8,869 | - | - | 8,869 | 3,035,397 |
| 122 Oman | 0.073 | 283,820 | 770 | - | - | 770 | 283,050 |

| Member States | Assessed Contribution for 2010 | | Earned Credits Distributed in Respect of (1): | | | Total Credits | Net Contribution for 2010 |
|---------------------------------------|--------------------------------|-------------|---|-----------------|---------|---------------|---------------------------|
| | | | 2008 Incentive Scheme | Prior years | | | |
| | | | | 50% Net Premium | Surplus | | |
| % | Amount | | | | | | |
| 123 Pakistan | 0.059 | 229,389 | | - | 492 | 492 | 228,897 |
| 124 Panama | 0.023 | 89,423 | | - | - | - | 89,423 |
| 125 Papua New Guinea | 0.002 | 7,776 | | - | - | - | 7,776 |
| 126 Paraguay | 0.005 | 19,440 | 52 | - | - | 52 | 19,388 |
| 127 Peru | 0.078 | 303,260 | | - | 823 | 823 | 302,437 |
| 128 Philippines | 0.078 | 303,260 | 342 | - | 850 | 1,192 | 302,068 |
| 129 Poland | 0.501 | 1,947,864 | 6,959 | - | - | 6,959 | 1,940,905 |
| 130 Portugal | 0.527 | 2,048,951 | 3,670 | - | - | 3,670 | 2,045,281 |
| 131 Qatar | 0.085 | 330,476 | 953 | - | - | 953 | 329,523 |
| 132 Romania | 0.070 | 272,157 | 862 | - | - | 862 | 271,295 |
| 133 Russian Federation | 1.201 | 4,669,430 | 13,879 | - | 9,855 | 23,734 | 4,645,696 |
| 134 Rwanda | 0.001 | 3,888 | | 21 | - | 21 | 3,867 |
| 135 Saint Kitts and Nevis | 0.001 | 3,888 | 13 | 21 | - | 34 | 3,854 |
| 136 Saint Lucia | 0.001 | 3,888 | 3 | 43 | 18 | 64 | 3,824 |
| 137 Saint Vincent and the Grenadines | 0.001 | 3,888 | | - | 9 | 9 | 3,879 |
| 138 Samoa | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 139 San Marino | 0.003 | 11,664 | 37 | - | - | 37 | 11,627 |
| 140 Sao Tome and Principe | 0.001 | 3,888 | | - | - | - | 3,888 |
| 141 Saudi Arabia | 0.748 | 2,908,188 | 9,555 | - | - | 9,555 | 2,898,633 |
| 142 Senegal | 0.004 | 15,552 | | - | - | - | 15,552 |
| 143 Serbia | 0.021 | 81,647 | | - | - | - | 81,647 |
| 144 Seychelles | 0.002 | 7,776 | | 43 | 18 | 61 | 7,715 |
| 145 Sierra Leone | 0.001 | 3,888 | | - | - | - | 3,888 |
| 146 Singapore | 0.347 | 1,349,119 | 4,822 | - | - | 4,822 | 1,344,297 |
| 147 Slovakia | 0.063 | 244,941 | 859 | - | - | 859 | 244,082 |
| 148 Slovenia | 0.096 | 373,243 | 1,325 | - | - | 1,325 | 371,918 |
| 149 Solomon Islands | 0.001 | 3,888 | | 628 | 190 | 818 | 3,070 |
| 150 Somalia | 0.001 | 3,888 | | - | - | - | 3,888 |
| 151 South Africa | 0.290 | 1,127,506 | 4,027 | - | - | 4,027 | 1,123,479 |
| 152 Spain | 2.969 | 11,543,329 | 34,963 | - | - | 34,963 | 11,508,366 |
| 153 Sri Lanka | 0.016 | 62,207 | 211 | - | - | 211 | 61,996 |
| 154 Sudan | 0.010 | 38,879 | | - | - | - | 38,879 |
| 155 Suriname | 0.001 | 3,888 | 14 | - | - | 14 | 3,874 |
| 156 Swaziland | 0.002 | 7,776 | 27 | - | - | 27 | 7,749 |
| 157 Sweden | 1.072 | 4,167,885 | 14,028 | - | - | 14,028 | 4,153,857 |
| 158 Switzerland | 1.217 | 4,731,638 | 16,653 | - | - | 16,653 | 4,714,985 |
| 159 Syrian Arab Republic | 0.016 | 62,207 | | - | 340 | 340 | 61,867 |
| 160 Tajikistan | 0.001 | 3,888 | | - | - | - | 3,888 |
| 161 Tanzania, United Republic of | 0.006 | 23,328 | 75 | - | 54 | 129 | 23,199 |
| 162 Thailand | 0.186 | 723,159 | 2,584 | - | - | 2,584 | 720,575 |
| 163 The former Yug. Rep. of Macedonia | 0.005 | 19,440 | 1 | - | - | 1 | 19,439 |
| 164 Timor-Leste | 0.001 | 3,888 | | - | - | - | 3,888 |
| 165 Togo | 0.001 | 3,888 | 11 | 272 | 9 | 292 | 3,596 |
| 166 Trinidad and Tobago | 0.027 | 104,975 | 350 | - | - | 350 | 104,625 |
| 167 Tunisia | 0.031 | 120,526 | 384 | - | - | 384 | 120,142 |
| 168 Turkey | 0.381 | 1,481,310 | 4,019 | - | - | 4,019 | 1,477,291 |
| 169 Turkmenistan | 0.006 | 23,328 | | - | - | - | 23,328 |
| 170 Tuvalu | 0.001 | 3,888 | | - | - | - | 3,888 |
| 171 Uganda | 0.003 | 11,664 | 34 | 117 | 54 | 205 | 11,459 |
| 172 Ukraine | 0.045 | 174,958 | 160 | - | - | 160 | 174,798 |
| 173 United Arab Emirates | 0.302 | 1,174,161 | | - | 2,103 | 2,103 | 1,172,058 |
| 174 United Kingdom | 6.645 | 25,835,441 | 26,635 | - | - | 26,635 | 25,808,806 |
| 175 United States | 22.000 | 85,534,944 | | - | 196,919 | 196,919 | 85,338,025 |
| 176 Uruguay | 0.027 | 104,975 | 45 | - | - | 45 | 104,930 |
| 177 Uzbekistan | 0.008 | 31,104 | | - | - | - | 31,104 |
| 178 Vanuatu | 0.001 | 3,888 | | 21 | - | 21 | 3,867 |
| 179 Venezuela, Bolivarian Republic of | 0.200 | 777,590 | | - | - | - | 777,590 |
| 180 Viet Nam | 0.024 | 93,311 | 334 | - | - | 334 | 92,977 |
| 181 Yemen | 0.007 | 27,216 | | - | - | - | 27,216 |
| 182 Zambia | 0.001 | 3,888 | 11 | - | 54 | 65 | 3,823 |
| 183 Zimbabwe | 0.008 | 31,104 | | - | - | - | 31,104 |
| TOTAL | 100.000 | 388,795,200 | 715,110 | 59,230 | 272,520 | 1,046,860 | 387,748,340 |

(1) Should a member State pay previous year's contributions prior to the closure of the 98th session of the International Labour Conference, that member State's earned credits may change.

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