



International
Labour
Organization

► ILC.109/Report II

► Draft Programme and Budget for 2022–23 and other questions

International Labour Conference
109th Session, 2021

Report II

▶ **Draft Programme and Budget
for 2022–23 and other questions**

Second item on the agenda

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► Introduction

This report deals with the draft Programme and Budget for 2022–23 considered by the Governing Body at its 341st Session (March 2021) and with a number of items requiring action by the Conference. Any other items that may arise after the publication of this report and which also call for action by the Conference will be submitted through a *Provisional Record*.

Chapter 1 is devoted to the Programme and Budget for 2022–23 and should be read in conjunction with the Director-General's Programme and Budget proposals for 2022–23 ([GB.341/PFA/1](#)).

Chapter 2 covers the following items requiring action:

- the Financial report and audited consolidated financial statements for the year ended 31 December 2020, which is published separately;
- the scale of assessments of contributions to the budget for 2022;
- the proposed amendments to the Statute of the Administrative Tribunal of the International Labour Organization;
- the composition of the Administrative Tribunal; and
- appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board).

Chapter 3 covers the items that should have been considered by the Conference at its 2020 session, which was deferred:

- the Financial report and audited consolidated financial statements for the year ended 31 December 2019;
- the proceeds from the sale of the ILO-owned land, plot 4057 located in Geneva; and
- the proceeds from the sale of the ILO Office for the European Union and Benelux countries (ILO–Brussels).

► Chapter 1

Programme and Budget for 2022-23

1.1. Consideration of the Director-General's Programme and Budget proposals for 2022-23 by the Governing Body

1. The Director-General's Programme and Budget proposals for 2022-23 were submitted to the Governing Body at its 341st Session (March 2021) in document [GB.341/PFA/1](#).
2. The discussion of the proposals was recorded in the [minutes of the Programme, Financial and Administrative Section](#), paragraphs 1 to 77. The Governing Body decided to propose to the International Labour Conference a resolution related to the adoption of the Programme and Budget for the 78th financial period, ending 31 December 2023, and for the allocation of expenses among Members for 2022-23. The text of the proposed resolution is given below in paragraph 5.
3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of US\$803,548,920 estimated at the 2020-21 budget exchange rate of CHF1 to the US dollar. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session. The programme level is reproduced in table 1 below.

1.2. Recommendations of the Governing Body to the Conference

4. The Governing Body recommended to the International Labour Conference at its 109th Session (June 2021) to approve a provisional programme level of US\$803,548,920 estimated at the 2020-21 budget rate of exchange of CHF1 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference.
5. The Governing Body also recommended that the text of the related resolution to be adopted by the Conference should be as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 78th financial period, ending 31 December 2023, the budget of expenditure of the International Labour Organization amounting to US\$ and the budget of income amounting to US\$ which, at the budget rate of exchange of CHF..... to the US dollar, amounts to CHF..... , and resolves that the budget of income, denominated in Swiss francs, shall be allocated among Member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

► **Table 1. Strategic budget: Proposed expenditure budget by appropriation line**

	Strategic budget 2020–21 (in US\$) *	Strategic budget 2022–23 (in constant 2020–21 US\$)	Strategic budget 2022–23 (recosted (US\$))
Part I. Ordinary budget			
A. Policymaking organs	50 267 588	49 864 567	50 229 701
B. Policy outcomes	626 425 218	631 197 289	642 639 654
C. Management services	61 418 750	60 878 294	60 990 518
D. Other budgetary provisions	42 430 168	42 430 168	43 472 457
Adjustment for staff turnover	-6 303 318	-6 303 318	-6 409 110
Total Part I	774 238 406	778 067 000	790 923 220
Part II. Unforeseen expenditure			
Unforeseen expenditure	875 000	875 000	875 000
Part III. Working Capital Fund			
Working Capital Fund			
Total (Parts I–III)	775 113 406	778 942 000	791 798 220
Part IV. Institutional investments and extraordinary items			
Institutional investments and extraordinary items	15 526 594	11 698 000	11 750 700
Total (Parts I–IV)	790 640 000	790 640 000	803 548 920

* The strategic budget proposals for policymaking organs include resources from the Official Meetings, Documentation and Relations Department and the Internal Services and Administration Department which directly support governance activities. To facilitate comparison with 2022–23 figures, the 2020–21 budget was restated to reflect: (a) revaluation of the recosted budget at the budget rate of exchange of CHF1 to the US dollar; and (b) the funding of the UNSDG UN Resident Coordinator system from efficiency gains and programme reductions in Part I of the budget.

► Chapter 2

Other financial and administrative questions

2.1. Financial report and audited consolidated financial statements for the year ended 31 December 2020

6. In accordance with articles 28 and 29 of the Financial Regulations, the International Labour Conference will be called upon to adopt the audited consolidated financial statements for 2020 after their examination by the Governing Body. The statements cover all operations under the direct authority of the Director-General, which include the regular budget, extrabudgetary funded activities, the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR), the International Training Centre of the ILO (Turin Centre), the Administrative Tribunal of the ILO and the ILO Staff Health Insurance Fund (SHIF) activities.
7. The Director-General's financial report and the statements for 2020, together with the external auditor's report, will be communicated to Members as a separate document. The Governing Body's recommendation as to the adoption of the audited statements will also be communicated to the Conference in a separate document which will be considered by the Finance Committee of Government Representatives.

2.2. Scale of assessments of contributions to the budget for 2022

8. At its 341st Session (March 2021), the Governing Body, in accordance with the established practice of harmonizing the rates of assessment of ILO Member States with their rates of assessment in the United Nations, and on the recommendation of the Government group, decided, by correspondence, to base the ILO scale of assessment for 2022 on the UN scale for 2019–21 and to propose to the International Labour Conference at its 109th Session (June 2021) the adoption of the draft scale of assessment for 2022 as set out in the appendix to document [GB.341/PFA/7](#), subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.
9. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessment for 2022 and to make appropriate proposals to the Conference.

2.3. Statute of the Administrative Tribunal of the International Labour Organization

10. At its 341st Session (March 2021), the Governing Body, taking into account the guidance provided during the Governing Body discussions at the 335th and 337th Sessions on the proposed amendments to the Statute of the ILO Administrative Tribunal, and having duly consulted the Tribunal as well as the organizations having recognized its jurisdiction and

their staff associations, decided, by correspondence, ¹ to approve the draft resolution appended to document GB.341/PFA/15/1 concerning amendments to the Tribunal's Statute and to its Annex, for possible adoption by the International Labour Conference at its 109th Session (2021) relating to:

- (i) the procedure according to which an international organization that has recognized the jurisdiction of the Tribunal may revoke its declaration of acceptance;
- (ii) the eligibility criteria for judges, the geographical distribution and gender balance in the composition of the Tribunal, and the term of office of judges;
- (iii) the extension of the appointment of judges in the event that the Conference does not meet prior to the expiry of their term.

11. Accordingly, the Governing Body proposed that the Conference adopt the following resolution:

The General Conference of the International Labour Organization,

Conscious of the need to amend article II of the Tribunal's Statute and its Annex in order to set out the procedure pursuant to which a member organization may unilaterally revoke its declaration of acceptance of the Tribunal's jurisdiction;

Desirous to align article III of the Tribunal's Statute with best practices regarding geographical distribution and gender balance in the composition of the Tribunal and limitation of the judges' term of office;

Desirous also to ensure service continuity in exceptional circumstances and provide for the extension of appointment of a judge in the event the Conference does not meet on the expiry of their term of office;

Noting that the Governing Body of the International Labour Office has reviewed and endorsed the text of the draft amendments to the Tribunal's Statute and to the Annex as well as the transitional measures;

adopts the following amendments to the Statute and to the Annex to the Statute of the Administrative Tribunal of the International Labour Organization, as well as the transitional measures for the implementation of amended article III of the Statute:

STATUTE OF THE ADMINISTRATIVE TRIBUNAL OF THE INTERNATIONAL LABOUR ORGANIZATION

Adopted by the International Labour Conference on 9 October 1946 and amended by the Conference on 29 June 1949, 17 June 1986, 19 June 1992, 16 June 1998, 11 June 2008, ~~and~~ 7 June 2016 and ... June 2021.

...

ARTICLE II

...

5. The Tribunal shall also be competent to hear complaints alleging non-observance, in substance or in form, of the terms of appointment of officials and of provisions of the Staff Regulations of any other international organization meeting the standards set out in the Annex hereto which has addressed to the Director-General a declaration recognizing, in accordance with its Constitution or internal administrative rules, the jurisdiction of the Tribunal for this purpose, as well as its Rules, and which is

¹ See GB.341/PFA/15/1 and the [Governing Body's decision together with comments received during the consideration of the item by correspondence](#).

approved by the Governing Body. Any such organization may withdraw its declaration recognizing the jurisdiction of the Tribunal under the procedure set out in the Annex.

...

ARTICLE III

1. ~~The Tribunal shall consist of seven judges who shall all be of different nationalities. 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. The judges shall be persons of high moral character, impartiality and integrity and must have been appointed to, or possess the qualifications required for appointment to, the highest judicial office of their countries. They must have an excellent knowledge of at least one of the working languages of the Tribunal and should also have at least a basic written and oral comprehension of the other working language. Due regard shall be given to geographical distribution and gender balance in the composition of the Tribunal. At all times the Tribunal's composition shall permit the Tribunal to render judgments in both working languages.~~

2. ~~Subject to paragraph 3 below, the judges shall be appointed for a term period of five years, renewable once by the International Labour Conference. If for any reason the International Labour Conference does not meet on the expiry of this term, judges shall remain in office until the Conference holds its next session and has an opportunity to take a decision.~~

3. ~~If the period of appointment of four or more judges expires in the same year, the International Labour Conference may exceptionally extend the appointment of two of those judges drawn by lots for a period of three years.~~

4. ~~The judges shall be completely independent in the exercise of their functions and shall not receive any instructions or be subject to any constraint. 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.~~

5. A meeting of the Tribunal shall be composed of three judges or, in exceptional circumstances, five, to be designated by the President, or all seven.

...

ANNEX TO THE STATUTE OF THE ADMINISTRATIVE TRIBUNAL OF THE INTERNATIONAL LABOUR ORGANIZATION

1. To be entitled to recognize the jurisdiction of the Administrative Tribunal of the International Labour Organization in accordance with paragraph 5 of article II of its Statute, an international organization must either be intergovernmental in character, or fulfil the following conditions:

- (a) it shall be clearly international in character, having regard to its membership, structure and scope of activity;
- (b) it shall not be required to apply any national law in its relations with its officials, and shall enjoy immunity from legal process as evidenced by a headquarters agreement concluded with the host country; and
- (c) it shall be endowed with functions of a permanent nature at the international level and offer, in the opinion of the Governing Body, sufficient guarantees as to its institutional capacity to carry out such functions as well as guarantees of compliance with the Tribunal's judgments.

2. The Statute of the Tribunal applies in its entirety to such international organizations subject to the following provisions which, in cases affecting any one of these organizations, are applicable as follows:

Article VI, paragraph 2

The reasons for a judgment shall be stated. The judgment shall be communicated in writing to the Director-General of the International Labour Office, to the executive head of the international organization against which the complaint is filed, and to the complainant.

Article VI, paragraph 3

Judgments shall be drawn up in two copies, of which one shall be filed in the archives of the International Labour Office and the other in the archives of the international organization against which the complaint is filed, where they shall be available for consultation by any person concerned.

Article IX, paragraph 2

Expenses occasioned by the sessions or hearings of the Tribunal shall be borne by the international organization against which the complaint is filed.

Article IX, paragraph 3

Any compensation awarded by the Tribunal shall be chargeable to the budget of the international organization against which the complaint is filed.

3. An international organization may withdraw its declaration recognizing the jurisdiction of the Tribunal in keeping with the principles of good faith and transparency. The organization shall address to the Director-General an official communication notifying the relevant decision which should emanate from the same organ which decided to recognize the Tribunal's jurisdiction or the organ currently competent to take such a decision, reaffirming its commitment to faithfully execute judgments on any pending cases and indicating, as appropriate, the reasons for withdrawing the recognition of the Tribunal's jurisdiction, the alternative means of employment dispute settlement envisaged and any consultations with the staff representative bodies prior to the withdrawal decision.

4. At its next session following the notification of withdrawal, the Governing Body, after consultation with the Tribunal, shall take note of the withdrawal of the organization concerned, and shall confirm that as of that date, or any other later date as may be agreed upon with the organization concerned, the organization shall no longer be subject to the competence of the Tribunal. No new complaint filed against the organization after the effective date of the withdrawal shall be entertained by the Tribunal.

* * *

Transitional measures

As a transitional measure, the judges appointed prior to June 2021 may, upon completing their present terms, be reappointed for one further non-renewable term of seven years.

12. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

2.4. Composition of the Administrative Tribunal of the International Labour Organization

13. At its 341st Session (March 2021), the Governing Body, on the recommendation of its Officers, decided, by correspondence, ² to propose to the International Labour Conference to adopt one of the following draft resolutions, depending on whether the Conference has previously adopted the amendments to article III of the Statute of the Administrative Tribunal of the ILO and the transitional measures for the implementation of amended article III proposed in document GB.341/PFA/15/1:

If the amendments are adopted:

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization, as amended on ... June 2021, and the transitional measures adopted for its implementation,

- (a) to convey its deep appreciation to Mr Giuseppe Barbagallo (Italy), Ms Fatoumata Diakité (Côte d'Ivoire), Ms Dolores Hansen (Canada) and Mr Yves Kreins (Belgium) for the valuable services they have rendered to the work of the Administrative Tribunal of the International Labour Organization;
- (b) to appoint Ms Rosanna De Nictolis (Italy), Mr Clément Gascon (Canada), Mr Jacques Jaumotte (Belgium) and Ms Hongyu Shen (China) as judges of the Tribunal for a term of five years each;
- (c) to renew the appointment of Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint Kitts and Nevis) as judges of the Tribunal for one further non-renewable term of seven years each.

Or, if the amendments are not adopted:

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization,

- (a) to convey its deep appreciation to Mr Giuseppe Barbagallo (Italy), Ms Fatoumata Diakité (Côte d'Ivoire), Ms Dolores Hansen (Canada) and Mr Yves Kreins (Belgium) for the valuable services they have rendered to the work of the Administrative Tribunal of the International Labour Organization;
- (b) to appoint Ms Rosanna De Nictolis (Italy), Mr Clément Gascon (Canada), Mr Jacques Jaumotte (Belgium) and Ms Hongyu Shen (China) as judges of the Tribunal for a period of three years each;
- (c) to renew the appointment of Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint Kitts and Nevis) as judges of the Tribunal for another period of three years each.

14. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

² See GB.341/PFA/15/2.

2.5. Appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)

15. At its 341st Session (March 2021), the Governing Body decided, by correspondence, to submit the following resolution to the International Labour Conference at its 109th Session (June 2021):³

The General Conference of the International Labour Organization,
Appoints to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) until 8 October 2022 the following members and alternate members:

Members

Mr J.C. Pomareda Muñoz (Government)

Mr F. Merle (Employers)

Mr L. Cirigliano (Workers)

Alternate members

Mr L. Abbé-Decarroux (Employers)

Mr C. Pardini (Workers)

16. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

³ See GB.341/PFA/14(Rev.1).

► Chapter 3

Items to be considered in 2021 due to the deferral of the 109th Session of the Conference from 2020

3.1. Financial report and audited consolidated financial statements for the year ended 31 December 2019

17. In accordance with article 28(1) of the Financial Regulations, the financial statements for the year ended 31 December 2019, together with the External Auditor's report thereon, have been made available to members of the Governing Body; see document *Financial report and audited consolidated financial statements for the year ended 31 December 2019 and Report of the External Auditor*. The statements cover all operations under the direct authority of the Director-General, which include the regular budget, extrabudgetary funded activities, CINTERFOR, the Turin Centre, the Administrative Tribunal of the ILO and the SHIF. They include the budgetary results for the biennial financial period 2018–19.
18. At its 341st Session (March 2021), the Governing Body, by correspondence, took note of the External Auditor's report and forwarded the consolidated financial statements for the year ended 31 December 2019 and the External Auditor's report thereon to the International Labour Conference for consideration and adoption at its 109th Session.⁴

3.2. Proceeds from the sale of the ILO-owned land, plot 4057 located in Geneva

19. At its 337th Session (October–November 2019), the Governing Body decided⁵ to recommend to the International Labour Conference that it approve, in accordance with article 11.1 of the Financial Regulations, the transfer of the sale proceeds of plot 4057 located in Geneva to the Building and Accommodation Fund by adopting a resolution in the following terms:

The General Conference of the International Labour Organization,
Decides that the net proceeds from the sale of the ILO-owned land, plot 4057 located in Geneva, Switzerland, be credited to the Building and Accommodation Fund.
20. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

⁴ See GB.341/PFA/6 and the [Governing Body's decision together with comments received during the consideration of the item by correspondence](#).

⁵ See GB.337/PFA/2(Add.1).

3.3. Proceeds from the sale of the ILO Office for the European Union and Benelux countries

21. At its 337th Session (October–November 2019), the Governing Body decided ⁶ to recommend to the International Labour Conference that it approve, in accordance with article 11.1 of the Financial Regulations, the transfer of the proceeds from the sale of the ILO-owned premises in Brussels, Belgium, to the Building and Accommodation Fund after deducting an amount of up to US\$155,000 to cover the cost-sharing charge in UN Common Premises for the ILO Office for the European Union and Benelux countries for 2020–21, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

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

22. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body and to make appropriate proposals to the Conference.

⁶ See GB.337/PFA/5.