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Programme, Financial and Administrative Section

PFA

MINUTES

Programme, Financial and Administrative Section

Contents

	<i>Page</i>
Programme, Financial and Administrative Segment	1
First item on the agenda	
Preliminary overview of the Programme and Budget proposals for 2020–21 (GB.334/PFA/1)	1
Second item on the agenda	
Update on the headquarters building renovation project (GB.334/PFA/2)	8
Third item on the agenda	
Progress report on the implementation of the Information Technology Strategy 2018–21 (GB.334/PFA/3)	11
Fourth item on the agenda	
Other financial questions: Appointments to the Investments Committee of the International Labour Organization (GB.334/PFA/4)	14
Audit and Oversight Segment	14
Fifth item on the agenda	
Independent Oversight Advisory Committee: Appointments (GB.334/PFA/5)	14
Sixth item on the agenda	
Annual evaluation report 2017–18 (GB.334/PFA/6)	16
Seventh item on the agenda	
High-level evaluations of strategies and Decent Work Country Programmes (GB.334/PFA/7)	19

Eighth item on the agenda Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU (GB.334/PFA/8)	24
Ninth item on the agenda Appointment of the External Auditor (GB.334/PFA/9)	26
Personnel Segment	26
Tenth item on the agenda Statement by the staff representative	26
Eleventh item on the agenda Amendments to the Staff Regulations	27
Twelfth item on the agenda Matters relating to the Administrative Tribunal of the ILO: Proposed amendments to the Statute of the Tribunal (GB.334/PFA/12/1)	27
Withdrawal of the Tribunal's jurisdiction by the Technical Centre for Agricultural and Rural Cooperation (GB.334/PFA/12/2(Rev.))	28
Status of the judges of the Administrative Tribunal of the ILO (GB.334/PFA/12/3(Rev.))	28
Thirteenth item on the agenda Other personnel questions: Update on matters relating to the review of the post adjustment system by the International Civil Service Commission (ICSC) and the implementation of the revised post adjustment index for Geneva (GB.334/PFA/13(Rev.))	30
 <i>Appendix</i>	
Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (334th Session – 30 October 2018)	39

Programme, Financial and Administrative Segment

First item on the agenda

Preliminary overview of the Programme and Budget proposals for 2020–21 ([GB.334/PFA/1](#))

1. *The Worker spokesperson* said that the United Nations (UN) reform process and the 2030 Agenda for Sustainable Development (2030 Agenda) would influence the country-level implementation of the Programme and Budget for 2020–21, the ILO's service delivery and how the social partners would be involved in the design and implementation of the priorities identified. The ILO should assume an active role in UN reform and the implementation of the 2030 Agenda ensuring that it delivers on its mandate to realize decent work and social justice with the full involvement of the tripartite constituents. The programme and budget proposals should address the widening global income inequality and should include a comprehensive analysis of the situation of women at work. The focus on the right to organize and collective bargaining as a prerequisite for social dialogue was welcome, but clearer analysis of current threats to workers' and trade unions' rights was required. Efforts to improve respect for international labour standards should go beyond the fundamental Conventions.
2. Greater emphasis should be placed on the challenges posed by UN reform, which should not be underestimated. The reform process should acknowledge the ILO's unique tripartite governance structure and normative mandate, ensure the continuation of specific funding and programmes on labour rights, including through development cooperation, and support the ILO's ability to exercise its mandate through its country and regional offices. Changes to the field structure brought about by UN reform would have an impact on ILO staff, who had already been affected by changes following the ILO's own field structure review. The staff union must be consulted on any modifications to the terms and conditions of employment brought about by the UN reform.
3. In terms of the ILO's mandate, labour rights must be enshrined not only in the implementation of the 2030 Agenda and UN reform, but also in the ILO's advocacy work with international financial institutions, the World Trade Organization and regional organizations. The normative function of the ILO must be a central element of the Programme and Budget for 2020–21, which should set clear targets for the ratification and implementation of Conventions relating to all outcomes. In particular, more should be done to ensure universal respect for the right to freedom of association and collective bargaining through increased ratification of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and the Collective Bargaining Convention, 1949 (No. 98). Social dialogue and tripartism would bring added value at country level in the context of the United Nations Development Assistance Frameworks (UNDAFs) and the Decent Work Country Programmes (DWCPs). However, trade unions were often disregarded in UNDAFs, an issue that required urgent attention.
4. The increasing role of some stakeholders in partnerships established in the framework of UN reform and the 2030 Agenda, often to the detriment of the social partners, posed a growing challenge for the ILO. The ILO must ensure that the social partners were adequately involved in identifying, implementing and evaluating activities and that partnerships promoted the ratification and implementation of international labour standards. The development of strong employers' and workers' organizations should continue to be an area

of focus for the ILO and sufficient resources allocated to that end, both at headquarters and in the field. The Programme and Budget for 2020–21 should include a policy outcome on the role of the social partners in shaping socio-economic policies through social dialogue, with a strong focus on collective bargaining and industrial relations, to address growing concerns regarding income inequality.

5. As to the target groups, the ILO should not limit its interventions to the most vulnerable and disadvantaged, but address the needs of all workers, particularly in the face of globalization and technological change. Workers in digital production processes should also be targeted by a strategy to address decent work deficits based on the four pillars of the Decent Work Agenda. Global economic growth had been achieved at the expense of the environment. The Programme and Budget for 2020–21 should place the same importance on environmental and social policies as on economic policies, and should continue to include a just transition to environmental sustainability as a priority.
6. In terms of capacity to deliver, the Workers' group supported the first objective of the ILO's Strategic Plan for 2018–21 on the need to attract, develop, engage and retain staff with the right skills and direct experience of the world of work, as a means to increase the ILO's influence on policy agendas. The group supported efforts to enhance the ILO's role as a knowledge leader on decent work issues. It requested that the Programme and Budget for 2020–21 allocate resources to following up on the important outcomes of the 20th International Conference of Labour Statisticians; the priorities of the Workers' group included work on Sustainable Development Goal (SDG) indicator 8.8.2 on labour rights, informal employment and the International Standard Classification of Occupations.
7. Care should be taken to ensure that the Business Process Review (BPR) did not undervalue the role of ILO staff in the delivery of the programme and budget. Furthermore, there was a limit to how many administrative staff members could be reallocated to front-line roles, as administrative support would always be necessary to maintain the delivery capacity of the ILO. The ILO should continue to engage with the staff union on those matters. The lack of a dedicated strategy for capacity building among constituents, which had been identified by a recent independent evaluation, should be addressed in the Programme and Budget for 2020–21, drawing on the evaluation's recommendations.
8. *The Employer spokesperson* emphasized that the development of the Programme and Budget proposals for 2020–21 would be heavily influenced by internal and external factors in the changing landscape of the world of work, including ongoing UN reform, the outcome of the Future of Work Initiative, and volatility in economies and political systems. The ILO must capitalize on tripartism as its comparative advantage and the Organization's key strength by continuing to build constituents' capacities to face the challenges and leverage the opportunities of the changing world of work. The reference in the document to the possible considerable changes in substantive policy priorities and the institutional framework, as well as the possibility of substantial resource reallocations indicated that the Governing Body would need to fundamentally change the way in which it operated. However, there had been shortcomings in addressing constituents' needs in planning and implementing capacity-development plans and interventions, with varying degrees of engagement of departments and regions with constituents; therefore, to ensure the continued relevance of the ILO, the Office should engage more extensively with constituents so as to deliver on their needs. Employers' and workers' organizations would also require technical support to enhance their governance systems, develop services to meet the changing needs of their members and provide evidence-based advocacy. Constituents needed to be equipped with the right capacities to ensure that tripartism remained sustainable and provided even more added value in the protection of human rights, promotion of sustainable development and achievement of social justice.

9. He commended the reference in the document to the development of an enabling environment to nurture the creation and growth of new enterprises and the sustainability of existing ones, and requested more information on the implications of the UN reform and the Future of Work Initiative on the ILO and its constituents. Since the Programme and Budget for 2020–21 might require revisions of ILO procedures in areas such as country programming, financing strategies and policy priorities, he requested the Office to carry out a thorough analysis of factors influencing such changes so that the Governing Body could guide the Office on resource reallocation to policy areas and regions. There should be no misalignment between the Programme and Budget for 2020–21 and its implementation. Clarity would be needed on the costs and benefits to the ILO of the anticipated changes, including implications for the Office’s identity and mandate.
10. In relation to the Strategic Plan for 2018–21, the Office should reaffirm its commitment in attaining diversity in recruitment and promotion, which should take into account professional experience and backgrounds in addition to geographical and gender considerations. Future Governing Body documents on the composition of the ILO staff should provide statistics on staff members’ professional backgrounds.
11. The ILO’s research agenda must be based on constituents’ needs, upholding the highest levels of independence and technical and analytical excellence, to enable constituents to make well-informed policy decisions; research must cease to be driven by donor influence or intellectual curiosity. The update on the Knowledge Strategy 2018–21 provided in document GB.334/PFA/INF/2 stated that the Office had collaboratively developed research agendas involving constituents in the different phases of research; however, that had not been the experience of the Employers’ group. Moreover, the Office-wide approach to research seemed to be uncoordinated, ad hoc and fragmented. As a result of limited internal consultations, particularly at the design stage, the Bureau for Employers’ Activities (ACT/EMP) was unable to facilitate colleagues’ access to the knowledge of employers. He requested a further update on the Knowledge Strategy at the March 2019 session of the Governing Body.
12. As to the priorities for the Programme and Budget for 2020–21, he emphasized the need to sharpen the focus on a limited number of policy priorities and stressed three areas for focus: the changing nature of work; skills and employment for the future; and the governance of work and strengthening the relevance and impact of social dialogue. In that regard, there should be coordinated support across the Office to strengthen the capacities of the social partners, led by ACT/EMP and the Bureau for Workers’ Activities (ACTRAV), both of which required adequate resources in the new programme and budget. ACT/EMP also played a key role in building or rebuilding organizations in developing economies or crisis-affected countries without functioning labour market institutions; its work with the Union of Myanmar Federation of Chambers of Commerce and Industry to build and diversify its capacity was one such example.
13. His group requested that its concerns be taken into account in the preparation of the Programme and Budget proposals for 2020–21. The proposals should also include a coordinated response to the discussions on the future of work, SDGs, UN reform, the development cooperation strategy for 2020–23 and the plan of action on social dialogue and tripartism for 2018–23. Finally, the Employers’ group called for a deeper focus on the policy outcome related to workers and employers, an Office-wide strategy on capacity development for the social partners, the strengthening of ACT/EMP and ACTRAV and for capacity development to be measured under all policy outcomes. It proposed amending the draft decision by adding “with a particular focus on strengthening the institutional capacities of social partners” after “‘ILO 2021’ vision”.
14. *Speaking on behalf of the Africa group*, a Government representative of Eswatini requested the Office to take account of the comments made by his group on the Programme

Implementation Report for 2016–17 at the March 2018 session of the Governing Body in preparing the Programme and Budget proposals for 2020–21. The adoption of the SDGs, particularly Goal 8, and the mainstreaming of elements of the Decent Work Agenda throughout the 2030 Agenda meant that it was crucial for the ILO to build constituents' capacity to implement the Goals at the national level. The development and implementation of a new generation of DWCPs, with provisions for the implementation of the Goals, should be a priority, particularly in member States with higher decent work deficits. In the context of UN reform, the ILO must remain focused on its core mandate of protecting workers' rights, including ensuring that the rights of ILO staff were protected during the reform process. The ideals of the ILO Declaration on Social Justice for a Fair Globalization should also be reflected in the programme and budget proposals.

15. The Organization's work would continue to change as the world of work changed, and the Programme and Budget for 2020–21 and beyond must address challenges including unemployment; informal work; unacceptable forms of work and practices bordering on casualization of labour; child and forced labour; weakening labour markets; inadequate social security; climate change; and women empowerment and gender parity. He therefore urged the Office to consider the issues raised, identify complementary deliverables in the Strategic Plan for 2018–21 and enhance policy coherence. The Africa group supported the draft decision.
16. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Brazil acknowledged that the Centenary celebrations and the Conference discussion on the future of work would have a direct impact on the substantive elements of the ILO's programme for 2020–21. The 2030 Agenda provided an opportunity for constituents to recommit to formulating policies that would adapt to the changing circumstances of the future of work while attaining visible short-term results. Moreover, the UN reform would have an impact on the application of the programme and budget; the ILO should take advantage of the opportunity to focus on priorities agreed by governments and the social partners at national and regional levels, such as those agreed during the 19th American Regional Meeting. He asked the Office to keep the Governing Body informed of progress in developing a new generation of DWCPs. He expressed concern regarding the revision of criteria for determining country presence and the role of regional structures in the context of the UN reform, and the potential impact on the ILO's field structure, and enquired about the alternative options to ensure continued provision of technical support to constituents that needed it. He requested the Office to evaluate potential savings resulting from the UN reform concerning the management of administrative and local services at the country level. Any additional funding obtained through new partnerships resulting from the UN reform must be utilized taking into account the priorities of the tripartite constituents. However, the potential decrease in earmarked contributions was a concern and he asked the Office to explore mechanisms for ensuring that such resources continued to be received.
17. Concerning the reinforced normative function, the implementation of the SDGs would facilitate targeted promotion of the ratification and application of standards. The ongoing work of the Standards Review Mechanism on the promotion of certain standards and specific normative activities should also be taken into account. With respect to the Knowledge Strategy 2018–21, he encouraged the Office to continue providing quality products to constituents, and emphasized the importance of the ILO's role as convenor in forging close partnerships with other organizations undertaking research in areas of common interest, such as the future of work. As the custodian of several SDG indicators, the ILO should assign resources to strengthening the statistical capacity of member States to ensure the appropriate measurement and monitoring of labour market variables and provide targeted technical assistance to facilitate reporting on and monitoring of progress. His group supported the original draft decision, but could accept the amendment proposed by the Employers' group as long as all constituents were included in efforts to strengthen institutional capacities.

18. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of Japan said that, following the adoption of UN General Assembly resolution 72/279, the ILO must take the opportunity to improve its operations efficiently and effectively through increased cooperation for UN reform. She noted that the plan of action for the preparation of a development cooperation strategy would also be pertinent to the preparation of the Programme and Budget for 2020–21. In terms of the ILO 2021 vision, the Office must reinforce its capacity to deliver quality services to constituents in realizing social justice through decent work. Emphasizing the need to address under-representation of ASPAG countries, she urged the Office to set a timetable to attain the geographical diversity target, including for Asia and the Pacific and Arab states, in implementing the Human Resources Strategy 2018–21. In terms of the Knowledge Strategy 2018–21, the ILO's strengthened role as a knowledge leader was welcome, but it was essential to differentiate its role and responsibilities from those of other organizations to avoid duplication of work. The 2030 Agenda placed decent work at the centre of sustainable development, which the Office must support through the implementation of the resolution concerning effective development cooperation adopted by the Conference. The further reallocation of resources from back offices to front-line roles to achieve the provisions of the 2030 Agenda related to the ILO was welcome. The Office should deliver value-for-money services to member States, and she emphasized the importance of the language service provided during the sessions of the International Labour Conference and the Governing Body. The programme and budget should seek results in terms of value for money, verify regularly implementation performance and pursue further efficiency. She asked the Office to provide easily comprehensible and timely information on the differences between the policy areas in the Programme and Budget for 2018–19 and in the proposals for 2020–21, and to provide details for each department in the 2020–21 budget proposals. She requested that the Office improve the transparency, accountability and management of financial resources as part of the wider UN reform. Her group supported the original draft decision, but not the Employers' proposed amendment.
19. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the United Kingdom agreed that the ILO should continue to focus efforts towards the delivery of the aims of the 2030 Agenda relating to decent work and widespread and sustainable growth, and welcomed the Office's efforts to address changes in the world of work and the opportunity to explore the issue more fully through the Future of Work Initiative. She supported the idea of incorporating measures to follow up on the Centenary Initiatives into the Programme and Budget for 2020–21, since an important outcome document including a follow-up mechanism would be adopted at the Centenary session of the Conference.
20. She welcomed the Office's acknowledgement of resolution 72/279 on the repositioning of the UN development system and the Office's constructive and cooperative engagement in UN reform. She strongly agreed that any fundamental changes to the ILO's current focus required for the purpose of reform should be implemented through resource reallocation rather than increased assessed contributions. Increased contributions directed to the reformed resident coordinator system should, as far as possible, come from the redeployment of resources from back-office functions, notwithstanding pressing matters requiring resources, such as information technology improvements. Regarding the costs and benefits of increasing common systems, back offices and co-location in countries to improve efficiency, she stressed that such reforms were intended to increase cohesion and collaboration across the UN system in support of the delivery of the 2030 Agenda at the country level and to bring cost efficiencies; it was to be hoped that the ILO would embrace those proposals. Her group supported the strategic direction set out in the ILO's Strategic Plan for 2018–21 and the ideas proposed for the second biennium, noting that important decisions on the ILO's future direction would be taken at the 2019 session of the International Labour Conference.

21. The normative function would remain the cornerstone of the Organization. The ILO's important role as a knowledge leader could be strengthened further, including through multilateral partnerships. She commended the Office's substantial progress in its efforts to increase efficiency and effectiveness and deliver value for money to member States. Given the importance of results-based management (RBM) and accountability, she particularly welcomed the emphasis on the need to continue to improve RBM and the establishment of an RBM Task Force, the results of which should be included in the programme and budget. It was crucial to be able to see the added value of regular and extra-budgetary contributions, and the ILO's reputation and international standing also required it to be able to demonstrate its value clearly; to that end, progress in the areas of RBM and monitoring and evaluation would be essential. IMEC would welcome the opportunity to work with the Office on the draft programme and results framework, as well as on the proposed approach and methodology for an improved results framework, in advance of the 335th Session of the Governing Body (March 2019). Given the potential for substantial resource reallocations in the Programme and Budget for 2020–21 and the significance of identifying efficiency savings, her group would be interested in the establishment of an expenditure review committee and would welcome the Office's views in that regard. As to the Employers' proposed amendment, although increasing the institutional capacity of social partners was an important part of the Office's work and should be included in the Programme and Budget for 2020–21, the proposed addition would unbalance the decision by introducing one area of focus. Discussion of such matters was premature, given the discussions due to take place at the upcoming Centenary session of the Conference. Her group therefore supported the original draft decision.
22. *The representative of Bangladesh* said that the effective functioning of the new UN development system would be crucial in coping with the future major transformation in the world of work. In the process of finalizing the programme and budget, therefore, the Office should: build partnerships in research and development in order to create new, job-rich enterprises to protect jobs in the coming wave of automation; strengthen efforts to develop, implement and replicate low-cost social protection schemes, given the resource limitations in many developing countries; be actively involved in global and regional partnerships, in line with Goal 17 of the SDGs and the provisions of the special funds set up under the United Nations Framework Convention on Climate Change to minimize the impact of climate change and pressures on livelihoods arising from conflicts; intensify the Office's skill-development activities in regions with a high population density and high unemployment, underemployment and youth unemployment, particularly in developing countries; and promote universally accepted forms of apprenticeships and skills recognition to provide a better response to demographic transformation challenges. Lastly, she emphasized that the changes under the UN development system reform should be made gradually, with improved efficiency in the Office's service delivery, in order to avoid any negative impacts.
23. *A representative of the Director-General* (Deputy Director-General for Management and Reform) clarified that the financial envelope for policy outcomes would be determined at the March 2019 Governing Body session and approved by the Conference at its June 2019 session. Discussions regarding allocations by outcome would continue until the policy priorities were set.
24. In response to the proposal made by IMEC on setting up an expenditure review committee, he noted that a robust, high-value internal expenditure review system already existed and an extra layer was therefore, in the Office's view, unnecessary. An ongoing monthly review was performed by senior management to examine expenditure and check delivery rates, which covered spending on individual items. At the macro level, back-office operations had been closely scrutinized through the reform process and BPR, with opportunities being identified for savings and reallocations. As a result, approximately US\$58 million had been redeployed from the back office to front-line and technical work over the past three biennia.

Opportunities for further reallocations and redeployments would continue to grow as the reviews associated with the BPR were implemented.

25. Regarding the UN reform and the associated shift towards increasing shared services, the ILO needed to balance the efficiencies it had already achieved through its own efforts with the potential business case for shared services, which could provide further efficiencies. It would continue to work collaboratively at the UN level and examine the issue in further detail over the coming year.
26. *A representative of the Director-General* (Director for Strategic Programming and Management Department (PROGRAM)) reiterated that the Office would continue to hold in-depth consultations with the various groups and members of the Governing Body. Welcoming IMEC's offer to work with the Office in the area of RBM, which would be followed up, he emphasized that the Office would also continue to work closely with the other groups.
27. In response to the comments from GRULAC, he confirmed that maintaining efficiency was a central concern for the Office, which continued to play an active role in the various UN system results groups. The issues surrounding the UNDAFs and the DWCPs, and changes to the ILO's field structure, were extremely important and work had already begun on the next generation of DWCPs. Discussions would continue on that subject during the current session under the item on the UN reform.
28. *The Worker spokesperson*, agreeing that there should be a special focus on capacity building, said that her group supported the amendment proposed by the Employers' group.
29. *Speaking on behalf of the Africa group*, a Government representative of Eswatini expressed support for the amendment proposed by the Employers' group, but put forward a subamendment replacing "social partners" by "ILO constituent members".
30. *The Chairperson* proposed a further subamendment using the term "tripartite constituents" rather than "constituent members".
31. *The Employer spokesperson* said that either term would be acceptable.
32. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom, proposed a further subamendment to replace "with a particular focus on" by "including", as it was not the right time to decide on the focus of the following programme and budget.
33. *Speaking on behalf of GRULAC*, a Government representative of Brazil said that, while his group supported the original draft decision, it could agree to the amendment proposed by the Employers' group, provided all constituents were included in the wording, as proposed in the subamendment put forward by the Africa group.
34. *The Worker spokesperson* expressed support for the amendments proposed by both the Employers' group and the Africa group.
35. *The Employer spokesperson* said that he could not support the further subamendment put forward by IMEC, but agreed to the subamendments proposed by the Africa group and the Chairperson.
36. *Speaking on behalf of ASPAG*, a Government representative of Japan supported the subamendment proposed by IMEC.

Decision

- 37. *The Governing Body requested the Director-General to take into account its guidance on responding to the contextual challenges and on action to realize the objectives of the “ILO 2021” vision, with a particular focus on strengthening the institutional capacities of ILO tripartite constituents when preparing the Programme and Budget proposals for 2020–21 to be submitted to the 335th Session (March 2019) of the Governing Body.***

(GB.334/PFA/1, paragraph 33, as amended by the Governing Body.)

Second item on the agenda

Update on the headquarters building renovation project ([GB.334/PFA/2](#))

- 38.** *A representative of the Director-General (Deputy Director-General for Management and Reform) said that discussions on the potential development or sale of ILO land to fund the second phase of the renovation works had been ongoing. The Swiss authorities had questioned the land valuations provided by consultants for the various stages of development, and had also suggested that it would be premature to launch the planning process, which could take around five years. The Canton of Geneva had expressed an interest in purchasing the land, giving an indication of their estimate of the value of the land, as a means to provide some funding in a shorter time period and had commented on some of the Office’s planning proposals. Meanwhile, the ILO had received seven unsolicited expressions of interest, which had indicated that the values presented to the March 2018 Governing Body session were consistent with the views of local developers, and had confirmed that there was significant interest in the development of the land. The Canton of Geneva had been informed that the value it had indicated as a potential offer fell significantly short of the other expressions of interest received and could not therefore be pursued.*
- 39.** An agreement in principle had been established with the host country to re-establish a mechanism involving the host country, the cantonal authorities and the ILO to facilitate the process of determining the development potential in full compliance with cantonal requirements.
- 40.** It was important to maintain continuity from phase 1 to phase 2 of the renovation, as any break in continuity would incur significant costs and result in the loss of the project team and their valuable expertise. The matter was urgent, as delays in phase 2 of the renovation project would lead to increased maintenance costs and critical safety issues, not least concerning fire safety. He therefore urged the Governing Body to support the Office in its efforts to work with the host country, the authorities and potentially a third party, to maximize the value of the land, within the current zoning restrictions.
- 41.** *The Employer spokesperson* noted with satisfaction that the renovation of the middle third of the building had been completed on schedule and that the total budget for the work remained within the financial plan’s limits.
- 42.** With respect to the key issue of the unfunded work for the renovation of the lower floors of the building, he noted that any loss of project continuity would increase costs to higher than the budgeted 125 million Swiss francs (CHF). Avoiding delays and ensuring the continuity of the project should therefore be a priority. He urged the Office not to postpone the

financing of phase 2 of the renovations, particularly when preparing the next programme and budget. He considered that the sale of plot 4057 was the most realistic solution. He requested the Office to carefully consider the possible adverse effects of the proposed supplementary provisions on the ILO's technical activities.

43. He requested more detailed information on the estimated CHF25 million cost of the proposed secure perimeter for the headquarters building to meet United Nations Department of Safety and Security requirements, in particular how the new system would be funded, what human resources would be required to operate it, and whether it would be run internally or externally. His group supported the draft decision.
44. *The Worker spokesperson* noted with satisfaction that the renovation of the middle third of the building had been completed on schedule, and that site safety had remained high. However, she sought clarification on the union rationale for limiting the number of agency-hired personnel on the worksite. Her group wished to be kept informed on the outcome of the current discussions on that topic.
45. She noted with concern that zoning approval from the Swiss authorities for the ILO land would take around five years, with no hope of fast-tracking the process, as her group had previously expressed the view that project continuity should not be lost. She requested further clarification on the restrictions placed on the land by the Geneva Parliament.
46. She also requested further details on the claim referred to in paragraph 18(c) of document GB.334/PFA/2 from a development consultant for an amount of approximately CHF500,000. Lastly, she noted the proposal for a supplementary provision to be included in the coming three biennial budgets to ensure completion of the project without further delay or cost escalation. Her group expressed the hope that such a provision would be considered as bridging finance, with the net proceeds realized from any future land developments being used to offset future regular budget assessments, as that would encourage member States to view a supplementary provision positively.
47. *Speaking on behalf of ASPAG, GRULAC, IMEC and the Eastern European group*, a Government representative of Azerbaijan welcomed the fact that the funds earmarked for financing the first phase of the project remained within the budgeted limits. Regarding the renovation of the lower floors, he noted with concern the urgent need to remedy non-compliance with health and safety standards and secure funding in that area. In that regard, he encouraged the Office to redouble its efforts to finance the sale of plot 4057 as soon as possible, and expressed appreciation for the host country's efforts to facilitate the sale. His group would accept subparagraphs (b) and (c) of the draft decision, but proposed postponing a decision on subparagraph (a) until more information on financing options was available.
48. *Speaking on behalf of the Africa group*, a Government representative of Cameroon welcomed the successful completion of phase 1 of the renovations and the fact that site safety had remained high. The main problem regarding phase 2 of the renovations was how to mobilize the necessary resources without placing a heavier financial burden on the constituents. She recalled that her group was not in favour of selling ILO land and supported exploring other options to raise the necessary capital. Her group expressed the wish that the Governing Body postpone the decision to its March 2019 session.
49. *Speaking on behalf of GRULAC*, a Government representative of Brazil requested the Office to carry out an assessment of the impact and opportunities arising from the implementation of the UN reform in 2019 before taking a decision on any additional contribution being made by member States.
50. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom commended the Office for ensuring continuity of business throughout the period of the

renovation works and expressed satisfaction that the work on floors one to 11 remained on target for completion by the end of 2019. She requested further details on the expected value of the savings referred to in paragraph 5 of the document.

51. While her group was grateful to the Office for arranging an informal meeting with members of the Governing Body on 15 May 2018, she was concerned that it had not followed up requests made by IMEC members at that meeting for further consultations on financing options in advance of the Governing Body's 334th Session, for a summary of Governing Body decisions showing that the full scope of the work, including the unfunded elements, had already been endorsed, and for a more detailed costing of the individual elements of the unfunded works.
52. She reiterated her group's request for a detailed, certified and costed project proposal that would capture applicable occupational health and safety considerations, as well as elements such as information technology, security measures, legal obligations, temporary office relocation and other fit-up costs.
53. While welcoming efforts to continue exploring ways to generate additional revenue through the possible sale of plot 4057, her group expressed regret that the time needed for zoning approval had not been foreseen. It remained unwilling for additional costs to be financed through increased assessed contributions. She asked whether the Office had discussed financing options with the host country, noting that it had already secured a loan at a preferential rate.
54. She encouraged the Office to continue to seek efficiencies across existing programmes in order to finance renovations from current resources. She asked when a decision would need to be finalized on the financing of the unfunded parts of the headquarters renovation project in order to prevent extra costs arising.
55. Due to insufficient consultations and a lack of previously requested information, the IMEC group could not agree to subparagraph (a) of the draft decision, but supported the adoption of subparagraphs (b) and (c).
56. *A representative of the Director-General* (Deputy Director-General for Management and Reform) said that the Office was obtaining further advice on lower cost options for the perimeter fence and would come back to the Governing Body once the final cost was known. It was envisaged that current arrangements, whereby security was assured by a mixture of ILO full-time permanent security personnel and temporary staff provided by a private firm, would continue in the future. The Office was also looking into upgrading the CCTV surveillance of the property because the current system was inadequate.
57. The union campaign referenced in the document was to limit the number of agency staff to 10 per cent on any worksite. Significant progress had been made by subcontractors to reduce the number of agency workers on site, and the issue would be specifically taken into account when issuing future contracts.
58. ILO land was designated for international use in a broad sense. The Office's consultants were confident that the proposals put forward at the Governing Body's March 2018 session, which included sporting facilities, office accommodation and residential accommodation for diplomats, would fall within the scope permitted by the international zoning requirements in place. However, certain issues remained to be discussed with the authorities.
59. Although he could not give specific details of the claim referred to in paragraph 18(c), as the case had been referred to the courts, it related to the sale of ILO land where a consultant, acting on behalf of another party, had claimed payment of a commission from the

Organization. Legal advice obtained by the Office indicated that it was not liable, and the matter would be appearing before the courts in early 2019.

60. Approximately CHF5 million of savings had been identified, around CHF2 million of which had already been invested back into the building, primarily for unforeseen costs. In accordance with the terms of the contract, the remaining CHF3 million would be split equally between the ILO and its principal contractor, meaning that CHF1.5 million could be available either for further unforeseen costs or to the Building and Accommodation Fund to contribute towards the cost of phase 2.
61. The scope of the work approved by the Governing Body had been detailed in previous papers. Full costings and schedules of the project had been provided in 2010 and a report on priority works had been provided in 2015. If the Governing Body so wished, the Office could produce another compilation of those details, and it would continue to provide such information on the second phase.
62. The Office was aware of other projects involving similar zoning restrictions that had taken two years to be approved instead of five, and that was what it had requested of the authorities. Although it had previously been made clear that there would only be one opportunity to obtain loan finance from the host country, the Office still had the option of approaching commercial partners for short-term funds. Any additional loan financing ultimately would have to be repaid and provisions would be required in future programme and budgets for this purpose.
63. The Governing Body would need to reach a decision on how to finance the unfunded part of the renovation project by March 2019 so as to avoid additional costs arising from a break in continuity between phase 1 and phase 2. In the meantime, the Office would continue to work with the host country authorities to evaluate the expressions of interest put forward.

Decision

64. *The Governing Body requested the Director-General to:*

- (a) *pursue discussions with the local authorities and other interested parties on the possible sale of plot 4057;*
- (b) *provide the Governing Body with a progress report on both the ongoing construction work and the possibilities for development and sale of plot 4057 at its next session.*

(GB.334/PFA/2, paragraph 19, as amended by the Governing Body.)

Third item on the agenda

Progress report on the implementation of the Information Technology Strategy 2018–21 ([GB.334/PFA/3](#))

65. *The Worker spokesperson* said that her group welcomed the efforts taken to strengthen the ILO's efficiency and the emphasis placed on improving the accessibility and reliability of information technology (IT) services in the field. However, more data should be provided on topics linked to the world of work, such as freedom of association, collective bargaining,

social dialogue and tripartism. The awareness and engagement of constituents regarding the discussions on the Future of Work Initiative and the implementation of the SDGs must be strengthened, and efforts to minimize the risks identified in the Strategy should continue. It would have been useful to include an annex listing the completed IT projects and proposed initiatives. Additional details would also be welcome regarding whether the IT Strategy might require adjustment in the light of the level of funding available. The Office should engage with the Staff Union with regard to IT-related changes that had an impact on staff working conditions and data protection.

66. *The Employer spokesperson*, noting with satisfaction the progress that had been made, said that the Strategy should further enhance collaboration and information sharing, particularly between headquarters and the field, and the Office must provide staff and IT users with effective training. It would be useful to have statistics on ILO staff knowledge and practice regarding information security. The BPR recommendations had led to notable improvements in the IT governance process.
67. *Speaking on behalf of the Africa group*, a Government representative of Côte d'Ivoire welcomed the progress made, which enabled the Organization to focus on the future of work, including activities such as teleworking and applications designed to improve the performance and work-life balance of staff. However, the Strategy could not be fully implemented unless the necessary funds were made available. The Office should submit a draft decision specifying its requirements in that regard.
68. *Speaking on behalf of IMEC*, a Government representative of Turkey commended the Office for its efforts in delivering the Strategy, in particular with regard to improving staff productivity, morale and work-life balance. It was unclear whether the 82 IT projects referred to in the document had already been completed. In future reports, the Strategy's outcomes, outputs and indicators should be presented in a tabular format. Noting with satisfaction that the risks identified in the Strategy had been assessed as being manageable, he called on the Office to continue such assessments and report on the results. The November 2019 progress report should contain detailed information on cost-saving measures and on measures to ensure sufficient funding for crucial projects.
69. *A Government representative of Nepal* commended the Office for its efforts and encouraged it to keep up the momentum. He welcomed in particular the initiatives to cut costs and enhance the effectiveness of the ILO's day-to-day operations. Advances in technology facilitated the free exchange of ideas and work in virtual teams, enabling executives and stakeholders to collaborate and communicate effectively.
70. *A Government representative of the Russian Federation* said that the Organization's online resources should be made available in all its official languages. He asked whether the funding for the developments referred to in the document came from the Information Technology Systems Fund (IT Fund) or from the IT management baseline of the Programme and Budget for the biennium 2018–19. Information would be welcome on future plans regarding the Strategy's implementation, including a detailed business case and cost-benefit analysis. It would be interesting to hear about the Office's plans regarding further efficiency measures and the delivery of IT services from less expensive locations. In that regard, it was very important to avoid functional duplication. It would also be useful to know whether any operational, programmatic or financing difficulties had been encountered when implementing the Strategy.
71. *A representative of the Director-General* (Director, Information and Technology Management Department (INFOTEC)), responding to the comments made, said that consideration would be given to the possibility of including annexes on IT projects and initiatives in future updates, instead of having that information only available through links on the ILO website. A new comprehensive trilingual information security awareness programme would shortly be available on the Office's learning platform. The current programme had to be completed by all staff members who used an ILO mobile device and the Office, in consultation with the Staff Union, was looking into making such training

mandatory for all staff. Three campaigns had recently been run to raise staff awareness of phishing. There had been a significant decrease in information-security related incidents over the past year. In all, 80 per cent of staff members had taken up an offer of a programme allowing them to use McAfee Internet security software on multiple devices at home. Nevertheless, much remained to be done to further reduce the risks posed by the human aspect of information security.

72. In response to the request to submit a draft decision on the item, he recalled that all large-scale initiatives and associated funding levels had been included in the Strategy. At its October–November 2017 session, the Governing Body had approved a decision to reactivate the IT Fund and to determine the biennial contribution thereto in future programme and budget discussions. Therefore, any funding proposals for such initiatives would be contained in the Programme and Budget proposals for 2020–21 for the Director-General's consideration.
73. Over 70 of the 82 projects referred to in the document had been completed, with the remainder, with the exception of one, on schedule for completion by the end of 2018. In the future, the Strategy's outputs, indicators and targets could certainly be presented in a tabular format. He clarified that the IT Fund had not been resourced for 2018–19 and the 82 projects in question had been funded directly from the baseline budget allocation. Noting that the technology platform supporting the ILO's public website and SharePoint-based intranet sites supported all the official languages of the Organization, he highlighted that the various ILO departments who own these sites were responsible for providing content in the three languages. Steps had also been taken to ensure that those websites were accessible to persons with disabilities.
74. The Strategy had been formulated taking into account all of the associated costs, benefits and outcomes and each proposed deliverable. Funding requirements had been identified for those deliverables and had been vetted by the IT Governance Committee. The 2019 work plan should be completed by the end of 2018. Over the past few years, savings had been made in 26 areas, and these savings been redeployed to deliver on value-added solutions. Some areas of saving included the renegotiation of licences, the outsourcing and offshoring of services, using the cloud, leasing rather than purchasing equipment, the decommissioning of legacy applications and participation in UN system-wide competitive bidding exercises.
75. With regards to delivery of IT services from less expensive locations, approximately 40 per cent of all ILO IT staff were currently located in the field and many services were managed at lower-cost locations than Geneva. External partners and vendors were selected based on respect for the ILO's principles and values, as well as on financial considerations. When using external service providers, great care was taken to ensure that ILO IT staff affected by the move to cloud services and offshoring were retrained and reskilled.
76. In response to concerns raised about functional duplication, the number of ILO applications had been reduced from 250 to 150 over the past couple of biennia. All requests for new applications were carefully vetted to check for existing solutions and many IT services and functions had been rationalized, streamlined and consolidated. The services now provided to the field were essentially the same as those being provided to headquarters.
77. In noting challenges, the primary challenge facing the Office is the need to ensure that the IT function remained agile and responsive in the face of constantly changing shifts in demand. To manage risk, a risk register was maintained and a number of remedial actions had taken place to mitigate these risks. Many UN reform initiatives had an IT component, the scope and impact of which required analysis. Consequently, INFOTEC had to constantly reprioritize work and, in order to be able to do so, had to leverage contracts in place with strategic partners which allowed INFOTEC to ramp up or scale down resources accordingly. Regrettably, external forces and unplanned requests meant that resources sometimes had to be diverted away from planned work, leading to delays in the delivery of some strategy outputs.

Outcome

- 78. *The Governing Body took note of the report contained in document GB.334/PFA/3 and provided guidance to the Office.***

(GB.334/PFA/3.)

Fourth item on the agenda

Other financial questions

Appointments to the Investments Committee of the International Labour Organization ([GB.334/PFA/4](#))

- 79. *The Employer and the Worker spokespersons expressed support for the draft decision.***
- 80. *Speaking on behalf of IMEC, a Government representative of Canada noted that the ILO Staff Pension Fund had only one remaining beneficiary. He asked why that beneficiary had not been transferred to the United Nations Joint Staff Pension Fund (UNJSPF), why the separate fund was maintained and whether there were associated costs. IMEC supported the draft decision.***
- 81. *A representative of the Director-General (Treasurer and Financial Comptroller), said that the remaining beneficiary was the widow of a previous Director-General, Wilfrid Jenks, who had contributed to the ILO Fund but not to the UNJSPF, which therefore had no liability in respect of his survivors. Since 1998, pensions payable from the then exhausted ILO Pension fund were paid through provisions made within the regular budget of the Office. The administrative costs for administering the one beneficiary were zero, being absorbed by the Office unit responsible for supporting all other UNJSPF pensioners.***

Decision

- 82. *The Governing Body renewed the appointment of Mr René Zagolin, Mr Xavier Guillon and Mr Max Bärtsch as members of the Investments Committee for a further period of three years, expiring on 31 December 2021.***

(GB.334/PFA/4, paragraph 3.)

Audit and Oversight Segment

Fifth item on the agenda

Independent Oversight Advisory Committee: Appointments ([GB.334/PFA/5](#))

- 83. *The Worker spokesperson said that her group supported the draft decision on appointments to the Independent Oversight Advisory Committee (IOAC) but shared the selection panel's concerns about the lack of geographical diversity and balance between developed and***

developing countries, noting that GRULAC and the Africa group had not been represented in the shortlist of candidates. The Workers hoped that the use of the field structure outlined in subparagraph (c) of the draft decision would allow the candidate pool to be expanded while respecting the criterion of professional competence.

84. *The Employer spokesperson* said that the engagement of an external consultant to the selection process had greatly facilitated the panel's work in screening and shortlisting candidates. While the criteria of competence, experience and integrity had been met, private sector experience was not sufficiently represented. His group shared the Workers' concerns about lack of geographical diversity and balance and supported the proposed use of the ILO's field structure to expand the selection pool. The Employers supported the draft decision.
85. *Speaking on behalf of ASPAG*, a Government representative of Saudi Arabia recalled the efforts of the Governing Body at its 331st Session to streamline the work of the Committee and update its terms of reference, in particular with regard to selection, appointment and term. He reiterated that consideration of geographical diversity and distribution, gender balance and balance between developed and developing countries should be maintained in the selection process and agreed that search information should be further disseminated among the social partners. ASPAG supported the draft decision.
86. *Speaking on behalf of the Africa group*, a Government representative of Nigeria said that although the selection process complied with the Committee's terms of reference in respect of consideration of professional competence, integrity and experience, the shortlist of candidates did not fully reflect all the required criteria. The apparent lack of geographical diversity and balance between developed and developing countries did not reflect the inclusiveness desired by the Organization. His group supported the adoption of subparagraphs (a) and (b) of the draft decision but proposed that subparagraph (c) should be amended to delete the words "beyond the requirements of the IOAC terms of reference" and that the requirement for inclusiveness be incorporated in the terms of reference.
87. *Speaking on behalf of GRULAC*, a Government representative of Brazil thanked the outgoing members for their contribution to the work of the IOAC and wished every success to the selected candidates. It was of crucial importance to improve regional and geographic distribution and diversity in order to ensure the continued legitimacy of the system. The Organization should always seek out the best talent, wherever that might be found, including in developing countries. His group supported the points raised by the Africa group and concurred with the Workers and Employers concerning the use of the Organization's field structure for outreach to achieve better balance. GRULAC supported the draft decision.
88. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom said that her group fully endorsed the benefits, value and importance of the IOAC and considered it as complementary to other oversight bodies. IMEC acknowledged the successful selection process applied, thanked the outgoing members for their valuable contributions and welcomed the appointment of the three new members and four reserve candidates as proposed. IMEC endorsed the proposal to use the field structure to disseminate search information in order to further diversify and expand the candidate pool, as that was fully consistent with paragraph 19 of the terms of reference and did not see any need to modify the terms of reference in this regard. Her group supported the draft decision, with the amendment proposed by the Africa group.

Decision

89. *The Governing Body decided:*

- (a) *to convey its appreciation to Ms Bushra Naz Malik and Mr Luis Chinchilla for the valuable contributions they have made to the work of the Independent Oversight Advisory Committee (IOAC) during the periods 2013–15 and 2016–18;*
- (b) *to appoint Mr Frank Harnischfeger and Mr N.R. Rayalu as continuing members, Ms Malika Aït-Mohamed Parent, Mr Verasak Liengsriwat and Ms Marian McMahon as new members of the IOAC for a term of three years commencing on 1 January 2019, and to retain the candidatures of Mr Rohil Hafeez, Ms Lynn Haight, Mr Igors Ludborzs and Mr Ciaran Spillane on a reserve list; and*
- (c) *to request the Director-General to use the Office field structure to further disseminate the search information to member States and social partners and to ensure sufficient time is foreseen for this process in an effort to further diversify and expand the pool of candidates.*

(GB.334/PFA/5, paragraph 9, as amended by the Governing Body.)

Sixth item on the agenda

Annual evaluation report 2017–18

([GB.334/PFA/6](#))

90. *The Employer spokesperson* said that the Office appeared to be on track to implement the new Evaluation Strategy for 2018–21 and achieve the three outcomes defined therein. With regard to outcome 1, submissions of independent evaluations were seen as being positive. The scant submissions for self-evaluations and internal evaluations could reflect low awareness, lack of accountability or other constraints. Recommendation 1 could well increase the submission rate, and the new training provided by the Evaluation Office (EVAL) on the Internal Evaluation Certification Programme supported the capacity-building of staff in that regard. The Office should ensure that the training was provided to those responsible for projects, including those in non-regular budget posts. His group supported the themes of the high-level evaluation, in particular the institutional evaluation of research and knowledge management in 2020. In respect of outcome 2, cluster evaluations should be tested and expanded rapidly to achieve efficiency and impact. The Office might consider conducting cluster evaluations of flagship programmes. The independence of EVAL staff was a matter of paramount importance. The Employers favoured expediting the implementation of the recommendation made in the 2016 independent evaluation of the ILO's evaluation function concerning enhanced structural independence for regional evaluation officers. Concerning outcome 3, his group appreciated the greater visibility and accessibility of knowledge and information on results. He requested the Office to maintain the quality of its responses and to ensure that the recommendations made in evaluations were closely monitored. Lastly, evaluation findings and recommendations must be used to inform strategic guidance and the Office must remain flexible in order to improve the link between the work of the Strategic Programming and Management Department (PROGRAM), the Partnerships and Field Support Department (PARDEV) and EVAL. The steps taken to connect the three dashboards and to make them more user-friendly were in the right direction. The conclusions and recommendations resulting from institutional evaluations

should inform programming and project design. The Employers' group supported the three recommendations and the draft decision.

91. *The Worker spokesperson*, in respect of outcome 1, noted with satisfaction that all independent evaluations had been completed on schedule but also noted that the completion rate of self- and internal evaluations was low. The Workers agreed with recommendation 1 and with the topics for high-level evaluations presented in table 1 and took note of continued efforts to upgrade the evaluation capacity of ILO staff. There was a need to strengthen incentive structures and to ensure that evaluation work was recognized in job descriptions and performance appraisals. Her group welcomed the progress made in strengthening constituents' capacities in respect of evaluations and highlighted the need to strengthen their capacity to engage in reviews on DWCPs and national SDG reviews. The recently developed training programme on evaluation capacity in that regard should be implemented in countries where new generations of DWCPs were being developed. The Workers welcomed the idea of expanding the collaborative network of training programmes for national training institutions to build national evaluation capacities.
92. Emphasizing the importance of reaching agreement with donors on how to reflect clustering in donor agreements, she said that the studies on cluster evaluations and normative work were welcome. She noted the importance of EVAL's SDG evaluability diagnostic instrument. The group supported the review of reporting lines of regional evaluation officers. However, the lack of gender mainstreaming into evaluations was a concern. Similarly, constituents were not always sufficiently involved in project formulation or implementation. The Annual Evaluation Report 2018–19 pointed to the need for methodological review, which was important for the monitoring, evaluation and reporting on SDGs. She noted the progress made on *i-eval* Discovery and encouraged EVAL to continue enhancing the automated system for the management follow-up to evaluation recommendations. The Workers' group supported the draft decision.
93. *Speaking on behalf of IMEC*, a Government representative of Finland, while pleased with the progress accomplished, asked the Office for a technical reference document defining the end targets and indicators. IMEC urged the ILO to intensify efforts to fulfil evaluation obligations and welcomed the launch of the Evaluation Managers and Internal Evaluation Certification Programmes to that end. In that connection, IMEC expressed interest in the distance-learning training module and curriculum and appreciated that it was considered a best practice in the UN system. It supported the inclusion of evaluation responsibilities in job descriptions and performance appraisals. Stressing the importance of systematic reporting on evaluation-related initiatives, IMEC expected to see the first results of sub-outcome 1.5 in the Annual Evaluation Report 2018–19. Also, gender mainstreaming in evaluation needed to improve. In contrast, the proposed evaluation of the ILO's work to promote fair and effective labour migration policies went beyond what the International Labour Conference had called for in 2017 and, as such, should be redressed. IMEC welcomed clustered evaluations in the right conditions and not only for efficiency reasons. IMEC also welcomed the revision of evaluation models and guidance putting greater emphasis on integrating gender, disability and the ILO's specific mandate and context, including SDGs.
94. She asked the Office whether a procedure was planned for constituents to contribute to a framework for mandatory quality reviews of impact evaluations. She also asked the Office to clarify whether it had made provisions to include results of externally managed evaluations of ILO projects and links to non-ILO evaluation clearing houses covering related thematic topics in *i-eval* Discovery, as IMEC had advocated. In commenting on Part II, IMEC supported recommendation 2 noting that it should keep in mind donor accountability requirements. The proposed focus on enhanced approaches to measuring higher level effectiveness was appreciated with a more comprehensive and informative approach applied to planning and managing evaluations. In supporting recommendation 3 it was noted that

this should, as proposed, cover both global and country level. IMEC supported the draft decision and, with the substitution of “promoting fair recruitment” for “promoting fair and effective labour migration policies,” foreseen for evaluation in 2021, supported the priorities identified in the report for the 2019–21 programme of work for evaluations.

95. *Speaking on behalf of the Africa group*, a Government representative of Chad lauded the teamwork behind the ILO’s new results-based strategy for the period 2018–21, which had been recommended across the UN system. The document accurately reflected the changes expected in the implementation of programmes, activities and projects with a focus on results rather than processes. He supported the draft decision and the priorities for the 2019–21 programme of work for evaluations.
96. *A Government representative of Nepal* attached importance to its partnership and collaboration with the ILO and the norms and standards it advocated. He commended the decision to adopt the new results-based evaluation strategy and wished to see a cost-benefit analysis annexed to the report. The regular evaluation of partners was vital for results. He supported the draft decision.
97. *A representative of the Director-General* (Director of the Evaluation Office (EVAL)) said that the progress report in Part I showed that good progress had been made on the three strategy outcomes, with almost 80 per cent of the 19 biennial indicators on track or completed. Despite progress, there was still a need for improvement. One area of particular focus was internal and consisted of self-evaluations despite EVAL’s efforts to ensure compliance by managers. He welcomed the endorsement of the recommendation to incorporate self-evaluation for projects under US\$500,000 in final reports which would reduce the burden. In response to questions from IMEC, he said that end targets and means of verification for achievements had not been included in the report due to word limitations, and that the requested information was available in the evaluation strategy. He confirmed the accessibility of the distance-learning module and training materials for evaluation managers and internal evaluation but emphasized that they would be most useful in combination with face-to-face training and the practicum. Regarding the recognition of the evaluation managers’ extra work, EVAL was engaged in discussions with the Human Resources Development Department on how this could best be included in their performance appraisals. Similarly a review was ongoing on the reporting lines for regional evaluation officers. He also confirmed the possibility of including external evaluations of ILO projects in the database. Regarding training for constituents, the purpose was not to train them in evaluation but rather to improve their skills to engage in evaluations, including in the process of voluntary national reviews as part of implementing the SDGs and to show them the links between those Goals and the Decent Work Agenda. Evaluation fatigue was one of the reasons for the initiative of cluster evaluations. The new policy aimed to do fewer but better evaluations and if there was interest in evaluations that were more strategic and more informative on impact there should also be more latitude to pool funding across projects and focus more on learning instead of just accountability. He highlighted EVAL’s efforts, such as joint evaluations, to reconcile donors’ accountability requirements. Addressing the issue of quality of evaluations, especially in relation to gender, he said that despite that fact that 90 per cent of them met international quality standards, there was scope for improvements in order to better capture gender and ILO-specific mandates that were currently not systematically provided for in the design of projects and programmes. Turning to impact evaluations, ex post quality control would be conducted in order to ensure that any impact evaluations done by the ILO as part of learning were in line with international standards, as ILO credibility must be preserved. Regarding the follow-up to recommendations, the automated system was already in place and proved to be effective in improving the response rate and quality. He had taken note of comments made on the selection of upcoming high-level evaluations included in the report, in particular on migration, and would review the document to redress that focus.

Decision

- 98.** *The Governing Body took note of the report contained in document GB.334/PFA/6 and endorsed the recommendations (paragraphs 17, 77 and 88) for implementation by the ILO, to be reported on in subsequent annual evaluation reports. It also confirmed the priorities identified in the report for the 2019–21 programme of work for evaluations.*

(GB.334/PFA/6, paragraph 89.)

Seventh item on the agenda

High-level evaluations of strategies and Decent Work Country Programmes ([GB.334/PFA/7](#))

- 99.** *The Worker spokesperson* supported the recommendation for the ILO to promote holistic solutions to youth employment rather than piecemeal approaches. It was important to create a better balance between supply-side measures and demand-side initiatives – even ILO staff believed that the area where the ILO had made the smallest impact was young workers’ rights. Urgent remedial action was required. She agreed with the recommendations, in particular the focus on employment quality and equity, and on the engagement of tripartite constituents in programme design and implementation. Ensuring access for young people to decent work was also important; more resources should be allocated to that issue in future.
- 100.** Referring to Part II, she welcomed the evaluation’s recommendations regarding capacity development and asked the Office to take them into account when developing the next programme and budget and the capacity-development strategy to be submitted to the Governing Body in March 2020. To make the capacity of constituents to engage in social dialogue more visible, there should be a dedicated outcome on social dialogue and collective bargaining in the next programme and budget. The proposal on the need to enhance the involvement of ACTRAV and ACT/EMP in the various stages of the capacity development strategy was welcome. It was crucial to assess whether ILO training participants were putting what they had learnt to good use, and whether it had made a difference or contributed to a wider programme of capacity development in their organizations. Capacity development should be built into programmes and projects and constituents should be sufficiently engaged to allow their own capacity to be strengthened as part of a broader strategy of organizational development. She requested clarification concerning the wording of paragraph 53, and under paragraph 57 regarding the role of the International Training Centre of the ILO (Turin Centre) she asked whether there were additional training centres providing services or whether there would be country-level capacity building.
- 101.** She noted the progress made on employment and social protection for Syrian refugees in Jordan and Lebanon but expressed concern about other areas such as rights, working conditions and social dialogue, and expected the Office to work on all decent work deficits, including freedom of association, and on a greater involvement of national stakeholders. The integrated strategy would ensure the interventions were not just temporary remedies. She welcomed the support provided by the Office to the Founding Congress of Domestic Workers’ Union, regretting that it was limited to a year. She supported the recommendations, but did not understand why the Office had only partially accepted recommendation 6. The humanitarian plight of the Syrian people called for a more concerted intervention in close cooperation with all concerned bodies, also to address labour conditions in both countries. She supported the draft decision.

102. *The Employer spokesperson*, referring to the findings of the independent evaluation of the ILO's strategy and actions for improved youth employment prospects, 2012–17, set out in Part I, said that the ILO's work with employers' and workers' organizations had not sufficiently been taken into account in the evaluation. Employers' organizations and their member enterprises played a critical role in advancing youth employment, and the global impact and sustainability of their work with the ILO should be evaluated in the future. Future evaluations should also consider how the concerns and demands of employers had been taken into account in the ILO's youth employment programmes and projects. As there was no one-size-fits-all approach to youth employment, a comprehensive evaluation on what did not work should be carried out, with the participation of employers' organizations, in order to identify obstacles to youth employment growth at the country level and to develop country-specific policy interventions. The Enabling Environment for Sustainable Enterprises programme would be a valuable tool in that regard. ILO programmes and projects should anticipate change and ensure timely interventions to create employment opportunities for young people.
103. Turning to Part II, he expressed deep concern about the findings of the evaluation, especially as previous evaluations such as the high-level evaluation of the ILO's field operations and structure had highlighted similar shortcomings. The Office should adapt rapidly to ensure that capacity-development efforts were relevant in the current context of change. The evaluation had not taken into account the impact of the changes on constituents in the world of work, the SDGs or the reform of the UN development system, which would affect the comparative advantages of the ILO. The constituent-driven programmes offered by the Turin Centre provided valuable services for field offices with challenges in making it a priority for donor funding but their financial and technical sustainability must be a priority. It was regrettable that, although the criterion of sustainability had received the lowest rating (unsatisfactory) in the evaluation, nothing had been said on how to improve the situation. Noting that the evaluation recommended a consolidated capacity-development strategy which should include the required instruments and tools, he said that although the ILO's programme and budget should provide a coherent and comprehensive overview of capacity-development activities, very few of the measurement criteria for the outcome indicators were specifically linked to capacity development. Even if a capacity-development element was built into the measurement criteria, there would be no guarantee that the necessary resources would be channelled to capacity development. The strategy should therefore be integrated in such a way that would allow all the policy outcomes to make capacity development a central responsibility.
104. Noting that a better understanding was needed of the linkages between all ILO activities involving employers' organizations and the work of ACT/EMP, he said that ACT/EMP should be consulted in respect of all capacity-development work carried out in the field offices, from the design stage, in order to improve coherence, impact and sustainability. In order to move forward, and prior to the March 2019 session when the new capacity-development strategy would be presented, the Office should work in coordination with both ACT/EMP and ACTRAV to refocus capacity development on the needs of constituents.
105. Referring to Part III, he said that the evaluation appeared to adopt a low-risk approach towards the Syrian refugee crisis, rather than propose a more ambitious path for the ILO. The ILO footprint in the region would increase in the future. Unfortunately, the recommendations did not provide guidance on how to strengthen its leadership role in helping governments overcome their practical problems and change mentalities. The ILO, in partnership with other UN agencies, must support constituents in responses on refugee access to the labour market. He supported the draft decision.
106. *Speaking on behalf of the Africa group*, a Government representative of Côte d'Ivoire said that the group supported the recommendations of the independent evaluation of the ILO's strategy and actions for improved youth employment prospects, 2012–17. The ILO should

build on what had been achieved and better use the existing expertise. Addressing youth employment was an absolute priority and essential for economic development and social stability. Despite numerous initiatives, youth unemployment remained a reality in many countries and efforts to counter it were essential, particularly in African countries, where the informal sector and subcontracting played key roles. Regarding the ILO's capacity-development efforts (all constituents) – 2010–17, the results were not satisfactory, and the strengthening of constituents' capacities would contribute to achieving the ILO's strategic objectives and required a consolidated strategy that should also be evaluated. He supported the proposed recommendations, saying that capacity development should remain a means of action to achieve all the objectives, rather than a results area in its own right. The speaker remarked on the comprehensiveness of the evaluation of the ILO's programme of work in Lebanon and Jordan. He noted the contribution of essential factors such as gender and discrimination to the Decent Work Agenda. DWCPs were seen as being strategic tools that had greatly contributed to advancing decent work in numerous countries and that had frequently provided assistance in emergencies in Jordan and Lebanon. He endorsed the draft decision, subject to his observation on the recommendation on ILO action regarding the capacity development of its constituents.

107. *Speaking on behalf of IMEC*, a Government representative of Australia thanked EVAL for its work, especially on the three evaluations for discussion on this agenda item. He stressed that input from country visits was valuable for establishing effective DWCPs, ensuring the best outcomes, achieving long-term sustainability and attracting donor funding. Regarding the youth employment prospects evaluation, gender considerations should be included in all project delivery. Regarding recommendation 3, IMEC welcomed the undertaking of new targeted research for more informed decision-making. More infographics and digestible communications products, including online tools, checklists and fact sheets, should be used to widely share the ILO's significant research and help constituents to avoid replicating mistakes. Regarding the evaluation of the ILO's capacity-development efforts, IMEC supported the initiatives to develop the capacity of the tripartite constituents and the promotion of women in leadership roles. He encouraged constituents to share training within organizations to improve institutional memory. On the ILO's programme of work in Lebanon and Jordan, he noted the complexity of the object of evaluation and the difficulty in conducting the evaluation because of information gaps. Decisive action at an early stage was important to determine the right response level. IMEC supported the draft decision.
108. *A Government representative of Bangladesh* said that youth unemployment rates remained high and were worse in developing countries due to high population density, overall unemployment and vulnerability, and lower access to education and skills. The recommendations from the independent evaluation of the ILO's strategy and actions for improved youth employment prospects, 2012–17, were very important for the country. Bangladesh had a huge demographic potential and had adopted a "National Skill Development Policy 2011", established a "National Skill Development Authority", and was working with the ILO to develop a national job strategy. Intensive job-oriented training programmes were being carried out, with a particular emphasis on girls, as many rural young people were unable to access vocational and skills development training. Youth constituted a major part of international migration, not just increasing remittance earnings but also bridging the supply gap in developed destination countries. Demand-based skills development training, universal recognition of skills and prior learning were crucially needed, both to increase employability and productivity, and to ensure decent working conditions in developing countries. Global partnerships were needed for the development and implementation of flagship programmes for vulnerable youth. They had a capacity for innovation that could be used in generating green jobs and new technologies to address the negative effects of automation in production processes. She supported the draft decision.

109. *A Government representative of India* said that youth employment could be directly linked to upward mobility. Young people were likely to be at the forefront of changes in the world of work and it was important to create an ecosystem of appropriate policies and programmes to promote their health, education and employment, and to provide them with skills and training. The ILO's results-based management (RBM) system should provide a comprehensive overview of its work on youth employment. She noted the recommendations, supporting those on exploring the opportunities and risks for young people posed by new developments in the world of work, and youth engagement, especially at the country level, in policy and programme development. In India, all stakeholders, including beneficiaries, were involved in formulating legislative amendment policies. She stressed the importance of the overarching development objective of India's DWCP and its priority of promoting employment skills in sustainable enterprises, welcomed the recommendations on state sectoral-level sustainable job strategies, and looked forward to ILO technical advice in new areas of work and youth employment. The development of effective employment-generation programmes, particularly for youth not in employment, education or training, was a challenge for the Asian region, and the ILO should help by formulating tailor-made programmes. She welcomed recommendation 9 and expected enhanced technical relations between the Turin Centre and the National Labour Institute of India. In reframing a policy for providing employment opportunities to refugees, a distinction should be made between the international migratory workforce and refugees, with different policy responses to be decided independently by countries. To be effective and enable the institution and person concerned to grow, capacity-development activities should be systematically followed by an assessment and strategic response.
110. *A Government representative of China* said that he welcomed the timely evaluation of the relevant strategies and actions to promote youth employment, which identified the need to improve project coordination and to strengthen plans and budgets to ensure sufficient resources for projects. As youth employment was an issue that involved many departments, internal coordination should be strengthened to improve efficiency. The evaluation of the project's impact should be consolidated, with the activities of the projects being summarized and their medium- to long-term influence assessed. The ILO's professional planning strength should be leveraged to play an active leading role in the global initiative on decent jobs for youth. Entrepreneurship training and high-quality apprenticeships were important tools to boost youth employment. He hoped that the secretariat could design and develop more country-based projects according to national conditions, and provide more technical assistance to constituents. Research on entrepreneurship training and apprenticeships should be improved and more research reports should be published to impart experience to tripartite constituents. For the evaluation of the ILO's capacity development efforts, he noted that the evaluation results were important for constituents. The evaluation did not give the secretariat high ratings for capacity development, and suggested drafting strategic capacity-development plans, setting out clear evaluation standards, strengthening communication and coordination at country level, and effectively optimizing the projects with better planning and budget arrangements based on the circumstances of member States and their development priorities. The Turin Centre should play a greater role in capacity development, with training being innovated and upgraded, and more training resources leveraged through South-South and tripartite cooperation. He noted the progress made in Lebanon and Jordan and supported the secretariat's continued work to help those Governments better cope with the crisis and better protect the labour rights of refugees. He requested further clarification on the resource implications of the recommendations and supported the draft decision.
111. *A Government representative of the Syrian Arab Republic* highlighted the improvements in the Syrian Arab Republic and said that a safe return had been possible for the displaced. He looked forward to more cooperation with the ILO to ensure the safe return of all internally displaced persons.

- 112.** *A representative of the Director-General* (Deputy Director-General for Policy) said that the evaluation identified the rights-based approach as one of the weakest areas; it was now being addressed, including through the recent reviews of policies for youth employment, the *Global Employment Trends for Youth* series, the *Guide to international labour standards and rights at work concerning young people*, the module at the Turin Centre, and the next global initiative for youth employment. On gender, she said that every *Global Employment Trends for Youth* publication provided gender-disaggregated data and analysis, and that the principal focus of youth NEETs (not in employment, education or training) was on young women, who invariably constituted that group. In the Middle East and North Africa (MENA) region, the Taqueem project and the Global Initiative on Decent Jobs for Youth had a strong gender focus. Efforts had been made to involve constituents in the design and frequently in the implementation of all-country action plans. A balance was sought between supply and demand needs, promoted in the Youth Guarantee programmes in Europe and in the public works programme in Africa, and the apprenticeships emphasis was used as a link between supply and demand. Concerning the involvement of employers at country level, the School to Work Transition carried out surveys of employers along with the MasterCard Foundation. New research was being conducted on youth aspirations and the Global Initiative meeting in 2018 had included young representatives from both workers' and employers' organizations. The ILO was focused on preparing the workforce for jobs of the future. Concerning the resource implications of the recommendations, they would require some refocusing and rebalancing.
- 113.** *A representative of the Director-General* (Director, EVAL) explained that in line with common practice his interventions for this paper were only focused on methodology and factual mistakes. He confirmed that there was indeed a mistake in paragraph 53 which should read: "gender equality and non-discrimination are mainstreamed ...". Regarding the Turin Centre, the evaluation had indicated that it was not the sole provider as many projects provided capacity-building. Demand clearly outstripped supply and the evaluation had identified the use of local training institutions as an important element to strengthen the response. Regarding the consultation process on the youth employment evaluation, evaluations were evidence-based using data collected from reports, but also from surveys and face-to-face interviews in the country case studies with all constituents. The International Organisation of Employers (IOE) had been consulted on the scoping before the evaluation. While improvements were still possible, efforts had been made to ensure all constituents were involved.
- 114.** *A representative of the Director-General* (Deputy Director-General for Field Operations and Partnerships) noted the concerns voiced about ACTRAV and ACT/EMP being involved from the outset in the capacity-development strategy. He reported that ACTRAV and ACT/EMP were already involved in the capacity-development strategy group.
- 115.** *A representative of the Director-General* (Regional Director for the Arab States), responding to the concerns raised, stressed that the Syrian crisis response had given the Regional Office a stronger voice and wider opportunities. The resources had strengthened the ILO capacity to empower and further build the capacities of its constituents, with construction sector permits, capacity-building, job creation, employment programmes and support to the private sector. The Founding Congress of Domestic Workers' Union received continued support and work was being done to improve policies. The recommendation on gender had indeed been partially accepted: she went on to note the achievements in Jordan with support for teachers, almost all of whom were women; BetterWork Jordan had just conducted a gender analysis of its programme and its next phase would include a greater gender focus; even in infrastructure projects, 13 per cent of workers were women. The Regional Office was going to conduct a gender audit that would serve as a stocktaking exercise and guideline in moving forward. There had been good coordination and practices in Jordan through the skills specialist, and the agreement of some staff members to become focal points and thematic coordinators for projects other than their own.

Decision

- 116.** *The Governing Body requested the Director-General to take into consideration the recommendations of the three high-level independent evaluations presented in document GB.334/PFA/7 (paragraphs 33–39, 71–79 and 120–126) and to ensure their appropriate implementation.*

(GB.334/PFA/7, paragraph 136.)

Eighth item on the agenda

Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU ([GB.334/PFA/8](#))

- 117.** *The Employer spokesperson* took note of the fact that the ILO had implemented most of the Joint Inspection Unit's (JIU) recommendations. The JIU had recognized the ILO's long-standing, comprehensive experience in knowledge management, while acknowledging that the ILO could also learn from best practices in other organizations that had tested other knowledge management systems. The Office should respond to the JIU's call to ensure a more consultative approach to conducting donor assessments and should seek to improve in the unsatisfactory areas identified by the Multilateral Organization Performance Assessment Network in 2016.
- 118.** *The Worker spokesperson* said that overall her group supported the Office's position regarding the JIU recommendations. The recommendations related to support for small island developing States were relevant for the ongoing support of the specific needs of those countries, therefore the Office should take them into account when preparing the Programme and Budget for 2020–21 and in the follow-up to the resolution concerning effective ILO development cooperation in support of the SDGs. She shared the concerns of the UN System Chief Executives Board for Coordination (CEB) and the ILO regarding the time and resources that would be required to give effect to recommendation 1 on safety and security in the UN system. Among the accepted recommendations, she welcomed the UN system-wide road safety strategy and the forthcoming appointment of an internal focal point on road safety. She noted that the recommendation on online booking tools for air travel had not been accepted; further work related to efficiencies in air travel which would have an impact on staff should be consulted with the Staff Union.
- 119.** Standardization and streamlining of the donor review processes throughout the UN system was welcome, but it was also important to leave space for agencies' specific assessments and dialogue with donors. She asked why the Office had not commented on the review of the UN system–private sector partnership arrangements in the context of the 2030 Agenda and requested that the Office share its position on the related recommendations, as it would inform the Governing Body's discussion on UN reform. In relation to the follow-up to JIU reports and recommendations, she expressed concern regarding the JIU's one-size-fits-all approach to legislative bodies across the UN system, as well as the time and resources required to implement some of the recommendations. She therefore supported the fact that the CEB had partially accepted some recommendations or noted them with observations.
- 120.** *Speaking on behalf of IMEC*, a Government representative of Canada said that the work of the JIU was particularly relevant to the implementation of the 2030 Agenda and the UN reform, and the overall work of the ILO. She expressed concern that not all JIU reports issued in 2017 had been included in document GB.334/PFA/8, especially as some were particularly

pertinent to the ILO's work. She requested that future reports identify which recommendations were directed to the Governing Body as opposed to the Director-General, in order to facilitate decision-making. She encouraged the Office to ensure that it remained current in tracking its implementation actions in the web-based system of the JIU, as it seemed that it had fallen materially behind. It was pleasing that the JIU's conclusions on the work of the ILO were generally positive; for example, the ILO had been the only agency with a formal, holistic and stand-alone RBM strategy. She requested that the reports on whistle-blowers and investigation functions be included in the next update to the Governing Body, and looked forward to future reporting on improving administrative support services through enhanced interagency cooperation and on the UN System-Wide Action Plan on Gender Equality and the Empowerment of Women.

121. Noting that the Office generally responded to all recommendations and accepted most, or provided appropriate reasons why they had not been accepted, she sought clarification on why recommendation 6 on air travel policies had not been accepted, as having one centralized online booking system seemed to be more cost-effective, and requested information about the cost-benefit analysis that had been used. Regarding recommendations 4 and 5 on follow-up to JIU reports, she asked whether the Office provided regular updates to the JIU on the implementation status of accepted recommendations. She also asked why recommendation 6 on knowledge management had not been accepted. Finally, she encouraged the ILO to rate the relevance of the topics envisaged for future JIU reviews in line with its priorities.
122. *A representative of the Director-General* (Director, PROGRAM), responding to the representative of IMEC, confirmed that the ILO responded to all of the JIU's recommendations, most of which were either accepted, under consideration or already implemented. The JIU's reports were submitted to the Governing Body with comments from the CEB. The electronic version of the Office document contained links to those comments in footnotes. Where there had been a delay in receiving comments from the CEB, the corresponding reports were not included in the present Governing Body document, and would be included in the next update.
123. In response to the Worker spokesperson's comment on support for small island developing States, he noted the Office's participation in the Samoa Pathway processes and its efforts to actively support those member States, including in the development of DWCPs and UNDAFs. Turning to safety and security in the UN system, the Office had accepted recommendation 2 on road safety and had appointed a road safety focal point. The Office welcomed the JIU's review on donor-led assessments. Given the importance of the recommendations resulting from such assessments, the Office had made the majority of those reports public.
124. Responding to the question from the IMEC representative on online booking tools for travel, he noted that the Office had been constantly refining its system over the years and would continue to do so to ensure that it was as efficient as possible. He recalled that the JIU had noted that economic fares were not necessarily linked to the shortest routes. Some complex travel arrangements often required a number of derogations, which in turn could make the implementation of the JIU's recommendation counterproductive in terms of efficiency. As to reporting on the implementation of recommendations, the Office provided regular updates using the JIU's online tracking system, and had been commended by the JIU for its good practices in this respect. The Office would pursue efforts to ensure compliance with reporting requirements.

Outcome

- 125.** *The Governing Body noted the information contained in the report (GB.334/PFA/8) and provided guidance to the Office.*

(GB.334/PFA/8.)

Ninth item on the agenda

Appointment of the External Auditor

(GB.334/PFA/9)

- 126.** *The Worker spokesperson* expressed support for the draft decision, agreeing that the Chairperson of the Commission on Audit, Republic of the Philippines, should be reappointed as External Auditor in order for the ILO to benefit from the experience acquired during his first mandate.
- 127.** *The Employer spokesperson* also agreed with the draft decision, but asked why the name of the External Auditor had not been included in the paper.
- 128.** *Speaking on behalf of the Government group*, a representative of the Government of Azerbaijan expressed appreciation for the External Auditor's past work and welcomed the draft decision.
- 129.** *A representative of the Director-General* (Treasurer and Financial Comptroller) explained that the appointment was of the person holding the position of Chairperson of the Commission on Audit as it was possible, and had previously occurred, that the individual could change during the mandate. The name of the current Chairperson was, Mr Michael G. Aguinaldo.

Decision

- 130.** *The Governing Body decided to reappoint the Commissioner of the Commission on Audit, Republic of the Philippines as External Auditor for a period of four years from 1 April 2020, covering the 77th and 78th financial periods.*

(GB.334/PFA/9, paragraph 6.)

Personnel Segment

Tenth item on the agenda

Statement by the staff representative

- 131.** The statement by the staff representative is reproduced in the appendix.

Eleventh item on the agenda

Amendments to the Staff Regulations

132. There was no document under this agenda item.

Twelfth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Proposed amendments to the Statute of the Tribunal (GB.334/PFA/12/1)

133. *The Chairperson* informed the Governing Body that the Office had received in the previous days, a communication signed by eight organizations that had recognized the jurisdiction of the Tribunal, followed by five separate letters from other organizations, all indicating their opposition to the proposed amendments to the Statute of the Tribunal.
134. *Speaking on behalf of IMEC*, a Government representative of the United States said that his group supported the proposed amendments to the Statute of the Tribunal in relation to unilateral withdrawal of member organizations, but would appreciate more information about the withdrawal process, if any, for the UN Dispute and Appeals Tribunals, whether that process had been considered when developing the amendments, and whether those tribunals had faced similar issues regarding membership. The Director-General should perform an in-depth comparative analysis, using those two tribunals as a UN system comparator, to discover why international organizations were leaving the ILO Administrative Tribunal and gain ideas on how to strengthen its membership. His group appreciated the efforts already made to address the backlog of cases from the European Patent Office, which had affected the efficiency of the Tribunal.
135. *A Government representative of Switzerland* explained that under host country agreements, and given Switzerland's obligations under the European Convention on Human Rights, international organizations were required to make provision for dispute resolution in order to guarantee the right to a fair trial. Organizations could choose the UN or the ILO Administrative Tribunal, or an equivalent tribunal, as long as it gave staff members access to a dispute resolution system. Given the ILO's historic role as a forum for labour issues, it should ensure the longevity of the Administrative Tribunal in order to retain its influence within the UN system. She therefore supported IMEC's proposal of an in-depth study to establish why members were leaving and draw up potential solutions. As the ILO's core role was to guarantee that the rights of all parties to a labour dispute were respected, it had a greater responsibility than other international organizations in that respect.

Decision

136. *The Governing Body decided to defer consideration of this item to its 335th Session (March 2019).*

(GB.334/PFA/12/1.)

Withdrawal of the Tribunal's jurisdiction by the Technical Centre for Agricultural and Rural Cooperation (GB.334/PFA/12/2(Rev.))

137. *The Worker spokesperson* said that it was difficult to avoid the impression that the decision of the Technical Centre for Agricultural and Rural Cooperation (CTA) in March 2018 to discontinue its recognition of the jurisdiction of the ILO Administrative Tribunal was linked to its dissatisfaction with recent judgments of the Tribunal that were unfavourable to the CTA. While the CTA's decision was regrettable, her group supported the draft decision. She hoped that the amendments to the Statute of the Tribunal would prevent similar situations from occurring in the future.
138. *The Employer spokesperson* noted that the CTA would no longer be subject to the jurisdiction of the Tribunal. His group supported the draft decision and was confident that the Office would follow up on any outstanding costs with the CTA.

Decision

139. *The Governing Body:*

- (a) *took note of the intention of the Technical Centre for Agricultural and Rural Cooperation (CTA) to discontinue its recognition of the jurisdiction of the Administrative Tribunal;*
- (b) *confirmed that the CTA will no longer be subject to the competence of the Tribunal with effect from the date of this decision except as regards the complaint currently pending before the Tribunal;*
- (c) *requested the Director-General to follow up with the CTA regarding the payment of any outstanding costs.*

(GB.334/PFA/12/2(Rev.), paragraph 6.)

Status of the judges of the Administrative Tribunal of the ILO (GB.334/PFA/12/3(Rev.))

140. *The Employer spokesperson* said that his group agreed with the recommendation of the Officers of the Governing Body and therefore supported the draft decision.
141. *The Worker spokesperson* agreed that, given their independence and standing, the judges of the ILO Administrative Tribunal should enjoy the same status as that of their peers in the UN justice system. Her group therefore supported the draft decision and the resolution to be put forward at the Conference.
142. *Speaking on behalf of IMEC*, a Government representative of the United States asked whether an ILC resolution was sufficient to modify the status of the judges of the ILO Administrative Tribunal; his group believed that Annex I to the UN Convention on the Privileges and Immunities of the Specialized Agencies would also need to be amended. He therefore reserved judgement on the draft decision until his query had been clarified.

143. *A representative of the Director-General* (Legal Adviser) explained that the 1947 Convention on the Privileges and Immunities of the Specialized Agencies provided for privileges and immunities for three categories of persons: representatives of member States, officials and experts. As a matter of long-standing practice, the judges of the ILO Administrative Tribunal had so far been considered “experts on mission”, and enjoyed the privileges and immunities set out in paragraph 3 of Annex I to the Convention. As recommended by the Officers, they would henceforth be considered “officials other than staff” in order to align with the status of the judges of the United Nations Dispute Tribunal (UNDT) and the United Nations Appeals Tribunal (UNAT). Under section 18 of the Convention, each specialized agency should specify the categories of “officials” to which the corresponding privileges and immunities would apply and should communicate the information to the Governments of all States parties to the Convention and the UN Secretary-General. Reverting to the question of the Government representative of the United States, he indicated that the ILC resolution would specify a new category of “officials”, other than Office staff members, to whom the privileges and immunities set out in section 19 of the Convention would apply. This would be the first time that the ILO would introduce that category, but “officials other than Secretariat officials” had been in use at the UN for many years. Introducing the new category through an ILC resolution was the most transparent and legally sound way of aligning the status of the judges with that of the judges of the UNDT and UNAT. Finally, he recalled that the judges would be considered “officials other than staff” for the purposes of the 1947 Convention, which meant that the change in their status would be binding on member States parties to that Convention.
144. *Speaking on behalf of IMEC*, a Government representative of the United States confirmed that his concerns had been addressed.
145. *Speaking on behalf of the Africa group*, a Government representative of Uganda noted that the proposed modification of the status of the judges was based on developments in the UN, and agreed that the proposal served the best interests of the ILO, notably improved service delivery. His group therefore supported the draft decision.

Decision

146. *The Governing Body recommended that the International Labour Conference adopt the following resolution granting the status of “officials other than Office officials” to the judges of the ILO Administrative Tribunal and that this status be also reflected in the Statute of the ILO Administrative Tribunal.*

Resolution concerning the status of the judges of the Administrative Tribunal of the International Labour Organization

The General Conference of the International Labour Organization, meeting in its 108th Session, June 2019,

Considering it desirable to extend the privileges and immunities contained in Article VI, Section 19 of the Convention on the Privileges and Immunities of the Specialized Agencies to the judges of the Administrative Tribunal of the International Labour Organization;

Noting that United Nations General Assembly resolution A/RES/70/112 has harmonized the privileges and immunities of the judges of the United Nations Dispute and Appeals Tribunals so that the judges of both Tribunals are considered officials other than Secretariat officials;

Considering it appropriate to align the status of the judges of the Administrative Tribunal of the International Labour Organization with that of the judges of the United Nations Dispute and Appeals Tribunals;

Decides that the judges of the Administrative Tribunal of the International Labour Organization shall be considered as officials other than Office officials and thereby benefit from the privileges and immunities specified in Article VI, Section 19 of the Convention on the Privileges and Immunities of the Specialized Agencies;

Decides to amend the Statute of the Administrative Tribunal by inserting a second sentence in paragraph 1 of Article III as follows:

“The judges shall be considered officials of the International Labour Organization other than officials of the International Labour Office under the Convention on the Privileges and Immunities of the Specialized Agencies.”

(GB.334/PFA/12/3(Rev.), paragraph 5.)

Thirteenth item on the agenda

Other personnel questions

Update on matters relating to the review of the post adjustment system by the International Civil Service Commission (ICSC) and the implementation of the revised post adjustment index for Geneva ([GB.334/PFA/13\(Rev.\)](#))

147. *A representative of the Director-General* (Deputy Director-General for Management and Reform) explained that the revised document was based on recent discussions between five representatives of the International Civil Service Commission (ICSC), five representatives of the UN System High-Level Committee on Management (HLCM) and representatives of the three staff federations, which together formed the contact group that would review the consultative process and working arrangements of the ICSC. The Deputy Director-General for Management and Reform was one of the five HLCM representatives. All parties had accepted the need for a review of ICSC processes building on earlier decisions to reform the post adjustment system. In accordance with the Governing Body's decision at its 332nd Session (March 2018), the Office would continue to actively pursue the subject with a view to restoring confidence in the ICSC and its systems.
148. *The Worker spokesperson* said that the way the ILO proceeded into the next century depended on its people, including during the difficult UN reform process. It was important that the Organization practised what it preached: namely, tripartism, genuine social dialogue, and the importance of freedom of association and collective bargaining. In that respect, the Chairperson of the Staff Union Committee had made a pertinent contribution illustrating the continuing concerns of ILO staff.
149. The Workers' group noted that implementation of the revised post adjustment multiplier resulting in a reduction of about 5.2 per cent of salaries as of June 2018 had led to the submission of more than 1,000 legal appeals across the UN common system, including from

some 300 ILO officials, and that other officials had refrained from filing a formal complaint only in the light of the Office's assurance, on 9 May 2018, that the application of any decision taken by the Administrative Tribunal of the International Labour Organization on the matter would be extended in good faith to all colleagues in the same situation. The Workers expected the Administration to respect that important commitment.

150. Her group acknowledged that there could be considerable costs resulting from any successful appeals before the Tribunal, and therefore supported the decision taken by the Office not to redeploy savings accruing from the implementation of the ICSC decision. The Workers' group accorded the highest priority to the reform of the ICSC's consultative processes and working arrangements, seeing such reform as part of the overall process of instituting a system of strengthened labour relations within the wider context of UN reform.
151. She expressed satisfaction that two meetings had been scheduled to pursue the review of the consultative process and working arrangements of the ICSC based on the items identified at the October 2018 meeting held between representatives of the ICSC, the organizations and staff federations. However, it remained to be seen whether those meetings would achieve the expected outcomes. She requested the Office to continue to engage in the process and take a proactive and leading role in the discussions on the basis of ILO standards and principles related to tripartism and social dialogue. As ICSC reform also required the firm backing and genuine commitment of member States, her group was keen to hear about the actions that Governments planned to take. She expected support from the Employers' group in promoting a reform that was consistent with freedom of association, the right to organize and the right to bargain collectively.
152. With respect to the ILO's ongoing review of the post adjustment methodology, she expected that the commitment of senior management and the technical work of a senior statistician would positively influence the content of the report that would be submitted to the Advisory Committee on Post Adjustment Questions (ACPAQ) in the spring of 2019. In order to reiterate the commitment expressed by the Governing Body in March 2018, she proposed amending the draft decision by adding, at the end of subparagraph (b), the phrase "ensuring that the reform process guarantees the full involvement of the UN workers' federations and respects the basic principles of social dialogue". Moreover, as it was essential to keep the issue alive in the Governing Body, she proposed adding a third subparagraph to the draft decision that read, "requested the Office to report on developments related to the ICSC review of its consultative process and working arrangements as well as of the comprehensive review of the post adjustment methodology at its 335th (March 2019) Session".
153. *The Employer spokesperson* said that his group remained deeply concerned by the decision taken at the March 2018 Governing Body session, the distress and distraction it had caused among staff, and the formal complaints that had been filed. Moreover, very little appeared to have been accomplished since March 2018, and the revised document did not give it full confidence that the review would lead to actual reform, namely a change in the ICSC process.
154. The Employers' group requested further information on whether the nomination of a senior statistician to participate in a task force established to review the conceptual framework of the post adjustment index had been accepted by the ICSC, on the composition of the task force and its specific mandate, and on whether the recommendations of the task force would be binding or at least sufficiently authoritative to generate the required effect.
155. The group sought clarity on the ongoing review in relation to the Governing Body decision of March 2018. Specifically, it wondered whether the review would map out a process to reform how the ICSC operated, and when to expect the ICSC to apply the new methodology.

156. In view of the high number of ongoing and anticipated appeals, the Governing Body must exercise financial prudence. A rough estimate of the financial liability associated with the complaints currently submitted would be appreciated.
157. The overall position of the Employers' group was that the revised document did not offer the clarity and detail required to demonstrate the reform of the post adjustment and other salary survey methodologies, the reform of the working arrangements of the ICSC and the ultimate reform of the ICSC itself. It was not keen to support an incremental accommodation of any positive outcome on the review process, and did not wish to see an outcome that equalized treatment of staff at the lower level. The Office should expedite the process and continue to apply the necessary pressure to ensure a fair outcome. The end goal should be to improve staff morale and show that the Governing Body could preserve an institution that safeguarded its values, principles and people.
158. The Employers' group urged the Workers' and Government groups to unite behind it, as the ILO was the only UN agency with a tripartite governance structure. All constituents must make a collective effort to keep the promises made to staff, and the deliberations and decisions made by the Governing Body must be respected by the UN common system.
159. Regarding the draft decision, the Employers were concerned that the word "reform" had been replaced by the less binding word "review". They proposed that subparagraph (b) should be amended to read, "instructed the Director-General to continue to actively engage with the International Civil Service Commission (ICSC) with the objective of reforming the post adjustment and other salary survey methodologies, and in the review of the consultative process and working arrangements of the ICSC and in the comprehensive review of the post adjustment methodology". However, in a spirit of consensus, it could accept retaining the word "requested" instead of "instructed", provided it encompassed the meaning conveyed in article 8 of the ILO Constitution.
160. *Speaking on behalf of ASPAG, the Eastern European group, GRULAC and IMEC*, a Government representative of Azerbaijan said that the ICSC's mandate came from the UN General Assembly, and its decisions applied to the entire UN system. While changes in the working methods of the ICSC were within the remit of the UN General Assembly, he would encourage ongoing dialogue, constructive engagement and consultation between the ICSC and all UN agencies and staff organizations within their mandates. His group therefore proposed amending subparagraph (b) of the draft decision to read, "noted the Director-General's plans to constructively engage in the review of the consultative process and working arrangements of the International Civil Service Commission (ICSC) and in the review of the post adjustment methodology".
161. *Speaking on behalf of the Africa group*, a Government representative of Eswatini recalled that his group had been reluctant to support the March 2018 Governing Body decision, given that the problems arising from the cost-of-living survey methodology had remained unresolved. The Governing Body could have done much more to mitigate the huge risks and financial implications associated with the decision, and his group would appreciate having figures on the financial implications resulting from the ensuing formal legal challenges to date. It would also appreciate guidance from the Office on the availability of the funds needed to meet the ILO's responsibilities with respect to legal challenges and damages.
162. The Africa group supported the adoption of the draft decision contained in paragraph 10, but with the addition of a subparagraph (c) to request the Office to provide the Governing Body with a progress report on the matter at its 335th Session.
163. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom pointed out that the decision taken by the Governing Body at its 332nd Session had been misquoted in the revised document, omitting reference to consultations on the results of the 2016 cost-

of-living survey carried out by the ICSC in respect of the duty station Geneva. She also pointed out that, since the ICSC derived its mandate from the UN General Assembly, the Governing Body did not have the power to instruct the Office to review or reform the working methods of the ICSC, which could be interpreted as interference in the UN process. However, she welcomed and encouraged ongoing dialogue, constructive engagement and consultation between the ICSC and all UN agencies and staff organizations within their mandates.

164. Her group supported the amendments proposed by the spokesperson of the Government group made on behalf of ASPAG, the Eastern European group, GRULAC and IMEC.
165. Lastly, she noted with concern the increasing number of operational issues coming before the Governing Body, which were managerial decisions that should be taken by the Office.
166. *A Government representative of the Russian Federation* welcomed the measures to increase the accuracy, predictability and stability of the post adjustment system throughout the UN system and the fact that they were being developed and implemented by the ICSC in close cooperation with UN staff, organizations and staff federations. He emphasized that the measures would apply in the future and that decisions already adopted on the matter could not be changed.
167. In light of the number of claims filed by staff at the ILO and in other UN organizations challenging the lawfulness of the decisions to implement the reduced post adjustment multipliers, some of the UN organization secretariats in Geneva had continued to implement the reduced post adjustment while waiving the requirement for an internal administrative review decision. He wondered whether similar action had been taken by the Office.
168. He requested the Office to provide information on the savings accruing from the implementation of the ICSC decision, in particular the amounts saved, which financial rules and regulations governed the use of those savings, and the extent to which any budget surplus could be used to reduce member State contributions.
169. *A representative of the Director-General* (Deputy Director-General, Management and Reform) acknowledged that the decision taken by the Governing Body at its 332nd Session had been misquoted, but that it had not had a material impact on the document. He pointed out that no decision had been adopted on the reform of the ICSC itself, but rather on reform of the post adjustment and other salary survey methodologies.
170. Following the Governing Body decision, two stages of consultations on reform had been held with the support and agreement of the ICSC. First, the 87th Session of the ICSC held in July 2018 at which the ICSC itself had determined that its working arrangements were within its remit and did not require referral to the UN General Assembly. Second, the meeting of the above-mentioned contact group which had been held in October 2018.
171. The task force to review the post adjustment methodology included representatives from ACPAQ, the administrations, including a senior ILO statistician, and staff federations. A second working group would deal with ACPAQ procedures. Both groups would report to ACPAQ, which in turn would report to the ICSC, which had the power to make certain decisions and would refer other issues to the UN General Assembly. The operational aspects and the working methods currently under discussion were therefore within the ICSC's remit and the focus would remain on those issues in the short term.
172. It was impossible to ascertain the financial burden on the ILO of claims filed by staff, as none had yet been filed with the Tribunal. The administrative cost to the Office associated with each claim would be around CHF20,000, although the Office expected that claims would be submitted in groups, with each group claim counting as a single claim. It was

equally difficult to anticipate what, if any, award could be made by the Tribunal for moral damages.

173. With regard to some UN organization secretariats in Geneva continuing to implement the reduced post adjustment while waiving the requirement for an internal administrative review decision, the Office had indeed taken similar action in that regard. There was a two-step process being applied – the first stage where employees who wish to do so lodge a grievance to the Director-General was now complete; the second stage of lodging claims with the Tribunal was expected.

174. *A representative of the Director-General* (Treasurer and Financial Comptroller) said that there would be around US\$7–8 million in potential direct savings in the current biennium as a result of the implementation of the post adjustment methodology, depending on the final number and grade of staff based in Geneva during the months in which the reduced post adjustment rate would apply. The relevant articles of the Financial Regulations governing the use of the budget and savings were article 3, on the preparation and division of expenditure estimates; article 13, which authorized the Director-General to incur expenditure for the purpose for which the money had been appropriated, up to the amounts appropriated; and article 18 on the treatment of surplus. Due to the risk of claims being upheld by the Tribunal, the Director-General had not allocated any additional funds to units due to the anticipated savings. With respect to the treatment of any surplus, any savings would contribute to the calculation of the surplus at the end of the current financial period, which after adjusting for variances in contributions received from member States would then determine the final surplus to be applied against future contributions due from member States.

175. *The Worker spokesperson* expressed her appreciation for the progress towards consensus with the Employers' group, but asked for the word "instructed" in its amendment to be replaced by "urged" or changed back to "requested". If amended as such, her group would accept the amendment to subparagraph (b) on the understanding that the Employers' group would accept her group's amendment to subparagraphs (b) and (c). She emphasized the importance of explicitly mentioning that the reform process should guarantee the full involvement of all stakeholders, as well as reporting back on progress. The original wording of subparagraph (b) as proposed by the Office should be used.

176. She did not agree with the deletion of the word "comprehensive" in the amendment proposed by ASPAG, the Eastern European group, GRULAC and IMEC, since that wording had been used by the ICSC itself in its discussions. Furthermore, the use of the word "constructively" was ambiguous at a time when clarity and commitment were needed. She expressed her disappointment at the undertone of the amendment and did not support the proposed wording.

177. She expressed her appreciation of the Africa group's acceptance of her group's proposed amendment of subparagraph (c) and asked it to agree to the amendments proposed by the Workers' and Employers' groups once they had been aligned.

178. *The Employer spokesperson* agreed to the amendment to subparagraphs (b) and (c) proposed by the Workers' group, but asked for the wording "reforming the post adjustment and other salary-survey methodologies" to be added to subparagraph (b).

179. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom said that her group opposed the addition of a subparagraph (c), given its concern at the increasing number of operational issues coming before the Governing Body that should be managerial decisions taken by the Office.

180. *A representative of the Director-General* (Deputy Director-General for Management and Reform) said that the draft decision was proposing the continued active engagement in activities established by the ICSC itself, and the Office would therefore not be interfering in the roles and responsibilities of the UN General Assembly.
181. *Speaking on behalf of the Africa group*, a Government representative of Eswatini said that his group supported subparagraph (b) as amended by the Workers' group.
182. *A Government representative of Panama* said that the matter represented an opportunity for the ILO to demonstrate the importance of tripartism to the UN system, given that the voices of workers often went unheard in other organizations, and in light of the ILO's role as a defender of workers, particularly those working in the UN system. He therefore did not oppose the amended draft decision, although he was concerned that the wording of the text put pressure on the Director-General to persuade other organizations of the benefits of tripartism.
183. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom said that her group's proposed amendments had not been added to the version of the draft decision on display in the meeting room. Furthermore, the phrase "reform process" in the last sentence of amended subparagraph (b) should be replaced by "review process" to be consistent with the language used in document GB.334/PFA/13(Rev.).
184. *Speaking on behalf of ASPAG, the Eastern European group, GRULAC and IMEC*, a Government representative of Azerbaijan said that the discussion should move away from conceptual issues and focus on the text of the draft decision. The amendments that he had proposed earlier should be added to the version of the draft decision on display in the meeting room.
185. *The Chairperson* said that those proposals had already been displayed. A formulation should be found that included not only the proposals of the Employers' and Workers' groups, but also the views of the Government group.
186. *The Employer spokesperson* said that the Employers' group and the Workers' group had agreed on wording that was supported by the Africa group. They would not, therefore, accept any effort to integrate other versions, and they had earlier rejected the amendments proposed by the other groups.
187. *The Chairperson* emphasized that all members of the Governing Body should contribute to its decisions.
188. *A Government representative of Australia* said that if the ILO's tripartism was to be respected, consensus between all groups should be sought.
189. *The Worker spokesperson, fully supported by the Employer spokesperson*, said that, following the heated debate on the topic at the Governing Body's March 2018 session, it was important to find a solution that would not further damage relations between the groups. The Workers' group and the Employers' group had therefore drafted a proposal that addressed the concerns of both, and if no agreement among the groups could be reached, a majority decision should be taken.
190. Turning to the amended draft decision drawn up jointly by the two groups, she clarified that, while no amendments were proposed for subparagraph (a), subparagraph (b) should read, "urged the Director-General to continue to actively engage with the International Civil Service Commission (ICSC) with the objective of reforming the post adjustment and other salary survey methodologies, and in the comprehensive review of the consultative process and working arrangements of the ICSC, ensuring that the reform process guarantees the full

involvement of the UN workers' federations and respects the basic principles of social dialogue". The word "reform" had been used in the March 2018 decision and should not be changed. Similarly, the word "comprehensive" should be retained. Subparagraph (c) should therefore also use the word "comprehensive" and "reform" for consistency, and would read, "requested the Office to report on developments related to the ICSC review of its consultative process and working arrangements as well as of the comprehensive reform of the post adjustment methodology at its 335th (March 2019) Session".

191. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom said that her group had expressed the wish to defer the discussion to a later date to allow time for consensus to be sought among the three groups.
192. *Speaking on behalf of ASPAG, the Eastern European group, GRULAC and IMEC*, a Government representative of Azerbaijan said that, until they had been formally accepted or rejected, all amendments were merely proposals. Therefore, all the proposed amendments should be displayed in the meeting room and an effort made to integrate them.
193. *The Employer spokesperson* said that his group disagreed with that argument; many of the proposals made appeared to be a step backwards, making significant changes to the text that had been agreed by the Employers', the Workers' and the Africa groups. The decision should be drafted in correct English and should be constructive, setting out specific outcomes.
194. *A Government representative of Brazil* said that he supported the proposed deferral of the discussion. The Government representative of Azerbaijan had followed procedure when proposing amendments on behalf of his own and three other regional groups, and should be reflected in the version of the draft decision on display in the meeting room if a consensus was to be reached.
195. *The Worker spokesperson* said that the amendments from those regional groups had already been reflected in the version on display in the meeting room, but had not been supported by the Employers' group or the Workers' group. It had then been decided to seek sufficiently broad agreement that would allow a decision to be taken, and suitable wording had been found. If the Governments were in agreement with the substance of that version they could propose minor amendments, but they should not propose amendments that had already been rejected or that altered the substance of the draft. Although a unanimous decision seemed unlikely, the debate should be deferred so as to seek the broadest possible agreement.
196. *The Chairperson* said that, while the draft decisions initially proposed by those regional groups had varied greatly in terms of content, emphasis and scope, the consultations that had taken place over the course of the day had aligned them significantly. However, the concerns of some parties had not been duly reflected, and his role as Chairperson was to prevent decisions from being taken that excluded a significant proportion of the Governing Body. He therefore supported the deferral of the discussion to allow those groups to address any concerns, based on the text proposed by the Employers', Workers' and Africa groups. Good progress had been made in reaching an agreement between the groups, and further efforts should be made to draw up a final text that was satisfactory to all parties.
197. *The Chairperson* reopened the discussion after a suspension, and noted that consultations among the three groups had produced a revised draft decision.
198. *Speaking on behalf of IMEC*, a Government representative of Canada noted the need to preserve the integrity and independence of the ICSC, but emphasized that the Commission must communicate effectively and consult with all UN agencies and staff organizations within their mandates. She reiterated her group's concern at the increasing number of operational issues brought before the Governing Body for decision that should be addressed by the Office itself. IMEC supported the revised draft decision.

199. *The Employer spokesperson and the Worker spokesperson* commented that, after difficult negotiations, their groups supported the revised draft decision.
200. *A Government representative of the Russian Federation* said that while his country was prepared to approve the original draft decision, it could not endorse the revised version. Only the General Assembly was able to change the post adjustment methodology; the Governing Body could merely influence the elements used in its calculations. The ICSC had offered to provide statistical input to ensure greater clarity in the process for establishing the post adjustment index. The revised draft decision appeared to promote a general salary survey and reforms to the post adjustment index system; however, there was no need to refer to the calculation method and the decision should reflect the assumption that the ICSC's methods were sound. If other members agreed, an amendment could be proposed to that effect.
201. *Speaking on behalf of the Africa group*, a Government representative of Eswatini confirmed that his group participated in the consultations and supported the revised draft decision.
202. *The Chairperson* noted that there was a majority in favour of the revised draft decision.

Decision

203. *The Governing Body:*

- (a) *took note of the information presented in document GB.334/PFA/13(Rev.);*
- (b) *requested the Director-General to continue to actively engage with the International Civil Service Commission (ICSC) with the objective of reforming the post adjustment and other salary survey methodologies, and in the comprehensive review of the consultative process and working arrangements of the ICSC, ensuring the full involvement of the UN workers' federations and respect for the basic principles of social dialogue in those processes; and*
- (c) *requested the Office to report on developments related to the ICSC review of its consultative process and working arrangements as well as of the reform of the post adjustment methodology at its 335th Session (March 2019).*

(GB.334/PFA/13(Rev.), paragraph 10, as amended by the Governing Body.)

Appendix

Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (334th Session – 30 October 2018)

Mr Chairperson,

Mr Director-General,

Ladies and gentlemen, members of the Governing Body,

Dear colleagues,

It is an honour to address you today as the elected Chairperson of the Committee of the ILO Staff Union, which represents approximately 70 per cent of staff at headquarters and in the field. This is, as always, a valuable opportunity for me to share some observations on industrial relations in the Office, the morale of staff and their position on items featured on the Governing Body's agenda.

The last time I addressed you, in March 2018, my statement, which I have reread, was ultimately imbued with the staff's great hope and faith. They hoped – and were even convinced – that the ILO would be true to its almost century-long commitments, values and principles and would overcome the obstacles and challenges that it then faced. Thanks to the Organization's unique tripartite structure, the staff had no doubt that it would remain the spearhead, the model, the final bulwark against the unceasing attacks against the international civil service within the United Nations common system. It seemed evident that the ILO would be able to breathe into the massive reform taking place within the United Nations system the very special breeze of social justice and dialogue, which only our Organization has been able to promote down the decades.

Instead of that refreshing breeze, which could have been synonymous with new inspiration, clouds gathered until the storm broke. More than seven months on, the staff still cannot understand those decisions, which have had both internal and external repercussions. Of course, the ILO Staff Union leaves it to the Governing Body and its members to deal with the external consequences. It has enough to do internally since the damage has been significant. The dispute has not been resolved and so there has been an aftermath. The motivation and morale of the troops are not at their highest, as the saying goes, but the work is being done because the staff continue to be professional, despite the challenges. Neither are they really in the mood for festivities. What do the ILO staff have to celebrate? The continual deterioration of their working and employment conditions despite their unwavering commitment and that of their predecessors down the years? The attack on their status as international civil servants? Their increasing precariousness? A future of work that to them seems dangerously like the past? We can only repeat, time and time again, that an organization cannot function without its staff, but the staff also need to receive all the care that they deserve so that their motivation and commitment can best serve the aims and activities for which they were recruited, even in highly difficult international circumstances where multilateralism is keeping a low profile.

The staff never light-heartedly enter into a dispute, confront their management head-on during unpleasant public meetings and decide to go on strike. They do it to defend their most basic rights when they consider these to have been flouted. The staff is currently in a phase where anger has given way to a relatively neutral, temporary state of waiting. I challenge anyone in this assembly who wants to criticize my colleagues in the Professional category at headquarters for their lack of enthusiasm when they have just lost one tenth of their salary on the basis of calculations that are, let us recall for the umpteenth time, biased. I challenge anyone who wants to criticize for the same reasons my colleagues in Bangkok,

New Delhi or Santiago who have had double or triple salary scales imposed even though they are performing precisely the same duties and work. The calculated indifference of the United Nations Office of Human Resources Management coupled with the arrogance of the International Civil Service Commission (ICSC) regarding these salary-related issues continue to be unacceptable to the staff. The dispute is now in the judges' hands, and I will enter into more detail on this matter later in my statement.

Industrial relations have, of course, changed. This has been characterized by the lack of a formal framework for social dialogue between the Office and staff representatives; when dialogue has taken place, it has tended to be informal. Without doubt, staff representatives and our colleagues from human resources, to whom we pay tribute, have demonstrated pragmatism and commitment in ensuring that routine questions are settled and that staff employment and working conditions do not deteriorate further. However, informality and ad hoc agreements to resolve problems will never be a substitute for meetings of the Joint Negotiating Committee, a formal framework in which the social partners' principles and positions are discussed and collective agreements are signed, and which is the natural forum for collective bargaining to achieve its full potential. The absence of formal dialogue has also sometimes been reflected in the rather eccentric initiatives emanating from some departments, of which certain results and recommendations feature in the documents submitted to you for information this morning, without any real formal consultation of staff representatives in advance. One of the most significant consequences has been the notable standstill or slowdown in negotiations on crucial matters such as contract policy, the classification of jobs in the field and the reopening of discussions on amending certain collective agreements.

Let us now come to the essence of the matters which you are discussing during this session, ladies and gentlemen, members of the Governing Body. I will dwell specifically on the paper on the United Nations reform (document GB.334/INS/4), and in that connection on the preliminary overview of the Programme and Budget proposals for 2020–21 (document GB.334/PFA/1), on the proposed amendments to the Statute of the ILO Administrative Tribunal (document GB.334/PFA/12/1) and, lastly, as you might expect, on the update on matters relating to the ICSC (document GB.334/PFA/13(Rev.)).

In respect of the reform of the United Nations system, the staff, and especially those working most closely with the constituents, have high hopes that this session of the Governing Body will at last deliver a clear vision of their future and the substance of their work. My colleagues are very concerned for various reasons.

First, these two papers, the one on the programme and budget proposals and the one on the reform, contain such massive contradictions and blatant uncertainties, with all the potential ramifications for the staff that on reading them the staff representatives wondered whether they were becoming schizophrenic. It would seem that in this matter theory is colliding with practice: many colleagues in the field have told us that UN directives aiming to implement the reform quickly at their duty stations are already on the point of being applied while they at the ILO are still waiting for guidance from the Governing Body on what position to take concerning the reform. This is by no means an easy situation for them. It was only last week that one of our colleagues, a programme officer working in the field, asked me the following question: "What we'd like to know, and soon, is if and when we're going to take the reform train. And if we do take the train, what class will we be in? First class or the freight wagon?"

The staff representatives wonder whether the ILO, for the second time this year, will fly in the face of its century-old values and principles in its response to demands that, in their view, have perhaps more to do with economic and financial matters than a real pooling of the diverse competencies of the specialized agencies with a view to achieving the Sustainable Development Goals by 2030.

Second, the staff seem to be almost absent from the considerations arising from document GB.334/INS/4. They appear to be an insignificant commodity that can be moved

about depending on what decisions, if any, are taken. But I ask you, ladies and gentlemen, members of the Governing Body: is yet another review of the ILO's external structure and staffing arrangements insignificant for the staff? Is the prospect of a dual hierarchy that adds Resident Coordinators to Regional Directors insignificant for the staff? Are the sharing of premises in the field, the radical transformation of administrative departments and the uncertainty over the status of national coordinators really insignificant for the staff? Don't all the implications of this reform for ILO staff, who still don't know if, when and how it will take place in practice, deserve deeper and more carefully weighed consideration that is a shade more respectful of the men and women who strive daily to ensure that the Organization functions effectively?

For the record, the ILO staff recall that "work is not a commodity"; this applies equally within the ILO, even in documents submitted to the Governing Body. They call for all the appropriate consultation and negotiation mechanisms to be used sufficiently in advance and for these to be clearly indicated in documents submitted to the Governing Body.

I will now touch on the paper on the ILO Administrative Tribunal (document GB.334/PFA/12/1). The staff representatives are surprised that the proposed amendments affect only the Statute and are, accordingly, incomplete. While recognizing the vital importance of maintaining the Tribunal's independence by all means and the imperative need to consult the staff representatives of organizations that no longer wish to recognize the Tribunal's jurisdiction, the Staff Union is surprised at the absence of the other proposed amendments submitted, at the request of the ILO Office of the Legal Adviser, by all the staff of the organizations and their representative federations, especially in the current situation where 800 salary-related complaints are going to be examined.

I come lastly to document GB.334/PFA/13(Rev.), which provides an update on matters relating to the review of the post adjustment system by the ICSC and the implementation of the revised post adjustment index for Geneva.

The staff representatives wish to say firstly that they consider that these questions have still not received an adequate response. The dispute is therefore continuing through legal action before the ILO Administrative Tribunal since more than half of staff members concerned have lodged a complaint against the illegal decision taken by the Governing Body in March 2018, jointly with their colleagues from other specialized agencies which belong to the ILO Administrative Tribunal and those who have lodged appeals with the United Nations Dispute Tribunal. In this respect, hearings have recently taken place before that United Nations Tribunal, during which the highly instructive testimony of witnesses has shown yet again how deeply dysfunctional and partial the ICSC is, which could seriously damage the reputation of the United Nations common system.

The dispute will also continue through political and administrative action since the ILO staff, through their union, will do everything to ensure that the governance and operating arrangements of the ICSC can be improved as soon as possible.

In a point for decision in March 2018, the Governing Body requested the Office to actively engage with the ICSC with the objective of reforming salary survey methodologies, with the full involvement of the representatives of United Nations workers' federations. The Union confirms that progress has been made on the purely technical point of revising salary methodologies and that meetings, of which the terms of reference were decided in consultation with staff representatives, will take place soon. If everything goes well, the findings of these meetings will be submitted to the next session of the Advisory Committee on Administrative and Budgetary Questions. The associations and unions of the United Nations system appreciate the joint efforts made by the administrations in this highly technical and statistical area.

In contrast, the ILO Staff Union is much more doubtful about the commitment of the administrations, and especially of the ICSC, to the review of the Commission's consultative process and working arrangements, a process which should in the medium term lead to a real social dialogue mechanism within the United Nations. It is obvious why the staff

representatives are requesting that this aspect be treated as a matter of priority: any technical improvements in salary-setting methodology will be futile if the consultation mechanism remains the same and if the ICSC retains the authority to make a decision alone in splendid isolation when the parties disagree, as has been the case over recent years. Can the ILO and the United Nations afford the luxury of being in permanent dispute with their staff, especially against a backdrop of reform and difficult international circumstances? How long will they continue to support a commission that does not comply with the elementary criteria of ethical conduct, independence and diversity? The same goes for the Organization's credibility: the ILO cannot, on the one hand, pride itself on its uniqueness, values and principles when it debates the reform of the United Nations system and the future of work in the context of its Centenary celebrations and, on the other, disregard those same principles when it comes to social dialogue and justice for the staff within the United Nations system itself.

In respect of the point for decision of document GB.334/PFA/13(Rev.), the Union notes that there have been several amendments since this morning, which demonstrates that there is definite interest in this topic. It is important for the staff that this question is followed up by the Governing Body. The Union therefore requests the Governing Body that this issue be placed on the agenda for the March 2019 session – I would even say as a matter of priority.

The ILO staff representatives, like those of other organizations in the United Nations system, are undoubtedly pragmatic and constructive, but they are not completely stupid. They consider that the meetings mentioned in paragraph 9, which should take place between the ICSC, administrations and staff representatives before the end of December 2018, are the last chance and a review is needed if a stalemate is reached. Moreover, you, ladies and gentlemen, members of the Governing Body, need to know the eventual number of complaints lodged with the Tribunal.

The staff representatives are certain that if no tangible improvement ensues from these meetings, the staff federations, including the ILO Staff Union, will have to take every measure necessary to ensure their demands are met and that employment conditions are set by a credible, responsible and accountable body, in accordance with the fundamental principles of social dialogue.

In conclusion, ladies and gentlemen, members of the Governing Body, this time which should have been a moment of grace for the Organization, a shared moment of intense celebration, has been considerably tarnished by significant worries and many uncertainties faced by my colleagues.

The staff have always shown deep commitment and, let's not be afraid to say it, love for this unique institution in the world whose aims remain not only as noble but, above all, just as relevant 100 years after its creation. This Organization is also 100 years multiplied by all the years worked by men and women in the service of those aims. They deserve your respect and care. I am convinced that the staff, whom I represent, will be determined in 2019 to ensure that our Organization shines its light from its rightful place, despite all the difficulties encountered this year, because sometimes it is necessary to exceed our own limits for a greater cause. The staff simply hope that all the stakeholders in this Organization will do the same.

Thank you for your attention.

Catherine Comte-Tiberghien

30 October 2018