



Governing Body

347th Session, Geneva, 13–23 March 2023

Programme, Financial and Administrative Section

PFA

Programme, Financial and Administrative Segment

Date: 1 February 2023

Original: English

Fifth item on the agenda

Financial implications of the adoption of the ILO Open Access Policy

Purpose of the document

This document provides information on the financial implications of the ILO Open Access Policy, which was adopted in January 2023, in particular with regard to the Publications Revolving Fund provided for in article 11 of the Financial Regulations and article 3.31 of the Financial Rules. The Governing Body is invited to take note of the Open Access Policy and the projected reduction in the net income of the Fund (see the draft decision in paragraph 19).

Relevant strategic objective: All.

Main relevant outcome: Enabling outcome A: Authoritative knowledge and high-impact partnerships for promoting decent work and C: Efficient support services and effective use of ILO resources.

Policy implications: None.

Legal implications: None.

Financial implications: Net income reduction under the Publications Revolving Fund.

Follow-up action required: None.

Author unit: Office of the Treasurer and Financial Comptroller (TR/CF).

Related documents: None.

▶ I. Introduction

1. The ILO strives to be at the forefront of the generation and sharing of knowledge related to the world of work with both its constituents and wider stakeholders. In line with the Office's move towards a digital-first publications strategy, and the recent trend among United Nations agencies and intergovernmental organizations, the Office adopted in January 2023 its Open Access Policy, which would become effective as of 3 May 2023.
2. Open access means free access to information and unrestricted use of electronic resources for everyone. A publication is considered to be open access if:
 - its content is universally and freely accessible, at no cost to the reader, via the internet or otherwise;
 - the author or copyright owner irrevocably grants to all users, for an unlimited period, the right to use, copy or distribute the article, on the condition that proper attribution is given;
 - it is deposited, immediately, in full and in a suitable electronic form, in at least one widely and internationally recognized repository that is committed to open access.¹
3. Open access is granted through the use of public licences under which any user is given permission to use, reproduce, distribute or otherwise communicate a given work to the public. It supports the fundamental concept that results of publicly funded research should be made freely available to the public for use and reuse, with the goal of increasing accessibility, visibility and impact. It fosters public ownership, partnership and participation in development from a wide range of stakeholders.
4. The ILO Open Access Policy applies to all works published (that is, made publicly available) by the ILO, including co-publications of texts and documents, and other materials, including:
 - documents and reports of the International Labour Conference, the Governing Body of the ILO and other official meetings;
 - flagship reports and major publications;
 - research and policy publications, such as books, reports, journal articles, background papers, working papers and briefs;
 - guides, manuals and training materials;
 - digital-only content published in mobile apps and data visualizations;
 - multimedia and news content, such as videos, photos, content of public websites, factsheets, press releases, news articles, infographics, podcasts and blogs;
 - databases and datasets.
5. This document provides information on the financial implications of the ILO Open Access Policy.

¹ United Nations Educational, Scientific and Cultural Organization, "[What Is Open Access?](#)".

► II. Financial implications

6. The Open Access Policy will lead to a reduction in future income from ILO publications (including the *International Labour Review*) and to additional costs related to fees for co-publishing with commercial partners.
7. At its 60th Session (1975), the International Labour Conference adopted a resolution² concerning the establishment of a Publications Revolving Fund and the required amendment of article 11 of the ILO Financial Regulations, which provides that the Publications Revolving Fund should record income from the sale of publications, including related royalties and fees.³ Furthermore, article 3.31 of the ILO Financial Rules⁴ provides that the income paid into the Publications Revolving Fund may be used in accordance with the separate rules governing the operation of the Fund approved by the Governing Body. Over time, the specific provisions of these two articles have been updated several times by the International Labour Conference and the Governing Body, but the principles of the Fund and its operations have remained the same.

Income

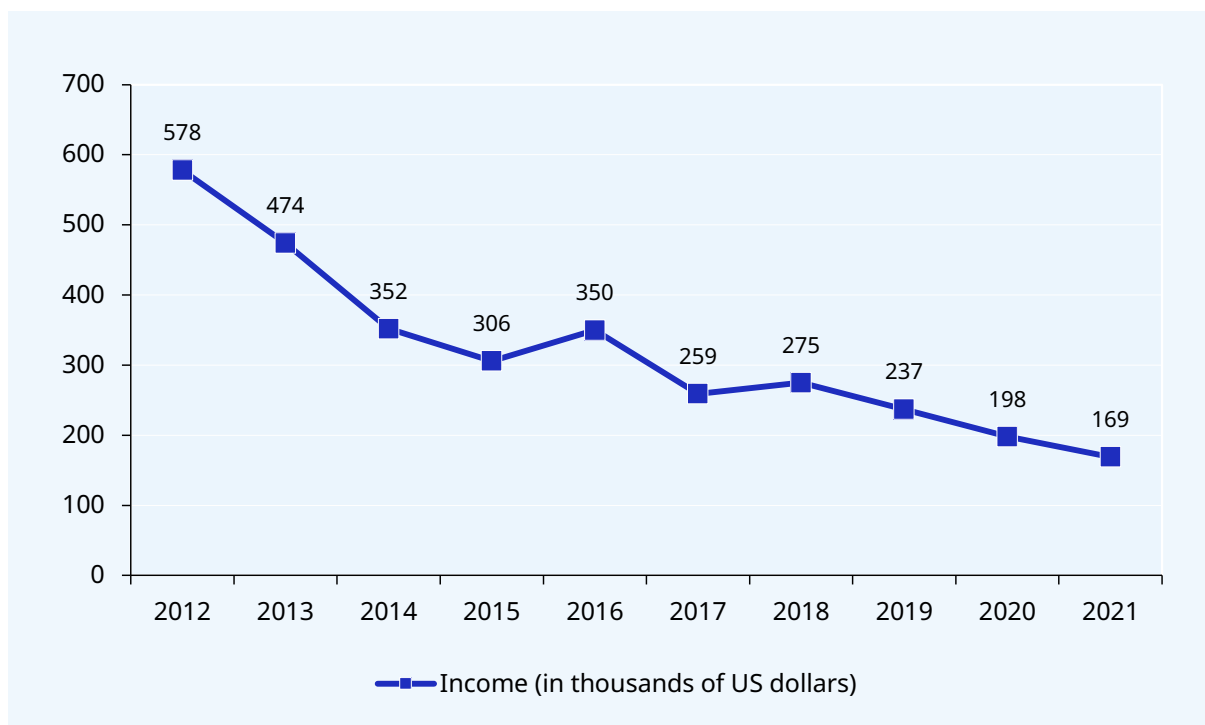
8. Income credited to the Publications Revolving Fund is generated from two main sources: the *International Labour Review*, which is administered by the ILO Research Department, and other publications, which are managed by the Publishing Unit of the Department of Communication and Public Information.
9. The *International Labour Review* is a peer-reviewed multidisciplinary journal of international scope on labour and employment studies. Established in 1921 by decision of the ILO Governing Body, it is published quarterly in English, French and Spanish. Based on a service agreement with an external publishing company, the ILO receives 50 per cent of the income from royalties from the *International Labour Review*, which in the 2020–21 biennium amounted to approximately US\$195,000.
10. The Publishing Unit is responsible for all other publishing and distribution partnerships, both print and digital. The corresponding income credited to the Publications Revolving Fund is generated from sales of print copies and from licensing of ILO digital publications on a royalty basis. In the 2020–21 biennium, this income amounted to some US\$151,000, of which 40 per cent came from sales and 60 per cent from royalties.
11. The income of the Fund, as reported in the ILO financial statements, has decreased considerably in the last decade, given the reduction in use of published documents alongside the increased use of digital media. This can be seen in figure 1 below:

² ILO, [Resolution concerning the Establishment of a Publications Revolving Fund and the Use of Receipts from the Rental of ILO Premises](#), *Record of Proceedings*, International Labour Conference, 60th Session, 1975, p. 334.

³ ILO, [Financial Regulations \(2010 Edition\)](#).

⁴ ILO, [Financial Rules \(2010 Edition\)](#).

► **Figure 1. Income of the Publications Revolving Fund (2012–21), in thousands of US dollars**

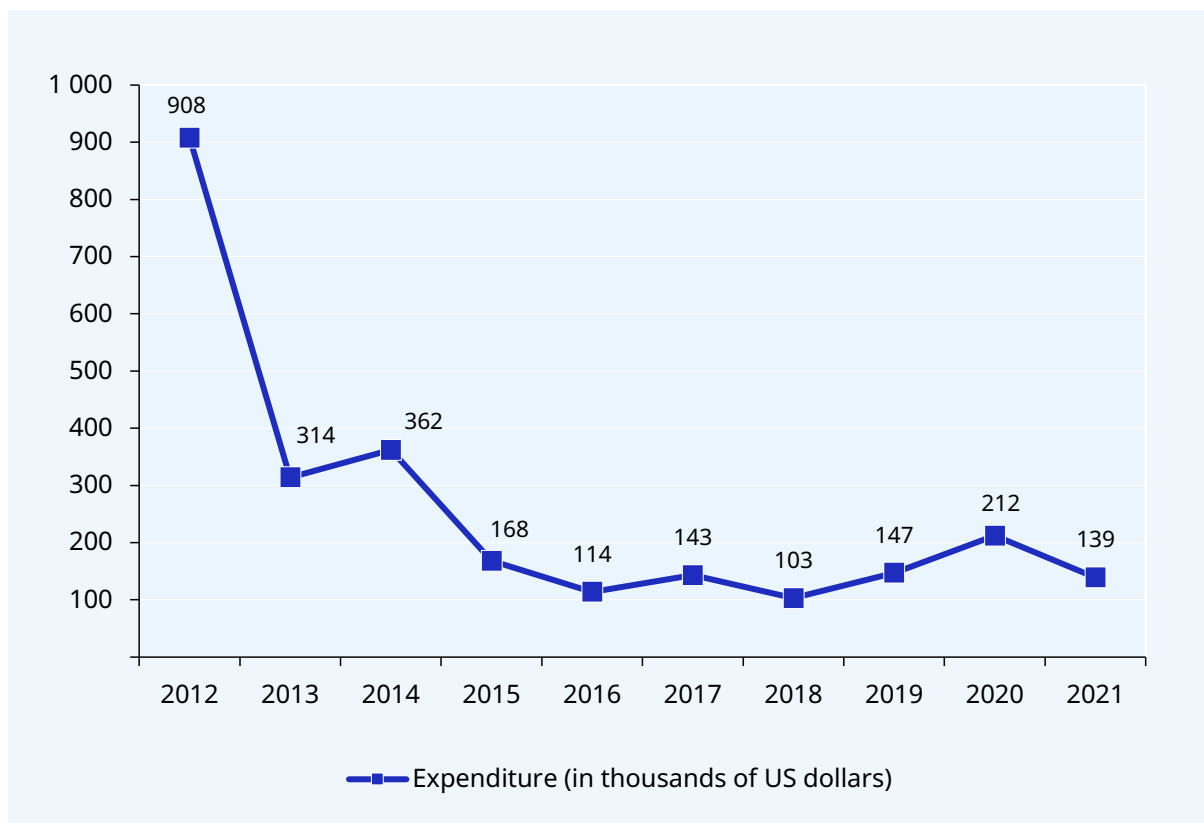


12. The move to open access for the *International Labour Review* will be implemented gradually, with a transition period of 1–2 years before access is fully open. This means that the income from royalties from the *International Labour Review* will gradually cease. In line with existing practice for open access journals, one potential option would be to levy article processing charges on authors as an alternative source of income, instead of charging readers. While institutional funding is generally available to support authors from developed countries, however, it is not generally the case for authors from developing countries, who may require subsidies.
13. With regard to all other publications, income from the sales of print copies will continue, but income from royalties is expected to decline over time. Bearing in mind that all publications previously licensed under ILO copyright before the move to open access will remain licensed and will continue to generate royalties, a decline of 10 per cent per year in income from royalties is anticipated.

Expenditure

14. The expenditure of the Publications Revolving Fund is also reflected in the costs associated with the *International Labour Review* and with other publications. These costs relate mainly to the printing and binding of physical copies. In addition, the publication process entails indirect expenses to cover the dissemination of ILO publications, such as promotion, peer review and metadata. Implementation of open access will not, therefore, reduce the current expenditure levels of the Fund.
15. The expenditure of the Publications Revolving Fund dropped significantly between 2012 and 2015, as staff costs ceased to be charged to it. Since 2015, expenditure has remained relatively stable, as reported in the ILO financial statements. This can be seen in figure 2 below:

► **Figure 2. Expenditure of the Publications Revolving Fund (2012–21), in thousands of US dollars**



16. The implementation of the Open Access Policy will entail additional costs related to co-publishing with commercial partners: for co-published books (of which there are currently 5–10 per biennium), partners will add an open access fee of US\$5,000–8,000 per publication; for chapters and articles published in journals, the charges will range from US\$2,000 to US\$4,500 per publication. It is estimated that such co-publishing fees could amount to some US\$60,000–70,000 each year.

Long-term financial outlook

17. The move to open access will reduce the Fund’s income, which will become insufficient to cover the related expenses, resulting in a negative net balance for each financial year to come. Additionally, there will be new types of expenses related to co-publishing and potential subsidies for article processing charges for authors from developing countries. Taking all these factors into account, it is estimated that future income and expenditure will result in a deficit of some US\$150,000 per year.
18. As of 31 December 2021, the Fund’s net balance, accumulated since its inception in 1975, stood at US\$1,839,000. The Office will use this balance to cover the projected net deficit every year until it is exhausted. There is no immediate need to dissolve the Fund or to amend the Financial Regulations and Rules.

▶ Draft decision

- 19. The Governing Body took note of the adoption of the ILO Open Access Policy and its long-term financial implications on the Publications Revolving Fund, and decided that the current balance of the Fund be used to cover the projected annual net deficit until it is exhausted.**