

Report II

Draft Programme and Budget for 2010–11 and other financial questions

**Second item on the agenda: Programme and budget proposals
and other financial questions**

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Preface

This report deals with the draft Programme and Budget for 2010–11 as examined by the Governing Body at its 304th Session (March 2009).

The full material relating to the draft Programme and Budget for 2010–11 appears on pages 1–7. This material should be read in conjunction with the Director-General's original Programme and Budget proposals for 2010–11 (GB.304/PFA/3) as indicated in paragraph 2 on page 1.

The Governing Body's recommendations concerning the scale of assessments of contributions to the budget for 2010, the assessment of the contributions of new member States, the composition of the Administrative Tribunal of the ILO and the amendments to the Financial Regulations, together with the related draft Conference resolutions, are set out on pages 9, 10, 11 and 12, respectively.

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Programme and Budget for 2010–11

Consideration of the Director-General's Programme and Budget proposals for 2010–11 by the Programme, Financial and Administrative Committee and the Governing Body

1. The Director-General's original Programme and Budget proposals for 2010–11 were submitted to the Governing Body at its 304th Session (March 2009) in document GB.304/PFA/3. That document is being reissued as a supplement to the present report.
2. The Director-General's original proposals were considered in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. The Committee's discussion of the original proposals, and adjustments subsequently proposed by the Director-General, was recorded in its third report to the Governing Body, which is reproduced in Annex 1 to the present report.¹ The Governing Body accepted the recommendations of the Committee and decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 72nd financial period, ending 31 December 2011, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 8.
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\$665,116,121 estimated at the 2008–09 budget exchange rate of 1.23 Swiss francs to the US dollar. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.
4. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals together with the provisional programme level for 2010–11 as endorsed by the Governing Body following its approval of adjustments proposed by the Director-General. Details of the Director-General's proposed adjustments are set out in Annex 2 to this report, and are incorporated in table A on page 3 below.

¹ See blue title page. This report for the Conference was prepared immediately after the 304th Session (March 2009) of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations. The discussion of the Programme, Financial and Administrative Committee's third report in the Governing Body will be reflected in the minutes of the 304th Session of the Governing Body, which were not available at the time of going to press.

5. Table B, which is set out on page 4 below, and is entitled “Proposed operational budget – Analysis of increases and decreases”, permits the identification of changes in programme level, as distinct from changes due to cost increases and currency fluctuations. The second column shows the Director-General’s proposals for 2010–11 costed in terms of constant 2008–09 US dollars, i.e. on the basis of cost levels and exchange rates used in preparing the 2008–09 programme and budget. These figures can thus be compared directly with those in the first column, which is headed “2008–09”, so that programme increases and decreases in real terms can be readily identified. The figures in the penultimate column represent the 2010–11 budget proposals costed on the basis of estimated 2010–11 cost levels and the 2008–09 budget rate of exchange of 1.23 Swiss francs to the US dollar.

6. Annex 3 to the present report consists of an addendum to the Director-General’s Programme and Budget proposals for 2010–11 following the discussion in the Governing Body. It provides changes that will be incorporated into the final Programme and Budget for 2010–11 as adopted by the International Labour Conference. These changes imply that the strategic framework will include 19 outcomes, rather than 17 as originally set out in the Programme and Budget proposals. Consequent editorial changes stemming from the revised strategic framework will also be reflected in the final version of the Programme and Budget for 2010–11, for example, changing references to the number of outcomes from 17 to 19.

Recommendations of the Governing Body to the Conference at its 98th Session (June 2009)

7. The Governing Body recommends to the International Labour Conference at its 98th Session (June 2009) that the final amount of the 2010–11 budget be based on the endorsed proposed expenditure budget of US\$665,116,121 estimated at the 2008–09 budget exchange rate of 1.23 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference.

8. The Governing Body also recommends 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 72nd financial period, ending 31 December 2011, the budget of expenditure for the International Labour Organization amounting to US\$ and the budget of income amounting to US\$, which, at the budget rate of exchange of Swiss francs to the US dollar, amounts to Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Table A. Strategic budget: Proposed expenditure budget by appropriation line

Item	Revised strategic budget 2008–09 ¹ (in US\$)	Proposed strategic budget 2010–11 (in constant 2008–09 US\$)	Proposed strategic budget 2010–11 (recosted US\$)
Part I. Ordinary budget			
A. Policy-making organs	71 931 510	68 943 483	70 279 627
B. Strategic objectives	475 936 861	480 673 229	500 314 733
Employment	146 336 447	148 199 424	154 255 221
Social protection	96 920 016	98 345 832	102 364 487
Social dialogue	139 193 081	138 096 454	143 739 419
Standards	93 487 317	96 031 519	99 955 606
C. Management services	56 320 405	55 063 332	56 658 888
D. Other budgetary provisions	35 402 984	35 402 984	36 322 629
Adjustment for staff turnover	5 428 583	5 428 583	5 593 540
Total Part I	634 163 177	634 654 445	657 982 337
Part II. Unforeseen expenditure			
Unforeseen expenditure	875 000	875 000	875 000
Part III. Working Capital Fund			
Working Capital Fund	–	–	–
Total (Parts I–III)	635 038 177	635 529 445	658 857 337
Part IV. Institutional investments and extraordinary items			
Institutional investments and extraordinary items	6 691 823	6 200 555	6 258 784
Total (Parts I–IV)	641 730 000	641 730 000	665 116 121

¹ Strategic budget of the four strategic objectives for 2010–11 is not fully comparable with that of 2008–09 due to significant changes in the strategic framework following the 2008 Declaration on Social Justice for a Fair Globalization. Strategic figures have been revised to reflect the transfer of the ethics function to oversight and evaluation, shown under management services.

Table B. Proposed operational budget – Analysis of increases and decreases

	2008–09	2010–11 estimates in constant 2008–09 US\$	Programme increases (decreases)		Cost increases (decreases)		2010–11	% of total budget
	US\$	US\$	US\$	%	US\$	%	US\$	%
PART I. ORDINARY BUDGET								
Policy-making organs	71 931 510	68 943 483	–2 988 027	–4.2	1 336 144	1.9	70 279 627	10.6
International Labour Conference	12 245 872	11 600 753	–645 119	–5.3	171 811	1.5	11 772 564	
Governing Body	5 283 950	4 893 101	–390 849	–7.4	155 331	3.2	5 048 432	
Major Regional Meetings	802 156	975 953	173 797	21.7	72 219	7.4	1 048 172	
Legal services	3 108 753	3 021 328	–87 425	–2.8	104 818	3.5	3 126 146	
Relations, meetings and document services	50 490 779	48 452 348	–2 038 431	–4.0	831 965	1.7	49 284 313	
Strategic objectives	475 936 861	480 673 229	4 736 368	1.0	19 641 504	4.1	500 314 733	75.3
<i>Technical programmes</i>	<i>220 050 969</i>	<i>221 183 800</i>	<i>1 132 831</i>	<i>0.5</i>	<i>6 785 471</i>	<i>3.1</i>	<i>227 969 271</i>	<i>34.3</i>
Employment	42 829 152	43 235 975	406 823	0.9	1 296 630	3.0	44 532 605	
Social protection	30 743 777	31 184 886	441 109	1.4	952 445	3.1	32 137 331	
Social dialogue	48 176 662	49 281 420	1 104 758	2.3	4 568 812	3.2	50 850 232	
Standards and fundamental principles and rights at work	32 920 871	33 346 044	425 173	1.3	1 008 642	3.0	34 354 686	
Cross-cutting programmes								
Communications and public information	23 387 098	22 746 119	–640 979	–2.7	655 610	2.9	23 401 729	
Partnerships and development cooperation	9 287 272	9 028 982	–258 290	–2.8	421 123	4.7	9 450 105	
Gender equality	2 651 967	2 645 359	–6 608	–0.2	80 342	3.0	2 725 701	

	2008–09	2010–11 estimates in constant 2008–09 US\$	Programme increases (decreases)		Cost increases (decreases)		2010–11	% of total budget
	US\$	US\$	US\$	%	US\$	%	US\$	%
Support to UN reform and inter-agency programmes	2 673 293	1 371 015	–1 302 278	–48.7	43 582	3.2	1 414 597	
International Institute for Labour Studies	5 134 508	5 134 508	0	0.0	54 279	1.1	5 188 787	
International Training Centre of the ILO, Turin	6 320 513	6 820 513	500 000	7.9	259 981	3.8	7 080 494	
Policy integration	6 862 439	6 843 704	–18 735	–0.3	207 189	3.0	7 050 893	
Statistics	7 838 237	8 320 095	481 858	6.1	189 824	2.3	8 509 919	
Technical meetings reserve	1 225 180	1 225 180	0	0.0	47 012	3.8	1 272 192	
Regions and technical cooperation	192 152 953	197 459 932	5 306 979	2.8	11 429 469	5.8	208 889 401	31.4
Field programmes in Africa	59 423 363	61 415 791	1 992 428	3.4	3 540 924	5.8	64 956 715	
Field programmes in the Americas	48 962 973	49 913 564	950 591	1.9	2 153 741	4.3	52 067 305	
Field programmes in Arab States	11 767 587	12 845 617	1 078 030	9.2	740 377	5.8	13 585 994	
Field programmes in Asia and the Pacific	53 130 736	54 146 706	1 015 970	1.9	4 170 360	7.7	58 317 066	
Field programmes in Europe and Central Asia	18 868 294	19 138 254	269 960	1.4	824 067	4.3	19 962 321	
Support services	63 732 939	62 029 497	–1 703 442	–2.7	1 426 564	2.3	63 456 061	9.6
Information technology and communications	22 297 245	21 698 006	–599 239	–2.7	600 951	2.8	22 298 957	
Internal administration	39 175 449	38 134 232	–1 041 217	–2.7	774 611	2.0	38 908 843	
Procurement	2 260 245	2 197 259	–62 986	–2.8	51 002	2.3	2 248 261	
Management services	52 042 600	50 639 751	–1 402 849	–2.7	1 459 346	2.9	52 099 097	7.8
General management	8 199 799	7 973 509	–226 290	–2.8	189 211	2.4	8 162 720	
Human resources development	20 709 015	20 178 604	–530 411	–2.6	402 618	2.0	20 581 222	

	2008-09	2010-11 estimates in constant 2008-09 US\$	Programme increases (decreases)		Cost increases (decreases)		2010-11	% of total budget
	US\$	US\$	US\$	%	US\$	%	US\$	%
Financial services	13 531 573	13 153 113	-378 460	-2.8	567 157	4.3	13 720 270	
Programming and management	8 119 349	7 892 612	-226 737	-2.8	271 876	3.4	8 164 488	
Executive Director's Office, management and administration	1 482 864	1 441 913	-40 951	-2.8	28 484	2.0	1 470 397	
<i>Oversight and evaluation</i>	<i>4 277 805</i>	<i>4 423 581</i>	<i>145 776</i>	<i>3.4</i>	<i>136 210</i>	<i>3.1</i>	<i>4 559 791</i>	<i>0.7</i>
Internal audit and oversight	2 126 590	2 120 362	-6 228	-0.3	70 764	3.3	2 191 126	
Independent oversight advisory committee	229 805	299 805	70 000	30.5	5 898	2.0	305 703	
Ethics function	177 473	177 249	-224	-0.1	4 253	2.4	181 502	
Evaluation	1 743 937	1 826 165	82 228	4.7	55 295	3.0	1 881 460	
Other budgetary provisions	35 402 984	35 402 984	0	0.0	919 645	2.6	36 322 629	5.5
Adjustment for staff turnover	-5 428 583	-5 428 583	0	0.0	-164 957	3.0	-5 593 540	-0.8
TOTAL PART I	634 163 177	634 654 445	491 268	0.1	23 327 892	3.7	657 982 337	99.0
PART II. UNFORESEEN EXPENDITURE								
Unforeseen expenditure	875 000	875 000	0	0.0	0	0.0	875 000	0.1
PART III. WORKING CAPITAL FUND								
Working Capital Fund	-	-	-	-	-	-	-	-
TOTAL (PARTS I-III)	635 038 177	635 529 445	491 268	0.1	23 327 892	3.7	658 857 337	99.1

	2008–09	2010–11 estimates in constant 2008–09 US\$	Programme increases (decreases)		Cost increases (decreases)		2010–11	% of total budget
	US\$	US\$	US\$	%	US\$	%	US\$	%
PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS								
Security	2 809 905	3 009 905	200 000	7.1	58 229	1.9	3 068 134	
Accommodation	2 540 650	2 540 650	0	0.0	0	0.0	2 540 650	
Information and communication technology	810 874	650 000	–160 874	–19.8	0	0.0	650 000	
Follow-up to the Maritime Conference	325 193	0	–325 193	–100.0	0	0	–	
IPSAS	205 201	0	–205 201	–100.0	0	0	–	
TOTAL PART IV	6 691 823	6 200 555	–491 268	–7.3	58 229	0.9	6 258 784	0.9
TOTAL (PARTS I–IV)	641 730 000	641 730 000	0	0.0	23 386 121	3.6	665 116 121	100.0

Other financial and administrative questions

Scale of assessments of contributions to the budget for 2010

1. At its 304th Session (March 2009), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee, to propose to the Conference at its 98th Session (June 2009) that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it adopt the draft scale of assessments for 2010 as set out in column 3 of the appendix to the report of the Government members of the Committee on Allocations Matters, which is reproduced as Annex 4 to this report.
2. 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 assessments for 2010 and to make appropriate proposals to the Conference.

Assessment of the contributions of new member States

1. On 27 May 2008, Tuvalu, which joined the United Nations on 5 September 2000, became a Member of the ILO. At its 304th Session (March 2009), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee (see Annex 4 to this report), to propose to the International Labour Conference at its 98th Session (June 2009) that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, the contribution of Tuvalu to the ILO budget for the period of its membership in the Organization during 2008 and for 2009 be based on an annual assessment rate of 0.001 per cent.
2. It will be for the Finance Committee of Government Representatives to consider this proposal put forward by the Governing Body and to make appropriate proposals to the Conference.

Composition of the Administrative Tribunal of the International Labour Organization

1. At its 304th Session (March 2009), the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee (see Annex 5 to this report), to propose to the International Labour Conference at its 98th Session (June 2009) that it renew the terms of office of Mr Ba, Mr Barbagallo and Ms Hansen for three years, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

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

Amendments to the Financial Regulations

1. At its 304th Session (March 2009), the Programme, Financial and Administrative Committee considered a paper² on proposed amendments to the Financial Regulations, following the Governing Body's decision to adopt the International Public Sector Accounting Standards (IPSAS) for the financial period beginning 1 January 2010.³ An extract of the Committee's report to the Governing Body is reproduced as Annex 7 to this report.

2. During the same session, the Governing Body decided to endorse the Committee's proposal and to recommend to the Conference that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

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

Decides, to make the following amendments to the Financial Regulations:⁴

Article 10

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

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

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

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

Article 17

1. Expenditure charged against the appropriations of a financial period shall consist of payments made during the financial period and ~~unliquidated obligations~~ covering goods received or services provided remaining unpaid as at the last day of the financial period. ~~Such portion of appropriations as may be required to meet these unliquidated obligations shall remain~~

² GB.304/PFA/7, reproduced as Annex 6 to this report.

³ GB.297/PV, para. 212.

⁴ Additions are underlined; deletions are strikethrough.

~~available for 12 months, at the end of which~~ Once payment has been made against such obligations any remaining balances shall be credited to miscellaneous income.

Article 23

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

- ~~(a) the income and expenditure of all funds;~~
- ~~(b) the status of appropriations, including —~~
 - ~~(i) the original budget appropriations;~~
 - ~~(ii) any supplementary appropriations;~~
 - ~~(iii) the appropriations as modified by any transfers;~~
 - ~~(iv) credits, if any, other than the appropriations voted by the International Labour Conference; and~~
 - ~~(v) the amounts charged against the appropriations and against any other credits;~~
 - ~~(e) statements of assets and liabilities at the close of the financial period.~~

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

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

Article 24

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

Article 26

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

Article 27

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

Article 28

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

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

Article 29

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

Article 32

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

Article 33

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

Article 38

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

Annex 1

**Third report of the Programme, Financial
and Administrative Committee of the
Governing Body at its 304th Session
(March 2009) (GB.304/8/3(Rev.))**



EIGHTH ITEM ON THE AGENDA

Report of the Programme, Financial and Administrative Committee

Third report: Programme and Budget proposals for 2010–11

1. The Programme, Financial and Administrative Committee (PFAC) of the Governing Body met on 10, 11 and 19 March 2009 to consider the Programme and Budget proposals for 2010–11. The Committee was chaired by Mr Rapacki, Chairperson of the ILO Governing Body. Mr Julien and Sir Roy Trotman acted as Vice-Chairpersons. Mr Eriksson, Government representative, served as Reporter.
2. The Committee had before it the Director-General's Programme and Budget proposals for 2010–11.¹ The Director-General's presentation of the proposals is attached to this report as Appendix I.
3. The Committee agreed to the order of discussion proposed in document GB.304/PFA/3/D1. The Chairperson opened the discussion on the executive overview, the regional priorities and gender equality (paragraphs 1–130).
4. Mr Julien said that the ILO had essentially two major challenges to meet in drawing up the programme and budget, namely to make the 2008 ILO Declaration on Social Justice for a Fair Globalization (the Social Justice Declaration) operational, with a particular focus on the new field structure, and to help the constituents cope with the consequences of the crisis.
5. With regard to the measures for implementing the Declaration and the relevant resolution, he wished to see greater attention given to strengthening the Organization's capacity and to the processes for verifying the effectiveness of its action; he hoped that proposals would be formulated to that end at the next discussion of the plans of action and human resources strategy in November 2009.
6. The second challenge is to help the constituents to respond to the crisis. The proposals had failed to fully gauge its scale. According to the Employers, the Organization had a key role to play in four areas in response to the crisis: first, support had to be given to the creation and development of enterprises, especially in view of the crucial role played by the latter – particularly small and medium-sized enterprises – with respect to employment; second, aid

¹ GB.304/PFA/3.

to the persons most at risk had to be stepped up by adopting flexible and pragmatic measures in a number of areas, including Decent Work Country Programmes; third, the Organization had to ensure that social and human progress was not undermined, and in particular secure respect for fundamental principles and rights; fourth and last, the social partners' capacity to respond to the crisis had to be strengthened, especially in their present adverse circumstances. The Employers' group expected the ILO to adjust its focus in relation to those priorities when the Director-General gave his response the following week.

7. The ordinary budget now seemed only to finance fixed costs, including salaries, whereas programmes depended increasingly on the Regular Budget Supplementary Account (RBSA) and extra-budgetary funds. This was a dangerous trend, as it made the Organization's activities dependent on the goodwill and financial capacity of donors. Although some progress had been made, the allocation of RBSA funds remained at the discretion of the donors. In exchange for greater flexibility, the Office must guarantee a better delivery rate and sound management with respect to those funds. With regard to the RBSA, the prospect of it doubling over the years seemed at present difficult, to say the least, but what he feared more was that technical cooperation funds might drift towards the RBSA, which was more attractive in terms of agency costs. He hoped that the new internal procedures would ensure greater transparency in that regard. The Employers recalled that the core functions of the ILO should be covered by the regular budget.
8. The Employers asked what the Office planned to do for countries that did not have Decent Work Country Programmes for 2010–11. Furthermore, the implementation of the field structure reform would take time. The Employers recalled that the priorities should be defined by constituents, even in countries in which the Organization was working closely with the United Nations.
9. The group was waiting for the forthcoming discussions on the human resources and knowledge strategies, which were needed in order to understand fully the programme and budget.
10. With regard to technical cooperation, the speaker indicated that he could support the approach outlined in paragraph 20, even if not all the programmes could follow the IPEC model, but that the participation of employers' and workers' organizations in those programmes should be more effectively ensured. He regretted that the programme and budget anticipated decisions. Although that was understandable as regards the field structure or the standard on HIV/AIDS, it was less justified for the measurement of decent work and country profiles, which were under discussion. Paragraph 60 mentioned minimum socio-economic conditions but that concept was far from being clearly defined. With regard to green jobs, mentioned in paragraph 22 and which responded to a request by the Governing Body, those were not dealt with in the rest of the document. There was a need for further information on the initiative referred to in paragraphs 21 and 22 and on the involvement of constituents.
11. The speaker welcomed the action plans on the 17 outcomes and considered that those documents were important for sound programme management. The plans of action should be communicated to the Governing Body. He recalled that ACT/EMP and ACTRAV constituted a link between all departments and two of the three constituents, and should occupy a more operational and visible position, including within the Senior Management Team. ACT/EMP did not have the capacity required to carry out the activities assigned to it, and there was also a need for a change in the Office's view of the social partners, to enable the latter to make a greater contribution to the strategic objectives. Referring to paragraph 75 which mentioned cross-sectoral teams, the speaker asked what their specific role was. The Employers sought a better presentation of the partnerships with UN agencies

and with actors who were not constituents, and emphasized that, as indicated in the Social Justice Declaration, the beneficiaries of ILO activities should be its three constituents.

12. The speaker said that the presentation of the regional priorities was too general and called for regional budgets and above all results. In Africa, priority should be given to the means to mitigate the effects of the crisis on employment and enterprises in particular. The ILO should strive to improve productivity, particularly through training. Efforts should also be made to formalize the informal economy, not modernize it, which did not make sense. There was also no question of creating employers' organizations in that sector. In the Americas region, the focus should be on respect for employers' organizations in order to guarantee their rights and independence, as well as the right to private ownership. The Employers' group welcomed the efforts being made to support Arab countries. The group requested clarification on paragraph 115 devoted to Asia, particularly on what was understood by "fair wages". In Europe, particularly in south-eastern and Eastern Europe, the Office should continue to support the social partners even in areas other than social dialogue, which was not a priority in the region. The importance attached to collective bargaining in paragraph 122 seemed exaggerated, and the speaker considered that the conclusions of the Eighth European Regional Meeting were more important than that section.
13. The approach adopted in the section on equality had been superseded, given that the "equality" component was now factored into all the outcomes. The Employers recalled that they had not supported the Maternity Protection Convention, 2000 (No. 183), which was, in their opinion, inapplicable in almost all countries and therefore unratified.
14. In conclusion, the speaker said that he understood that the Office had to make choices, but considered that the proposals, although fundamentally sound, did not go far enough to respond to the challenges of the crisis, and the three main purposes of the programme and budget, as set out in paragraph 8 of the programme and budget, had not been fully realized. The Employers hoped that their remarks would be taken into account so that they could then fully support the Office's programme and budget proposals.
15. Sir Roy Trotman, speaking on behalf of the Workers' group, thanked the Office for the consultative process, which had greatly facilitated the work of the Committee. The Social Justice Declaration and the impact of the financial, economic and social crisis on workers were the major political drivers of the discussion. This called for the ILO to use all its resources strategically and to increase integration and teamwork towards greater efficiency and effectiveness in order to achieve the goal of putting the Decent Work Agenda at the centre of social and economic policies.
16. The speaker concurred with paragraphs 4 and 11 on the relevance of the ILO's mandate, as reaffirmed by the Social Justice Declaration, which also included the ILO's responsibility to re-examine all international economic and financial policies in light of the objective of social justice. For that reason, the Workers' group attached particular importance to the formulation of outcomes, strategies and indicators, which needed to show how the Organization and its Office were making progress towards advancing decent work within and outside the ILO's ambit.
17. The speaker supported the focus on the 17 outcomes, but regretted that outcomes on the employment relationship, multinational enterprises and export processing zones (EPZs) had not been added. With reference to paragraphs 16 and 19, the speaker stressed the primacy of the governance organs to guarantee the inseparable, interrelated and mutually supportive nature of the four strategic objectives. That principle should not be distorted by increased country and regional focus. In paragraph 20, the trends towards larger technical cooperation programmes and fewer earmarked contributions were welcome. However,

greater country-based focus by some donors and through UN reform required additional clarification.

18. The Workers' group was in favour of the packaging of services on specific topics to attract additional resources as presented in paragraphs 21 and 22, and thought that the first topic proposed should include freedom of association and collective bargaining. There should also be a focus on knowledge products related to EPZs, global supply chains and wages. The Workers' group regretted that the emphasis on international labour standards and the involvement of social partners was not systematically reflected across all outcomes.
19. In addressing the resource strategy, Sir Roy Trotman expressed the support of his group for the zero real growth budget strategy, although he regretted that it was a consequence of the crisis and in contradiction with increased constituents' needs. It was important that outcome-based workplans reflect the priorities of the Social Justice Declaration in their entirety and that ACTRAV be fully involved in their development.
20. The speaker requested more information on the proposed efficiency savings, in particular in regard to the cuts to the documents and services to the governance organs. Cuts should in no way affect the governance functions of the Organization. He hoped that reductions in administrative personnel would be the subject of consultation with the Staff Union. He expressed concerns about underfunding of some core areas of the ILO's mandate and the variance in the distribution of resources across outcomes. He supported the increased resources for the regions, but expected all regions to adopt the same commitment to ratification and implementation of standards, industrial relations, and improvement of working conditions, including wages. He requested more information on the ILO's investment in UN reform and what return had been received on this investment.
21. While the Workers' group was in support of the RBSA, it wanted to see better transparency and PFAC monitoring. Additional information was necessary on the level of RBSA earmarking, efforts by the Office to raise non-earmarked RBSA, how constituents could influence the process, how the social partners could better benefit from RBSA allocation, and the likelihood of the RBSA doubling in the next biennium. The information provided in table 4 was interesting, as it pointed to the fact that most of the technical cooperation funds for standards were linked to projects on child and forced labour, with all other standards and fundamental principles receiving four times less funding. With regard to table 5, the speaker noted that the strategic budgets presented per outcome differed from the administrative budgets. For instance, the strategic budget for outcome 10 amounted to \$43.9 million, while the administrative budget for ACTRAV, hence allocations in real terms, amounted to \$12 million.
22. Sir Roy Trotman agreed with the new proposed research areas, which should be part of a stronger delivery in classic fields of action. He also supported the formulation of decent work country profiles, while supporting the increased role of Regional Directors within the Senior Management Team, he called for the involvement of ACTRAV and ACT/EMP in the Senior Management Team.
23. Commenting on the section on gender equality, the speaker found that the text was too general and did not reflect the challenges stemming from the crisis. There were no references to the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and to collective bargaining as a tool to address gender equality. Women faced specific problems related to the type of work available to them, pay gaps, issues related to export processing zones (EPZs), and the informal economy, as well as facing problems as migrant workers.

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24. The speaker requested the Chairperson to give the floor to five other Worker members of the Committee to express their views on the regional priorities.
25. Ms Diallo (Worker) welcomed the focus of the regional priorities for Africa on rural employment, upgrading of the informal economy, youth employment, gender equality, social protection, the fight against HIV/AIDS and the strengthening of the capacities of workers' organizations. However, in Africa the financial and economic crisis demanded special attention in order to create decent employment and increased trade access. Both the Social Justice Declaration and the 1998 Declaration on Fundamental Principles and Rights at Work were key instruments in that respect. She proposed changes to the priorities to identify the objective of the formalization of the informal economy, including through access to credit and the right to social protection; to include a reference to the Global Employment Agenda and relevant ILO standards on labour migration and child labour; and to include good governance, as it related to advancing gender equality. She stressed the importance of work on freedom of association, collective bargaining and the promotion of tripartism at all levels, as well as the need for the further involvement of social partners in Decent Work Country Programmes and United Nations Development Assistance Frameworks (UNDAFs).
26. Mr Martinez (Worker) thanked the Office for the text on regional priorities for the Americas. He referred to the need to focus on decent and productive employment, and the integration of socio-economic policies to overcome social inequality. He regretted the lack of specific references to Conventions Nos 87 and 98. The focus should be on the strengthening of democratic processes, freedom of association, collective bargaining, the promotion and the ratification of Conventions and the better distribution of resources to correct imbalances leading to child labour and youth unemployment. Priority should be given to social protection and its financing, working conditions, occupational safety and health, decent wages, education and vocational training, and the promotion of cooperatives. Work on labour relations, labour inspection, EPZs and global supply chains was also fundamental. It was essential to strengthen social dialogue and increase the involvement of workers' and employers' organizations in UN joint activities. There should also be better analysis of regional integration processes, macroeconomic and trade policies, and of the impact of the crisis at subregional and interregional levels.
27. Mr Al-Ma'ayta (Worker) highlighted the many challenges faced in the Arab States, which were related to decent work, social dialogue, social protection and social justice. Freedom of association and social dialogue did not exist in many countries. The region was experiencing rising unemployment, in particular for youth, challenges in integrating the many disabled people affected by wars into the labour market, and the declining participation of women in labour markets. There were millions of migrants, many of whom were employed in EPZs, who had been deprived of their rights and who were subject to early dismissals in the wake of the crisis. He called for the re-examination of these situations and for the substantial improvement of labour legislation in the region.
28. Mr Adyanthaya (Worker) spoke on the regional priorities of the Asia-Pacific region. He regretted the lack of reference to the violation of fundamental rights, freedom of association, collective bargaining and the limited ratification of Conventions Nos 87 and 98. He asked for more technical assistance to strengthen labour laws, labour administration, labour inspection, the ratification and application of fundamental Conventions and social dialogue at all levels. He suggested that targets be set for the ratification of standards. He further pointed out that the triggering effects of the crisis should not overshadow long-standing issues faced by the region, namely low union density and low number of collective agreements, lack of social dialogue and social protection, and the erosion of the employment relationship. Special attention needed to be given to the strengthening of workers' capacity and tripartite structures at all levels. Reference should

also be made to support for multilateral and subregional agreements on migration, based on the ILO Multilateral Framework on Labour Migration. He welcomed the attention given to green jobs but requested further analysis on the wider impact of climate change and global warming on workers and their families. As well, special attention should be given to the Asia-Pacific region, including additional resources beyond the proposed increase of 1.9 per cent.

- 29.** Mr Sidorov (Worker) called for additional efforts to mitigate the effects of the crisis in Eastern Europe and Central Asia. This could include the development of Decent Work Country Programmes focused on employment and the promotion of active labour markets. The ILO should assist countries that had asked for financial support from international financial institutions that were still promoting policies that ran counter to decent work. While he welcomed the reference to strengthening social dialogue, this was impossible without freedom of association and collective bargaining, and there was no reference to this in paragraph 123. The ILO should increase support to workers' organizations to help them defend the rights enshrined in the relevant Conventions and should urge the ratification of these Conventions in countries which had not yet done so. Under paragraph 124, the quantitative and qualitative aspects of employment should be developed through appropriate policies, increased social protection, the reform and financing of pensions systems, and increased rights for migrant workers. He cautioned against the use of donor funds which would not be in line with country priorities and called for the swift implementation of the conclusions of the Eighth European Regional Meeting.
- 30.** The representative of the Government of Canada, speaking on behalf of the industrialized market economy countries (IMEC) group, thanked the Office for the marked improvement in the quality and focus of the document. It clearly demonstrated a move towards strengthening results-based management on both programme implementation and governance. He welcomed the systematic and comprehensive integration of risk factors, as recommended by the External Auditor. The proposals focused on a limited number of clearly defined outcomes and showed a real attempt to identify meaningful indicators. On governance, the IMEC group would have liked to see more meaningful indicators and baselines, using best practices within the UN family.
- 31.** The speaker pointed to three specific ways to improve indicators: (i) each measurement statement should identify the concrete ILO contribution to achieving the relevant outcome, including by adding where appropriate an additional criterion along the following lines: "the ILO provides member States with relevant technical assistance with a delivery rate of x per cent" and by indicating the sources and types of data used to measure indicators; (ii) a better method of balancing and weighting criteria should be found to measure results in a particular outcome; and (iii) all indicators should demonstrate collaboration between member States and social partners. Paragraph 230 spoke about national tripartite workplace practices, but this was not reflected in indicator 8.1. Paragraph 375 should specify that the Social Justice Declaration required, not asked, the Office to assist its Members. The last bullet point under indicator 17.1 should be amended to refer to consultations in the spirit of the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).
- 32.** On the budget proposals, he appreciated the Director-General's efforts to propose a lower level of cost increases than the last biennium. He also noted the risks involved in relying heavily on the expanded RBSA and extra-budgetary contributions, which might or might not materialize. He requested that an annex showing any changes be provided for the discussion at the International Labour Conference in June.

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33. Finally, the speaker, speaking on behalf of the Government of Canada, endorsed the IMEC statement. It was his Government's policy to adhere to zero nominal growth, and therefore it could not support the proposed zero real growth budget.
 34. The representative of the Government of Japan, speaking on behalf of the Asia-Pacific group (ASPAG), emphasized the importance of this programme and budget, as it was the first proposal to support the implementation of the Social Justice Declaration. He welcomed the reduction in the number of outcomes and the way that indicators were defined. It was ASPAG's hope that the Office would not focus on the more easily attained targets to the detriment of services to member States where progress was more difficult.
 35. ASPAG welcomed the proposed budget increases for the regions and employment, which, together with the field structure review, should strengthen the Office's capacity to deliver more qualitative and efficient services. The ambitious levels of RBSA and extra-budgetary resources were a concern, and the Office should consult with donors to obtain a more reliable estimate and avoid any shortfall that could adversely affect the attainment of targets. A future revision of targets should reflect the economic realities. ASPAG appreciated the efficiency savings of \$7.9 million, but added that savings in staff costs should correspond to expanded outsourcing to maintain ILO productivity. In general, ASPAG supported the proposal to strengthen the Office's capacity on governance and management, as it would contribute to efficient and productive services.
 36. Referring to information contained in the document on the review of the field structure, the speaker indicated that all ILO offices should be included in the programme and budget, which was currently not the case. Lastly, he asked for clarification on the regional imbalance of staff costs and technical cooperation, which had increased in all regions except Asia and the Pacific.
 37. The representative of the Government of South Africa, speaking on behalf of the Africa group, stressed that constituents needed ILO assistance to support recovery and inclusive growth, as mentioned in paragraph 138. He expressed support for the 17 outcomes, the section on gender equality, the proposed zero-growth budget and the allocation breakdown. However, it was unclear to the Africa group whether efficiency savings would have any impact on technical services to member States. He would have liked to see more resources allocated for social dialogue, given that most stimulus packages had failed to take into consideration the role of social partners. He expressed concerns about the greater reliance on extra-budgetary resources.
 38. The representative of the Government of Sweden, speaking on behalf of the Governments of the Nordic countries and the Netherlands, endorsed the IMEC statement. The document showed considerable improvement, notably in terms of results-based management application. The proposed budget, however, was ambitious and the speaker expressed concern about the implications on results if the Office could not raise the budget level as planned. He requested that proposals be prioritized, to demonstrate what could be delivered if the forecasted funding level was not met. While he supported the zero real growth budget, he regretted the lack of information on the rationale behind the calculations of the cost increase. He expressed doubts that the RBSA and extra-budgetary resources would increase by the amount foreseen during a time of financial crisis. More concrete information on how to achieve the target levels would be welcome, including strategies to promote un-earmarked contributions.
 39. In addition to reducing the number and length of documents, the Office should investigate other areas for substantial savings. For example, resources for some offices in the Western Europe region could be redistributed for field activities. He recommended a review of the distribution of resources between and among regions, as well as to country offices.

Additional background information should be provided to justify the need for \$9.7 million for standards and fundamental principles and rights in Europe and Central Asia.

40. Across the regions, the speaker called for more analysis of country-driven needs as they related to the identified regional priorities. On the “One UN”, he expressed concern about the reduction by more than half of the proposed allocation over the 2008–09 budget level. He suggested that future budgets could be improved by including a table giving a brief summary and overview of the different budget allocations, which would facilitate comparison of the various budget lines and their links to demands and justifications. As the crisis would likely last for some time, a good argument could be made for being flexible and focusing on the most urgent demands, such as employment promotion and social protection.
41. The representative of the Government of Belgium supported the IMEC statement. He thanked the Office for the strategic proposals, which were more results-oriented based, more transparent and were well linked to the Strategic Policy Framework. He supported the proposed zero real growth budget with a cost increase of 4.3 per cent. However, he cautioned the Office against significant reliance on the anticipated increased RBSA and extra-budgetary resources. His Government had decided to contribute to RBSA. He underlined three points of particular relevance for his Government: (i) the need to invest in research, including by working with specialist networks; (ii) the importance of supporting the ILO’s standards supervisory system; and (iii) the implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. He asked that the proposed reduction in the resources for the strategic objective on social dialogue and for the strengthening of evaluation be revised. He considered UN reform as an opportunity for the ILO to integrate the Decent Work Agenda into UNDAFs.
42. The representative of the Government of Portugal supported the IMEC statement. She preferred a zero nominal growth budget, as this responded to the financial difficulties that faced many Members due to national budget constraints and the financial and economic crisis.
43. The representative of the Government of Italy associated herself with the IMEC statement and likewise shared the concerns already expressed regarding the foreseen increase in the level of extra-budgetary resources, RBSA and voluntary contributions for technical cooperation. As there was a risk that extra-budgetary funding would not match the projections, the Office should verify its forecasts. Her Government believed that the ILO had an important role to play in the current economic crisis, including in the context of the forthcoming meeting of the G8 Labour Ministers in Rome and the G20 meeting. For this reason, it supported the proposed zero real growth budget.
44. The representative of the Government of Spain expressed his Government’s continued support for the ILO and called on the ILO to take greater steps regarding labour migration. He proposed that regional groups and regional integration could be a starting point for a fair globalization. In this regard, he informed the Committee that Spain, Belgium and Hungary, which would hold the EU Presidency between January 2010 and June 2011, had elaborated a draft programme to foster a new social agenda and apply the renewed Lisbon Strategy. He asked the Governing Body and the Office to support this programme.
45. The representative of the Government of France supported the IMEC statement. He recognized that this was the first budget to follow the Social Justice Declaration and noted its ambitious objectives. The programme and budget should be flexible and adaptable to respond to the needs generated by the global crisis. The current document was more transparent, strategic and easier to read, but could contain a stronger reference to flexibility. The speaker pointed to the divergence between the increase in the budget of the

ILO and that of his Government over the past years, with the former being much higher. Such a difference was even more sensitive in times of crisis. He called on the Office to be aware of national budgets and the responsibilities of future generations in member States to repay deficits. As member States' contributions increased, so did the debts of their citizens. He requested clarification and greater transparency on several budget items that were of concern and presented concrete options for further savings. The options related to inflation, staff costs (including retirement and recruitment costs), operating costs, efficiency gains, computerization, travel, contractual services and general overhead costs.

46. The representative of the Government of Germany supported the IMEC statement, as well as those made by the representatives of the Governments of Belgium and France. He noted the important role of the ILO in relation to the global economic crisis. The crisis highlighted the uncertainty of extra-budgetary resources, as these funds depended on the economic situation in donor countries. The fluctuation of currencies also gave rise to risks for member States. The refurbishment of the building was another area of concern. The speaker concurred with the representative of the Government of France regarding the link between the ILO budget and the national budgets of member States. He questioned the increases in the budget relating to staff and travel costs. In order to respond to the social consequences of the crisis, the ILO had to place greater emphasis on social security and employment, and consider shifting resources accordingly.
47. The representative of the Government of Austria, speaking on behalf of the Governments of Austria and Switzerland, endorsed the IMEC statement and supported the comments on staff costs made by France and Germany. She welcomed the general thrust of the programme proposals and emphasized the central role of standard setting. While she appreciated the efficiency savings, she found that further savings were possible, such as in communications and travel. There were significant budgetary increases for contractual services, staff costs, travel, general operating expenses, unforeseen expenditure, as well as in the office of the Executive Director of the Social Protection Sector. She questioned these and requested additional clarification. She welcomed the Office's commitment to the "One UN" process. She concluded by reiterating the call for further savings through more cautious proposals.
48. The representative of the Government of the Czech Republic supported the IMEC statement. He welcomed the improved format of the document and the focus on a limited number of outcomes with accompanying indicators. Given the difficult financial constraints, his Government would prefer to support a zero nominal growth budget. Further non-programme savings could be achieved through increased efficiency in operational management. He noted that allocations for contractual services had increased drastically by \$11 million and requested an explanation. He agreed with the comments made by the representatives of the Governments of France and Austria asking for additional savings.
49. The representative of the Government of the United Kingdom supported the IMEC statement. He found that the document's presentation had improved considerably, including the comprehensive and succinct overview. Referring to the Director-General's introductory message in the document, he appreciated that the impact of the crisis on public resources had been taken into account when preparing the proposals for the 4.3 per cent cost increase. However, he understood the views of those governments that had called for further savings. His delegation would use the week's discussion to scrutinize all aspects of the budget before determining its position. The speaker commented on some key items in the introductory message, including the reduced number of outcomes, new methods of work, better measurement of results, integration of budgets. There were three elements to bear in mind when reviewing the priorities of the Decent Work Agenda, as identified by the 17 outcomes: the field structure review; the integration of different budgetary

resources; and mainstreaming of more efficient, effective and accountable office-wide practices on governance and management. The speaker welcomed the emphasis on “Delivering as One”. As for efficiency savings, further savings might be gained from reviewing the staff structure, staff grading, as well as the length of the Conference, and the possible duplication of work. Like other speakers, he was concerned that the budget proposals relied too heavily on increased RBSA and extra-budgetary resources. While supporting the principle of integrated budgets and risk controls, he stated that relying on these funds could hamper the full implementation of the proposals if the funds were not forthcoming as planned. He noted the improvements made through RBM applications across and beyond the Office. The Governing Body would continue to monitor the proposed new working methods to ensure the Organization’s effectiveness and maximum impact.

- 50.** The representative of the Government of Egypt supported the statement of the Africa group. He thanked the Office for the excellent document and welcomed the application of results-based budgeting to improve performance. The reliance on extra-budgetary resources was caused by increasing demand for technical assistance, which was difficult to cope with through tight regular budgetary resources. He appreciated the increase of resources for Africa and the Arab States and expressed his hope that it would continue in the next two years. With regard to regional priorities, emphasis should be placed on increasing productivity, boosting rural production, employment promotion especially for youth, and social protection for families.
- 51.** The representative of the Government of India congratulated the Office for addressing the crisis implications and responses in the proposals. He thought that greater emphasis should be placed on employment promotion, reskilling of workers and social protection. Given the increasing cost of participation in UN reform, he requested that separate documents provide details to future sessions of the Governing Body on the implications of ILO participation, including in the new aid architecture emerging from the Paris Declaration on Aid and Effectiveness and the Accra Agenda for Action. He supported a strong integration of regular budget resources and extra-budgetary contributions. He supported the adoption of the proposals.
- 52.** The representative of the Government of the United States fully supported the IMEC statement and the Office’s proposals to strengthen technical and operational capacity. Her delegation attached particular importance to transparency and accountability, acknowledged the efforts made to develop meaningful indicators and targets and stood ready to further improve them. She commended the efforts made to demonstrate the interrelatedness of the four strategic objectives, though to some extent this had made it difficult to determine what the priorities were in each area. It was important that the Office take stock of existing tools to determine gaps and ensure efficient use of resources. She fully supported the increase in resources for evaluation and looked forward to the assessment of the evaluation strategy. While she appreciated the proposed cost savings, she expected that the Office would avoid budgetary increases. Further savings could be identified, notably with regard to publications and travel.
- 53.** The representative of the Government of Hungary supported the IMEC statement. He appreciated the results-based management character of the document, which also reflected the goals expressed in the Strategic Policy Framework. While his Government welcomed the proposed savings and supported a zero nominal growth budget, he questioned the adequacy of the proposed resources for the Europe region, where improving employability and increasing enterprise productivity were most crucial during the crisis. In supporting the strategic objective on employment, he emphasized the importance of skills development.

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54. The representative of the Government of China supported the statement of ASPAG. She underlined the impact of the crisis on the growing unemployment rate and the increasing demand for ILO assistance. She recommended that in future the Strategic Policy Framework and the programme and budget proposals be discussed at separate sessions of the Governing Body. At national level, it was important to prioritize decent work, while allowing member States to make adjustments based on practical requirements. Her Government did not object to the proposed budget, but urged the Office to save additional costs through greater efficiency and to allocate more funds to regional programmes. Due to the crisis, it was questionable whether the RBSA could be doubled. To minimize risks, the RBSA should be used in major projects and distributed in a rational way.
55. The representative of the Government of Japan supported the ASPAG and IMEC statements. He believed that the budgetary proposals would help improve the Office's capacity to support constituents. However, his Government held all international organizations, including the ILO, to the principle of zero nominal growth. On this basis, he urged the Office to make more efforts to reduce the budgetary level by rationalizing various expenditures, in particular staff costs and information technology, and reviewing cost increases.
56. The representative of the Government of the Republic of Korea supported both the ASPAG and IMEC statements. She shared the concerns expressed by other speakers about the optimistic budget planning, which relied on extra-budgetary resources and voluntary contributions for programme implementation. Further savings should be identified. In the next biennium, more focus should be given to employment and social protection. She regretted that the estimated expenditure of extra-budgetary resources on social protection showed a decline in three regions, including Asia and the Pacific. She welcomed the strengthening of the knowledge base and research. Knowledge centres in regions and countries should be tapped into. Enhancing capacity in administrative support should be considered to ensure timely provision of required services. Regarding the priorities for Asia and the Pacific, the Office should take stock of areas where more work was required, as the biennium 2010–11 would mark the mid-point of the Asian Decent Work Decade.
57. The representative of the Government of Australia stated his Government's alignment with the ASPAG and IMEC statements. He thanked the Office for a high-quality proposal that addressed concerns previously expressed by his Government. This programme and budget was better structured, and presented innovations that deepened results-based approaches and re-balanced priorities, based on a reassessment of ILO work. His Government strongly supported the increase of resources for technical services and a decrease in administrative costs, and called for increased field delivery. The speaker was concerned that RBSA resources, which were uncertain, were being incorporated into budgetary outcomes, without any contingency plan. It was therefore important to indicate which targets could be achieved if RBSA resources did not materialize and to set alternative targets based on a pessimistic funding forecast. The Office should also try to identify additional savings that would not impact the achievement of targets, including further efficiency gains. Though his Government supported the funding increase for field delivery and services, it wanted to stress that the Pacific Islands were among the most vulnerable areas of the world, both now and before the crisis. He concluded by indicating his Government's support for the adoption of the ILO budget, while welcoming any additional efficiency savings.
58. The representative of the Government of Bangladesh supported the ASPAG statement. He believed that the programme and budget proposals would pave the way for efficient RBM and contribute to enhanced constituent capacity building. Referring to paragraph 19, he supported the projection that future technical cooperation would be driven by country priorities through the Decent Work Country Programme mechanism. He also supported the shift from project-based technical cooperation to larger programme approaches, while

warning of the dangers of a “one-size-fits-all” approach based on the IPEC model. While he generally agreed with the emerging areas targeted in paragraph 22, green jobs and rural employment had not been sufficiently articulated for the Asia-Pacific region. There should be greater emphasis on generating green jobs and he asked the Office to consider ways in which it might contribute to the Copenhagen Conference on Climate Change in December 2009 and its follow-up. The speaker expressed concerns about the labour migration interventions proposed in paragraph 119, which were perhaps too ambitious. He stressed the need to focus on priority areas that responded to the specific needs of constituents, noting that outcome 7 on migrant workers had the lowest budgetary allocation for the next biennium. The Office should also consider ways to cooperate with the South Asian Association for Regional Cooperation (SAARC) on child labour issues. Lastly, he shared ASPAG’s concerns that RBSA and extra-budgetary resource targets were too optimistic.

59. The representative of the Government of Jordan agreed with the ASPAG statement. He thanked the Office and the Director-General for the increase in financial resources for the Arab States, and pointed out that the region was in great need of technical cooperation assistance. Referring to paragraph 437, he asked the Director-General and the ILO to ensure sufficient resources for the ILO Office in Jerusalem. While noting the general need to reduce the budget in light of the crisis, the speaker also pointed out that the necessary resources had to be available so that the ILO could fulfil its responsibility to respond to the crisis.
60. The representative of the Government of Cuba stressed the importance of prioritizing work on employment and social protection in light of the crisis and the need to increase control and transparency over the use of funds. The Government of Cuba supported a zero nominal growth budget, and he urged the Office to identify additional savings. Given the importance of employment in the context of the financial crisis, he regretted that insufficient funds had been allocated to the Americas in this area.
61. The representative of the Government of Argentina supported the proposed programming priorities noting their relevance in the context of the current crisis. He supported the four regional priorities for the Americas, which reflected the needs of his country. Proposals concerning the better management of resources, outcome-based workplans and strengthened analytical and operational capacity would support the achievement of ILO objectives. While he supported the programme and budget proposals, he recommended careful management and implementation of the budget and efficient use of human and financial resources.
62. The representative of the Government of the United Republic of Tanzania appreciated that Africa’s priorities had been reflected in the proposals, particularly under paragraphs 81 and 85 on child labour. The IPEC programme had been a success in his country, and he hoped that the Office would continue to support the implementation of national action plans against child labour, with a focus on education and training. In expressing his support for the section on gender equality, he called on all member States to ratify the four key gender equality Conventions. He supported paragraph 87 and the ILO’s efforts concerning social protection schemes and social security strategies in Africa. He confirmed his Government’s support for the programme and budget proposals, as expressed by the Africa group.
63. The representative of the Government of Zambia endorsed the comments made by the Africa group and expressed his full support for the measures related to the programmes on child labour, the AIDS pandemic and decent labour migration. He welcomed measures to upgrade the informal economy. He expressed confidence that these measures would improve the standard of living, while increasing compliance with labour regulation, improving social protection, and organizing workers and employers.

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64. The Regional Director for Africa (Mr Dan) clarified the meaning of the concept of “upgrading” the informal economy in the subtitle of paragraph 83. The aim was to improve the situation for both employers and workers through a gradual and progressive formalization of the informal economy, with an emphasis on training. He underlined the importance of gender equality and the role of women in the informal economy. It was now clear that the financial crisis would affect employment in Africa and a series of meetings would be held with employers to respond to this and accelerate regional goals. A pan-African symposium would also be held and would include the leaders of Burkina Faso, the African Union and the ILO Director-General.
65. The Regional Director for Latin America and the Caribbean (Mr Maninat) indicated that strengthening tripartism, employers’ and workers’ organizations was a fundamental priority in the region. Efforts to promote the application of Conventions Nos 87 and 98 would continue. Already in 2008, the Office had supported the ACTRAV campaign on these Conventions. The presence of standards specialists in almost all ILO offices in the region bore witness to the importance given to this topic. Regional integration processes were part of the Hemispheric Growth Agenda and specific work was ongoing with countries of the Andean Pact and MERCOSUR. Furthermore, the promotion of integrated public policies was central to the Office approach to assist constituents in the wake of the crisis. He indicated that the periodic meetings with the Governing Body members of the region would continue with a view to monitoring progress in achieving results.
66. The Regional Director for the Arab States (Ms Al-Nashif) drew attention to the need in the region for more responsive Decent Work Country Programmes and for strengthened social dialogue mechanisms. She further emphasized the need for intensive capacity building for constituents. She had noted the priorities raised by members of the Committee concerning the reactivation of national tripartite labour committees; labour inspection systems to protect vulnerable migrant workers; national employment strategies that reinforced skills development, entrepreneurship and a business regulatory environment; and enhanced social protection that reached into the informal economy, particularly with regard to women and young people.
67. The Regional Director for Asia and the Pacific (Ms Yamamoto) confirmed that technical support provided in the region in the next biennium would focus on the current crisis. Requests for assistance from different countries showed that addressing unemployment was the highest priority, including through youth employment programmes and green jobs. Social protection and social safety nets would also be a priority for the Office in addressing the crisis. With regard to climate change, the ILO would follow the Copenhagen Process in determining its course of action and interventions. In the area of migration, emphasis would be put on protecting migrant workers, on helping them reintegrate into their home countries and on advising them about their basic rights. An integrated approach was being pursued with respect to child labour. Strengthening the capacity of social partners was of critical importance, as was increased cooperation with regional partners.
68. The Regional Director for Europe and Central Asia (Ms Ulshoefer) drew attention to the congruity between the Committee’s discussion and the recent debate at the Eighth European Regional Meeting. That meeting had provided guidance on the ILO’s role regarding the financial crisis; the programme and budget proposals for the region would be implemented in light of the priorities and needs identified at the meeting. She underlined the importance of employment and social security with respect to the crisis, and emphasized both long-term and short-term responses that respected international labour standards, social dialogue and collective bargaining. She indicated that the Office would work with donors on these priorities and conveyed the unique situation of the Europe region, which united both donor and recipient countries. The ILO would also work with

constituents to assist them to develop national measures. Mainstreaming gender equality was an important component of that work.

69. The representative of the Government of Mexico commented on the impact of the current crisis, noting that while governments were doing their best to preserve jobs, this effort went hand in hand with temporary measures that had entailed sacrifices in income on the part of employers and workers. He mentioned specific measures taken by his Government to protect the poor, including the financing of social programmes and infrastructure investments. He invited the ILO to revise the programme and budget proposals with the global economic situation in mind and to identify savings that could be applied immediately. It was important that there be united efforts between governments and the international organizations to rationalize resources and make savings, while using carefully the funds that had been already earmarked.
70. Sir Roy Trotman thanked the governments that had supported a zero real growth budget. He supported the Africa group's request for more resources for social dialogue and the IMEC group's point on qualitative indicators. He also supported the strengthening of the standards system and the concept of un-earmarked resources, though it was important that all strategic objectives be funded and that decent work be integrated into UNDAFs. He expressed disappointment that neither the worrying situation of fundamental standards in the Asia-Pacific region, nor the workers' perspective on employment in Africa and Latin America had been highlighted in the replies of the relevant Regional Directors.
71. The representative of the Government of France asked when the Office would respond to the suggestions, proposals and discussions made so far.
72. The Director-General indicated that all questions and observations had been duly noted. The specific budgetary questions that had been asked would be addressed in informal technical meetings to be organized by the Office and a special technical session would be organized for Committee members on Monday, 16 March. Formal responses would be provided in his reply on Thursday, 19 March.
73. The Chairperson opened the discussion on the strategic objectives (paragraphs 131–337).

Employment

74. Mr Julien made five general comments. First, the Employers wished to be informed as to how the extra-budgetary and RBSA estimates had been calculated, and how the RBSA was to be distributed among the outcomes and among the regions under each outcome. Second, noting that almost all the outcomes referred to international partnerships, the speaker asked why the International Organisation of Employers (IOE) had not been systematically cited. Third, the indicators mainly referred to the member States, when there was a need also to involve the social partners to a greater degree in order to ensure that governments included them in actions within the remit of tripartism. Fourth, the programmes should remain universal in nature and hence no reference should be made to specific regions in the targets. Lastly, under each outcome, the Employers were awaiting the action plans referred to by the Office and were ready to discuss them.
75. As to the strategic objective on employment, he highlighted three priorities: the promotion of an enabling environment for enterprise development, support for SME creation and development programmes, and programmes aimed at supporting skills development. The Employers wished to know what was meant by "employment-intensive gender budgeting" (paragraph 140) and recalled that the implementation of employment policies was the

responsibility of governments, even if employers wished to be involved in the development of those policies.

76. Indicator 1.1 did not contain enough target countries, reflecting the low relevance of such a general indicator. The second measurement, involving the social partners and measuring social dialogue, was more interesting. As to indicator 1.2, the speaker recalled that ministries of finance were not partners of the Office and preferred a more open indicator, focused on employment policies, unless the indicator concerned only microfinance, but that was vague. The speaker also questioned the Office's influence on fiscal policies (paragraph 137). Indicators 1.1 and 1.5 could be merged. The presence of so many sub-indicators rendered the announced reduction in the number of indicators somewhat moot. Although indicator 1.6 covered the important field of transition to formality, the normative approach of the Office would have quite the opposite effect. The Employers also regretted that the target only covered three member States.
77. The Employers supported outcome 2, but the indicators were too general and reflected difficulty the Office had in ranking its priorities.
78. With regard to outcome 3, the speaker welcomed the implementation of the conclusions of the 2007 general discussion. He recalled that enterprises applied national legislation, while international labour standards were aimed at governments.
79. As to indicator 3.2, the speaker did not want the Office to link automatically entrepreneurship development, employment creation and poverty reduction. It would be interesting to know how many enterprises had been created thanks to ILO programmes and how long they had lasted. With regard to indicator 3.4, the Employers emphasized that the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was not aimed at governments, and they did not wish to see any government interference with regard to enterprise management and responsible practices. That indicator could be merged with indicator 3.3, by adding "including the principles of the MNE Declaration". The last measurement under indicator 3.4 should be kept, as it was the only one that referred to investment.
80. Sir Roy Trotman, reacting to a comment from the Employers' group, stressed that the application of standards was not only the responsibility of governments, but was also the responsibility of social partners. He requested that the Office revise the section on employment, including the targets, which were not ambitious enough, to align it with section I.A.(i) of the Social Justice Declaration.
81. The title of outcome 1 should be amended to read "more women and men have access to full and productive employment, decent work and income opportunities". The outcome strategy and indicators would then also be revised to reflect this amendment. A specific reference should be made to the minimum living wage. Indicator 1.2 should be redrafted to echo the concept of social finance endorsed by the ESP Committee in 2005.
82. He suggested moving a proportion of the RBSA funds proposed for the strategic objective on employment to outcomes 14 and 16, as employment already received the bulk of regular and extra-budgetary resources. This redistribution would ensure that equal importance was given to all four strategic objectives, in line with the Social Justice Declaration. He recommended addressing the issue of global supply chains under the reference to multinational enterprises.
83. The representative of the Government of the United Kingdom welcomed the direction of the overall employment strategy. He reiterated his Government's belief that sustainable employment was the best guarantee against poverty and that skills policies based on labour

demand were vital, as was integrating employment policies into Decent Work Country Programmes and UNDAFs. He highlighted the importance of research and analysis and learning lessons. In looking at the employment indicators, he was surprised that only one of the 14 indicators had a baseline. He questioned indicator 2.2 addressing skills provision in rural communities and to persons with disabilities and suggested that these issues be dealt with in separate indicators. For indicator 1.6, he shared the concern of the Employers' group regarding the low target. Noting the crossover with work under other strategic objectives, he hoped that complementary approaches would be found, including through Office-wide collaboration, coherence and knowledge sharing. Finally, he indicated that the Office's reliance on extra-budgetary and RBSA funding for this strategic objective remained a serious concern.

84. The representative of the Government of South Africa asked for clarification of the concept "job-rich growth". He commented that not much emphasis had been placed on green jobs, which should be the focus area for sustainable jobs. He welcomed the indicators on skills development, particularly with respect to their targets focused on the Africa region.
85. The representative of the United States offered a number of comments regarding employment indicators and targets. In her view, the measurement for indicator 1.2 lost the focus on employment creation services that was contained in the indicator statement. She asked for clarification as to who would be implementing the awareness-raising strategy in the last criterion of indicator 1.4, and also asked for a definition of the "disaster-prone" countries targeted for sustainable job-rich recovery programmes. Under the analysis of risks for outcome 2, she asked the Office to identify what areas of work might be postponed while helping constituents respond to the financial crisis. Under indicators for outcome 3, she suggested including a measurement criterion related to the beneficiaries of training provided by the Turin Centre which played a key role in achieving the indicators.
86. The representative of the Government of Nigeria supported the statements made by the representative of the Government of South Africa. He welcomed the strategy in paragraph 133 and the financial matrix on page 23, specifically point 1, "inclusive job-rich growth" and its related budgets. He supported the strategy for the promotion of employment-intensive infrastructure investment in paragraph 137, which was relevant for his country. Pointing to the measurement of indicator 1.3, which was important for Africa, he stressed that emphasis should be placed on the implementation of labour market information systems, as this was the best way to measure progress towards job-rich growth.
87. The Executive Director of the Employment Sector (Mr Salazar-Xirinachs) confirmed that the Social Justice Declaration had been looked at carefully to ensure that the employment outcomes were fully aligned with it. SMEs and skills development were indeed priorities, as reflected in the outcomes. Further attention would be given to the issue of how to better reflect the Social Justice Declaration in outcome 1. The concept of "inclusive job-rich growth" mirrored the debates held in the ESP Committee and the mandate of the Office to engage in discussions about economic growth. The title and concept tried to capture the ILO's emphasis on the nature of the growth process sought, including through a sectoral approach and by addressing the needs of vulnerable groups. He acknowledged, however, that there was room for further alignment of this outcome with the Social Justice Declaration. While various comments had expressed concern about low targets for the indicators, he clarified that these targets were cumulative across the biennia and reflected the enhanced results measurement requirements. Behind each indicator was an important programme of continuing ILO support to countries on a specific theme, which also partly explained the relatively high number of indicators.

Social protection

88. Sir Roy Trotman drew the Office's attention to the third bullet point of the measurement statement for indicator 5.2. He suggested taking out the reference to "decentralized level", as this kind of wage bargaining mechanism was not sufficiently global to be mentioned there. Regarding the strategy and indicators of outcome 5, he suggested adding specific references to important issues such as decent hours of work, work security and balancing work and family life. He sought clarification on what was meant by new means of packaging social security benefits in paragraph 188 of outcome 4. He regretted the lack of reference to the Social Security (Minimum Standards) Convention, 1952 (No. 102). Under outcome 7 on migration, there should be a specific reference made to Conventions Nos 97 and 143, and the outcome should deal not only with the protection of long-term migrants but also with that of short-term migrants. He made two proposals to the Office: to address the need for national unemployment compensation packages; and to ensure that such packages provided social security protection to those who had lost their jobs. He called for more resources from the RBSA to be allocated to wages in light of increasing demands for assistance by constituents. He also called for Office work on the promotion of the ratification and implementation of the Occupational Safety and Health Convention, 1981 (No. 155).
89. Mr Julien welcomed the emphasis on that complex and important issue. Highlighting a marked imbalance in the amounts allocated to the Social Security Department and the Office of the Executive Director, he recalled that priority should be given to technical expertise and expected that situation to be redressed. The Employers supported any programme to extend social security as long as its approach was pragmatic and its results measurable. Referring to the Social Security Inquiry and the online database mentioned in paragraph 186, the speaker asked to be informed of its conclusions, which would make it possible to determine whether the ILO's approach met the needs of the constituents and hence the requirements of the 2008 ILO Declaration on Social Justice for a Fair Globalization.
90. Regarding indicator 4.3, the speaker considered that ILO action could not be made subject to conditions, and that all countries must be helped to train representatives of the social partners, irrespective of whether they had ratified a given standard and regardless of the systems of governance in place. The ILO was there to facilitate social inclusion in general and to assist all its Members, without distinction.
91. Outcome 5 posed certain problems for employers, including ILO interference in national debates, for example, during the promotion of the Global Wage Report, and its unique approach to the minimum wage issue. Existing models should be examined in closer detail, as should the positive and negative effects of the minimum wage on the economy, based on studies such as those of the Organisation for Economic Cooperation and Development (OECD) and the European Union. Further research on that issue was useful, provided the approach adopted was not ideological. The question of domestic workers was not a priority for the Employers' group, which could not represent the individual employers of that category of workers. The Employers felt that indicator 5.2 should be reviewed because it was vague and raised concerns. They wondered what a "sound" wage policy was and who the "body of non-ILO wage experts" was and what it did. They recalled that private sector wage policies did not depend on the State, and they therefore did not support the third measurement under the indicator, which violated the law relating to undertakings. On the other hand, they gave their firm support to outcome 6 concerning safety and health at work, and urged the Organization to collaborate with the World Health Organization (WHO) on practical solutions. The impact of policies should be measured, and they proposed merging the indicators to include the role of the social partners in the first indicator. The Employers observed that labour inspection was already covered by the

outcome on labour administration and recalled that overlaps should be avoided. They requested the Office to be more consistent.

92. As regards outcome 7 concerning migrant workers, the Employers considered it important for the ILO to develop more flexible tools, particularly in the area of training. To that end, the outcome should be linked with the indicators for the strategic objective on employment. They also urged the ILO to collaborate with the International Organization for Migration (IOM), which, strangely, was not even mentioned. With respect to the fight against HIV and AIDS, the Employers fully supported the ILO's work. They took note of the considerable sums of money coming from extra-budgetary funds and thanked the donors for their contributions. They proposed building the capacity of the social partners, in particular by supporting the implementation of the IOE/ICFTU joint agreement on HIV/AIDS and of the ILO's various tools, among which priority should be given to the exchange of experiences. The ILO should also help constituents to access the Global Fund, especially for the national level. The speaker pointed out that the indicators referred to a tool that did not yet exist, and that this approach might therefore appear inappropriate.
93. The representative of the Government of South Africa supported the proposed measures related to occupational safety and health issues, strengthening the capacity of constituents and efforts related to HIV/AIDS. He raised the issue of EPZs, which were sometimes used to undermine national legislation. He pointed out that social security measures needed to be comprehensive in nature, taking into account all issues that might affect workers.
94. The representative of the Government of Spain underlined labour migration as a key issue for his country. He expressed concerns about the quality of the strategy under outcome 7 on migrant workers, and regretted that the ILO was not making use of its comparative advantage in this field. It was surprising that the economic crisis was not mentioned in the strategy and he urged the ILO to take into consideration its possible negative effects on migrants. He questioned the placement of outcome 7 under the strategic objective on social protection, as labour migration was a cross-cutting issue involving both social protection and social dialogue. He also questioned whether gender equality was significant enough for migrant workers to warrant an explicit reference in indicator 7.2. Other dimensions such as migrant youth and migrant mobility were potentially more pressing issues. Finally, he urged the ILO to focus on "decent" labour migration.
95. The representative of the Government of Germany stated that several indicators seemed to mix different levels of measurement. She gave the examples of indicators 1.5 and 6.2, which placed the dissemination of information on an equal footing with that of labour inspection, labour legislation and the implementation of a training strategy. There were other inconsistencies in the programme and budget proposals related to tripartism, for example between paragraph 230, which referred to a tripartite workplace policy, and indicator 8.1, which contained no reference to the tripartite element of that policy. She asked the ILO to ensure that tripartism was included in the indicators.
96. The representative of the Government of the United Kingdom was pleased to note the emphasis on social protection as employment enhancing, and drew attention to the positive effects this could have on decent work. Noting that only two of the 11 indicators for this objective had baselines, he asked when and how these baselines would be decided. He observed that adherence to the non-binding ILO Multilateral Framework on Labour Migration framed indicator 7.1, but was not mentioned in indicator 7.2, and asked the Office to modify this accordingly. Under outcome 8, he stressed the relevance of the ILO's work in responding to HIV/AIDS and encouraged continuing collaboration with other organizations to avoid any duplication.

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97. The representative of the Government of the United States suggested that outcome 7 be amended to state: “migrant workers are protected and migrant workers have access to productive employment and decent work”, so as not to suggest that the ILO’s objective is more labour migration, rather than greater protection for migrant workers. She asked for clarification on how the various profiles mentioned in paragraphs 198 and 211 would be related to the decent work country profiles and whether there would be any duplication of efforts.
98. The representative of the Government of South Africa called for more emphasis to be placed on social protection and social security in future programmes, citing the many deficits in reaching related objectives in Africa. Positive outcomes had already been achieved in combating HIV/AIDS, but a lot of work still remained. He supported the assertion in paragraph 231 that Africa would continue to be the main regional focus of the ILO’s work on HIV/AIDS.
99. The representative of the Government of Nigeria supported the Africa group’s view. He expressed particular support for paragraph 180 and welcomed the statements in paragraph 207. Referring to paragraph 213, he recommended that the Office explore additional partnership opportunities.
100. The representative of the Government of Tunisia supported the statements made by the representatives of the Governments of South Africa and Nigeria.
101. The Executive Director of the Social Protection Sector (Mr Diop) recognized the overall pressure that social protection was facing. He understood the great need to respond to the priorities of constituents and regretted that the Office, despite its efforts, lacked the resources to meet all needs. Working conditions were a priority and the ILO was willing to do what was necessary to strengthen this area. With regard to wages, this was a difficult and sensitive issue that required intensive consultations among constituents and varied depending on countries. While the Office would present its research on this topic, it would not become involved in political debates. Commenting on social security in times of crisis, he pointed out that a national-level response was possible in developed countries where social security policies existed, whereas developing countries still required a minimum safety net and a basic response for social protection. For this reason, the ILO supported the idea of a basic social security package. Regarding migrant workers, there was a need to eliminate the “3Ds”: difficult, degrading and dangerous working situations. It was also necessary to continue to work on the prevention of HIV/AIDS and to help social partners obtain funding from other organizations. In response to the points raised by the Employers’ group concerning the proposed increase in the budget of the Office of the Executive Director, he indicated that the change was a budgetary realignment to reflect the structure in place, not an increase.
102. Sir Roy Trotman expressed his satisfaction with the clarification provided by Mr Diop on the new means of packaging social security benefits and supported the idea. He was concerned with the efforts being made in different parts of the world to package a set of conditions for workers that would reduce their standard of living. He stressed the importance of not reducing minimum wages, as this would reduce the aggregate demand across the world and worsen the crisis. He urged governments and employers not to reduce wages. He welcomed indicator 5.2 on wages and the Global Wage Report 2008–09. He hoped the report would become one of the ILO flagship publications. He requested that the Office deploy wage specialists across the regions.

Social dialogue

- 103.** Mr Julien recalled his group's opposition to the idea that the ILO should take steps within the Office to rectify the imbalance that existed between the social partners in terms of resources and influence when they carried out their activities in the different member States. In fact, that imbalance was not always in the direction one might expect: in the countries of the former Soviet bloc, workers' organizations had far greater assets than employers' organizations. With the resources allocated to it – which were half those of ACTRAV – ACT/EMP was not in a position to play a consultative role for all the departments involved in Office policy design. That was not to say that ACTRAV should receive fewer resources, but merely that ACT/EMP should be given the means to be able to play its part in the ILO.
- 104.** The Employers supported outcome 9 and once again pointed out that the ILO needed to develop programmes to help all its constituents and must expressly include ACT/EMP whenever it involved the social partners in its programmes and policies. Outcome 11 quite rightly emphasized labour inspection, but the ILO should not make its assistance conditional upon the ratification of standards. In addition, the Employers requested an explanation with regard to the measurement under indicator 11.3. They also supported outcome 12, but considered that the ILO should take a more flexible and less normative approach. Not all the constituents wanted to see social dialogue institutionalized; collective bargaining must remain voluntary and bipartite at every level without the intervention of national or local authorities; paragraph 286, which referred to an expansion of collective bargaining, was ambiguous and its tone was unacceptable. The fundamental principle was the real recognition of the right to collective bargaining, rather than the right itself.
- 105.** Moving on to outcome 13, the speaker explained that the Employers did not support the promotion of all the Conventions, particularly certain sectoral Conventions: for instance, they were opposed to the promotion of the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), which contradicted European Union regulations and was too bureaucratic. It would be better to develop voluntary agreements; it was up to the constituents themselves to determine their priorities.
- 106.** Sir Roy Trotman expressed his concern over the comments made by the Employers' group on the promotion of standards. He reiterated that workers, employers and governments were equally responsible for promoting the fundamental Conventions and all needed to work together towards this commitment.
- 107.** Under outcomes 12 and 13, he asked that a reference be made to the employment relationship, which was important to protect the most vulnerable workers, including those in the informal economy. That section should also include specific references to EPZs, where women were the most vulnerable. The work on collective bargaining was welcomed.
- 108.** Regarding the RBSA, the Workers' group proposed that the \$22 million mentioned for this strategic objective should go to outcome 9 on employers, outcome 10 on workers and outcome 13 on sectors. Under paragraph 269, he recommended including a reference to additional knowledge tools on collective bargaining. Indicators 11.3 and 12.2 should be modified to specifically mention cooperation with social partners. He expressed his concern with the reduction of extra-budgetary resources for ACTRAV, which was half of what it had been in the previous biennium.
- 109.** Sir Roy Trotman insisted that ACTRAV had to be left free to respond directly to the needs of the Workers' group and to reflect its concerns directly to the Senior Management Team, of which it should be part.

110. The representative of Government of South Africa, speaking on behalf of the Africa group, indicated his group's support for indicator 12.1. Under the first measurement criterion for indicator 10.2, the reference to "one" or more frameworks and processes was restrictive. He argued that "one" should be deleted.
111. The representative of the Government of Nigeria supported the statement of the Africa group. He welcomed the importance of the strategic objective in fostering good governance and social justice. He noted that productivity bargaining called for skills development among all ILO constituents and asked that it be included as an extension of collective bargaining. He welcomed the fostering of sectoral dialogue and the promotion of decent work in all sectors, including EPZs. As it would positively impact supply chains and the mentoring of small and medium-scale suppliers, he supported the knowledge sharing envisaged for employers in paragraph 248.
112. The Executive Director of the Social Dialogue Sector (Mr Dragnich) indicated that improving the ILO's delivery for labour inspection and labour administration would be a major focus of work in the next biennium. He concurred with the Employers' group that the principle of collective bargaining was voluntary, as enshrined in Convention No. 98. Concerning Convention No. 94, the Cartier Working Group had clustered it among the up to date Conventions, which the Governing Body had subsequently validated. The speaker stressed the value of sectoral activities as forums where constituents acted as full partners. He made specific reference to some recent meetings. In response to comments made by the Workers' group on EPZs, he noted that the Governing Body had directed the Office to issue a report on this in November 2009. The speaker took note of the statement of the Africa group regarding the elements of the economic crisis and stated his belief in the role of social dialogue to create national consensus. Lastly, he supported the point presented by the representative of the Government of Nigeria on productivity bargaining. Productivity was the basis for all collective bargaining and at present there was a need for greater productivity to stimulate the engine of economic growth. He assured ACTRAV and ACT/EMP of his commitment to their leadership role.

Standards and fundamental principles and rights at work

113. Sir Roy Trotman suggested that the targets for indicators 16.2, 16.3 and 16.4, respectively, be increased to seven, five and 20 member States. He stressed that all Decent Work Country Programmes should include normative elements, particularly freedom of association and the right to collective bargaining, whenever the related Conventions had not been ratified or these principles were difficult to implement. Decent Work Country Programmes should also take account of the comments of supervisory bodies. Noting that Conventions Nos 87 and 98 had the lowest rate of ratification, he supported the goal of universal ratification mentioned in paragraph 308. He welcomed the commitment to promote the four governance standards in line with the Social Justice Declaration. However, in accordance with the recommendations of the Cartier Working Group, this did not mean that other up to date Conventions could be neglected. In that respect, he noted that indicator 16.3 only referred to the core labour standards and those regarded as most significant from the viewpoint of governance in its measurement statement, which reduced its impact. He encouraged the Office to do more work on discrimination-related Conventions and called for 20 per cent of RBSA funds to be channelled towards promoting and following up on the recommendations of the supervisory mechanism.
114. Mr Julien recalled that the rights covered by the fourth strategic objective in paragraph 307 should obviously also apply to employers' organizations. The reality in fact was different,

and employers' organizations in many countries were faced with a failure to respect their freedom of association.

- 115.** The Employers wanted some clarification regarding the wording used in paragraph 309, which referred to “broader decent work labour standards”; the Employers wondered if the use of that term implied the introduction of a new category. The speaker recalled that the Office proposals had to be consistent with the instruments and policies formulated by the tripartite bodies. In general terms, he noted a certain level of overlap between indicators. In particular, he noted a certain redundancy with regard to the third bullet point in paragraph 315 and indicator 12.2, and suggested that the Office should re-examine all the indicators in order to make them more sound.
- 116.** The Employers wanted the Office to give a definition of the “fundamental civil liberties” mentioned under indicator 14.1. With regard to indicator 14.2, they would have preferred to have an evaluation of the ILO’s activities regarding EPZs, and regretted that EPZs, which created many jobs and in many cases offered better working conditions, were generally referred to in negative terms. The modest target suggested that the topic was not a high priority for the Office.
- 117.** With regard to outcome 15, the Employers obviously supported the Office’s efforts but regretted that the three indicators made ILO assistance conditional on ratification of a standard. With regard to the worst forms of child labour they would prefer a more pragmatic approach, including the promotion and application of Convention No. 182. It would also be useful to refer to the statistical standard recently developed by the International Conference of Labour Statisticians, which precisely defined the notion of child labour. The speaker regretted that the division of the four fundamental objectives of the 1998 Declaration into two outcomes had sometimes caused the role of the Declaration to be forgotten. The Employers considered the continuity of the follow-up to be very important.
- 118.** Concerning outcome 16, the Employers continued to advocate better use of international labour standards and considered it necessary in that regard to update the existing body of standards, review some of the standards and define the best adoption process. In fact, the entire system needed to be overhauled to enable it to respond more effectively and more quickly to the challenges of the world of work and the changes to national legislation. The Employers endorsed the suggestion made in paragraph 333 concerning the socio-economic assessment of international labour standards. Such assessment should not, however, concern only the informal economy, as the end of the paragraph seemed to suggest. The speaker expressed some reservations about the different indicators for outcome 16. Indicator 16.1 should refer to the recommendations made by the supervisory bodies and to the Committee on the Application of Standards. Indicator 16.2 was vague and should be limited to the principles and rights contained in standards or to the relevant standards. Indicator 16.3 was confused because ratification was a voluntary act and indicator 16.4 should be clearer. With regard to the latter, the content of Decent Work Country Programmes was determined by the constituents, and it was therefore not acceptable for the ILO to go against the constituents’ wishes to impose its own objectives. If the Employers were fairly insistent on that point, it was because they noted with some concern that the Office sought to impose an abstract conception of decent work, against the countries’ wishes and against the spirit of the Declaration on Social Justice for a Fair Globalization, which established the primacy of the constituents’ needs. The speaker said it was essential that countries should be able to take ownership of decent work and should consider decent work not as something that was set in stone, but rather a living, evolving and shared principle of action.

119. The representative of the Government of the United Kingdom supported the ILO's work in this area and the goal of universal ratification expressed in paragraph 314. This should be done through an integrated approach that connected the standards system to technical assistance and Decent Work Country Programmes. He agreed with the three-dimensional approach detailed in paragraph 315. Regarding the measurement criteria for indicator 14.1, he questioned whether all of these represented the same level of difficulty. The issue of weighting criteria alluded to by the IMEC group was relevant here. He asked whether the ten target member States would be primarily those that had not ratified one or both of the Conventions and, if so, how the measurement of ratification under this indicator related to indicator 16.3, which addressed new ratifications. He supported the adoption of awareness-raising strategies related to EPZs under indicator 14.2, while noting that the target was low and would be reviewed.
120. Regarding outcome 15, he asked whether the ratification of related Conventions would be given priority if the member States had not ratified one or more of the Conventions concerned. He requested further explanation of the wide variation across the targets of the three indicators. The way that the fundamental rights were divided in the document was a concern, as the two core Conventions were now segregated from the others and had separate outcomes and indicators. This created a hierarchical approach to core Conventions. He agreed with IMEC that each of the four core labour standards should be assigned their own outcome, targets and indicators.
121. He welcomed the Office's view on standards-related gaps noted in paragraph 333, in particular future research on the informal economy. In this regard, he noted however that none of the indicators referred to the application of standards in the informal economy.
122. The representative of the Government of the United States noted the great importance attached by her Government to ILO work on standards and urged that each of the fundamental principles and rights at work be given its own outcome, indicators and targets.
123. The representative of the Government of Nigeria supported the Workers' group on the promotion of the core Conventions. The ILO supervisory mechanism should maintain its primary position in the UN system. His country was ready to work with the Office to promote greater ratification of Conventions, in particular those related to rights at work, in an integrated manner. He supported the emphasis placed on freedom of association in EPZs, child labour and the focus on the informal economy.
124. The representative of the Government of Egypt supported the ILO in its role to encourage member States to improve standards and fundamental principles and rights at work, so that they could implement relevant Conventions in this area.
125. The Executive Director of the Standards and Fundamental Principles and Rights at Work Sector (Mr Tapiola) confirmed that targets 16.2, 16.3 and 16.4 would be reassessed to determine whether they could be increased. He reassured the Workers' group that the Office would continue to promote the ratification of all up to date Conventions. He agreed with the Employers' group's comments that freedom of association and the right to collective bargaining concerned both workers and employers equally. Under indicator 14.1, he pointed out that the third bullet point referred to both trade unions and employers' organizations. He clarified that paragraph 309 did not seek to introduce new categories of standards. Any areas of overlap with other sectors were addressed through plans of action following global reports. The Employers' group had expressed concerns about the continued role of the 1998 Declaration. This was explained in paragraph 310, which detailed the roles of both the 1998 Declaration and the Social Justice Declaration. In response to the Government of the United Kingdom's concerns regarding target member States under indicator 14.1, he noted that if improvement was recorded in two of the

criteria, that would constitute a general improvement to the situation and could be recorded. Child labour and the ratification of related Conventions remained a priority for the Office. The rates of ratification were high for Convention No. 182 and increasing for Convention No. 138. No hierarchy of core Conventions was implied in the targets for indicators 15.1, 15.2 and 15.3. The speaker ended by noting that it was difficult to include specific targets on the informal economy under outcome 16, although indicator 16.2 was very relevant to the informal economy.

- 126.** The Chairperson opened the discussion on policy coherence, strengthening technical capacities and governance, support and management (paragraphs 338–400).
- 127.** Mr Julien noted that outcome 17 could be increasingly meaningful but that the Employers would wait for the action plan relating to it before giving their views on what was a somewhat optimistic text with regard to the ILO's capacities. Indicator 17.1 seemed to suggest that the ILO defined the agenda of the constituents; that should not be the case and it would be a good time for the Governing Body to reflect on the exact role of the Office. Paragraphs 350–356 would become meaningful with the ILO's strategy on knowledge. He asked whether that strategy would include indicators and targets and recalled that the Declaration and the resolution of 2008 contained clear indications in that regard.
- 128.** The Employers supported the capacity-building efforts of the constituents. Regarding paragraph 358, the social partners had their own agendas and were not there solely to promote the ILO's agenda. The section was too vague to convey the ILO's intentions. ACTRAV and ACT/EMP would have a specific role to play, even though the budgets unfortunately remained unchanged.
- 129.** The text lacked information on governance, support and management and its indicators were weak. Indicator 2.1 did not appear to be in the right place because it went beyond the simple issue of governance. With regard to indicator 2.5, the speaker considered that all documents should be published on time and that the target should be 100 per cent. Documents for the current session had been published late and he thoroughly regretted having to make the same observation every year. Similarly, the ILO should address the problems relating to its French web site. Meeting deadlines was part of the minimum service owed to members. The use of new technologies should have helped to overcome the delays. The Employers would like to receive information from the Office with regard to "adequate" legal advice.
- 130.** He called on the Governing Body and the Office to lend their attention to the joint statement by the Worker and Employer members of the Board of the Turin Centre. The Employers requested that the PFAC be updated annually on the implementation of the recommendations by the working party established in 2007 to enhance the integration of the Turin Centre. He read out three excerpts from the joint statement, which had been issued that day:
 - (1) First, the regular contribution of the ILO to the Centre is very low: 2 million euros out of a total budget of 42 million. This by no means reflects the effort of the Centre of building the capacity of its constituents to successfully implement the strategic objectives of the ILO. The regular contribution of the ILO to the Centre should therefore increase in the future.
 - (2) Secondly, a more structured cooperation with PARDEV is needed to ensure that the Turin Centre gets more funds from partnership agreements in order to develop courses for constituents. The Centre should also be involved more systematically in technical cooperation programmes and funded accordingly. It should also take part in meetings with donors. Finally, the Centre should be able to access funding from RBSA funds in order to develop training programmes in particular in Decent Work Country Programmes.

- (3) Last but not least, governments could consider a direct contribution to the Turin Centre using one or more of the modalities that were presented in the report of the Working party in 2007, or to consider a specific chapter and budget for the Training Centre as part of a wider partnership programme with the ILO.

Incorporating the International Institute for Labour Studies into the programme and budget proposals would have helped make its role more visible in relation to the ILO. That was extremely important in the run-up to the first cyclical report on employment provided for in the 2008 Declaration and in the light of its role in analysing the social impact of the crisis.

- 131.** Regarding the technical meetings reserve, he recalled that two meetings had already been scheduled for the employers and workers respectively and that there was an agreement to hold more frequent sessions of the International Conference of Labour Statisticians, in other words every three years, which should be covered by the regular budget. The Employers wondered whether the programme and budget included the update of IRIS. Regarding the renovation of the building, the Employers hoped that the Office would make provision for a real maintenance plan in the future, as requested by the Chief Internal Auditor in 2007. Given the complexity of the issues and the delays that had arisen, the Employers invited the Office to exercise caution and to anticipate cost increases to a greater extent. Lastly, the Employers would like to know why staff costs had declined in the Asia-Pacific region.
- 132.** Sir Roy Trotman welcomed outcome 17, but would have liked to see a greater focus on policy coherence to help ensure that the ILO's Decent Work Agenda was having an impact on other multilateral organizations. The ILO should intervene in those countries having turned to the IMF for loans in order to assist constituents with alternative advice consistent with decent work and social justice. Under indicator 17.2, he proposed that a new measurement criterion be added on the involvement of social partners in the policies and programmes of multilateral agencies. He also argued that there was still a need to mainstream decent work and policy coherence into the ILO itself. He asked that paragraph 348 make a clearer reference to section II.A(ii) of the Social Justice Declaration to explain how technical cooperation should support progress towards all dimensions of decent work. He welcomed the increased work on statistics and the greater emphasis on work with the Turin Centre, which should be fully associated with capacity-building initiatives based on Decent Work Country Programme priorities. Capacity building of social partners should be a major pillar of Office activities. While he was pleased that tripartite participation in UN country programmes had been included, funds had yet to be delivered for this.
- 133.** The representative of the Government of France fully supported the joint declaration on the Turin Centre by the Employers' and Workers' groups, which corresponded to the needs of the Centre. He strongly encouraged the Office to direct more funds to the Centre and thought this was an appropriate item to include in the general budget discussion.
- 134.** The representative of the Government of the United Kingdom welcomed the commitments to climate neutrality, the risk management system and the timely implementation of audit and evaluation recommendations. He recalled his Government's position on two issues. First, several targets set in the Human Resources Strategy for 2006–09 had not yet been achieved and would likely not be achieved before discussion of the strategy for 2010–15 in November 2009. Second, more progress needed to be made on the field structure review. He stressed that outcome 1 depended largely on effective implementation of both issues and questioned why there was no indicator on the field structure review in outcome 1. For outcome 2, he was convinced that further improvements on time management were still possible for committee reporting and voting, and that these could result in more efficiency savings. Regarding the policy coherence section, he supported outcome 17 directed at a coherent and integrated approach to decent work across the Office, and within UNDAFs

and national development strategies. His main concern was the lack of a cost breakdown for the proposed outcome budget. He asked for more information on the allocation of resources among the proposed activities.

- 135.** The representative of the Government of Nigeria, speaking on behalf of the Africa group, appreciated the adoption of an integrated approach in national economic and social policy and the use of the Toolkit for Mainstreaming Employment and Decent Work of the United Nations system Chief Executives Board for Coordination (CEB), including capacity building of constituents. He welcomed the attention given to Africa in the targets for indicator 17.1. He supported the statements made by the Workers' and the Employers' groups on the Turin Centre.
- 136.** The representative of the Government of Japan indicated that prioritization was necessary to respond to the increasing demand from member States during the current economic crisis. In this context, support for job creation integrating issues such as social protection and social dialogue should be the top priority. His Government was prepared to support the green jobs initiative in Asia and the Pacific. He also advocated for the creation of synergies with UN and other multinational agencies in providing technical assistance to member States.
- 137.** The representative of the Government of Germany supported the statements by the Employers' and Workers' groups on the Turin Centre, stressing the need to integrate it better in the activities of the Office and to direct more resources to it.
- 138.** The representative of the Government of South Africa supported the statement of Nigeria on behalf of the Africa group and previous statements made on the Turin Centre.
- 139.** The representative of the Government of Egypt supported the statement of the Africa group. He emphasized the importance of the Turin Centre in responding to constituents' capacity-building needs.
- 140.** The Executive Director of the Management and Administration Sector (Ms O'Donovan) thanked the members of the Committee for the rich discussion on this section, which was important for effective delivery of work under the four strategic objectives and for the Office at large. She elaborated on five points. First, outcome 17 had been added after the informal consultations where it was felt that this was an area in which the ILO could play a greater role in terms of its partnerships and activities. Second, comments on indicators and targets would be looked at carefully to see how further refinement could be made. Clearly, many of the proposals under governance, support and management were closely linked to the Social Justice Declaration and its resolution. Some of these proposals would be revisited in light of the decisions on the implementation road map. Third, the Office continued to improve on its services concerning the timely production and distribution of documents, despite the difficulties presented by providing such a complex service. Indicators and targets had been established to that effect. Fourth, provisions for maintenance and building had been included in Part IV of the budget proposal. Fifth, additional information on the field structure review would be provided during the current session of the Governing Body and the revised human resources strategy would be presented to the Governing Body in November. The speaker pointed out that reform of the International Labour Conference and the Governing Body was subject to further consultation. The speaker concluded by stating that the Office would give due attention to the many comments on the Turin Centre.
- 141.** Sir Roy Trotman summarized the six main messages of his group. First, international labour standards, in particular freedom of association and collective bargaining in the response to the crisis, were central. For this reason, 20 per cent of RBSA funds should be

channelled to the promotion of these principles and the follow-up of the recommendations of the supervisory mechanism. Second, wages were a priority, as a way to boost aggregate demand. This area of work should benefit from additional RBSA funds. In the absence of wage specialists in the field, the headquarters unit responsible for wages should receive support to meet demands for assistance. Third, social security, occupational safety and health, and working conditions should receive additional extra-budgetary and RBSA funds. Fourth, the employment component of the proposals should better reflect relevant sections of the Social Justice Declaration, particularly section I.A(i), and include a focus on income, public enterprises and social progress. It should address the various components of the Global Employment Agenda, in particular macroeconomic ones. Strategic objectives should be re-balanced, as they were all equally important. Fifth, the ILO should step up its work on the employment relationship, including by promoting the Employment Relationship Recommendation, 2006 (No. 198). This should be reflected in outcomes 11, 12 and 13. Sixth, ACTRAV had a pivotal role, given the increasing demands from workers' organizations. In the area of the role of ACTRAV, he expressed satisfaction that the Director-General had earlier ceded the point, and that Mr Dragnich in his intervention had expressed his acceptance of the special role of ACTRAV as expressed earlier. ACTRAV needed additional financial resources to support workers' organizations and to strengthen ACTRAV's presence in the field.

142. Replying to the points raised during the discussion, the Director-General emphasized how important these discussions were for him and the Office. He highlighted three points. First, he thanked members of the Committee for recognizing the improvements that had been made to the proposals. The proposals were work in progress and still needed to better take into account the impact of the crisis and its implications for the work of the Office in 2010–11. Second, he acknowledged the need for further improvement in the alignment between the Social Justice Declaration, on the one hand, and the Strategic Policy Framework and the programme and budget, on the other hand, as many speakers had stressed. At the same time, the Office was already in crisis mode and would take advantage of the year ahead to get further guidance from its constituents. Third, he observed that there was a tension between comments that some targets were too low and that planned extra-budgetary resources were too high. This dilemma had to be resolved as it did not make sense to raise targets and lower resources. The high estimate in extra-budgetary funding indicated the ILO's aspirations and the strength of political support for the ILO. If such resources could not be fully mobilized, the Governing Body would be consulted for further guidance. He thanked the Committee members for the rich discussion.
143. The Chairperson closed the discussion on the programme and budget proposals and recalled that the Director-General would provide his detailed response on Thursday.
144. The Committee reconvened on 19 March. The Director-General introduced his proposals for adjustments to the Programme and Budget proposals for 2010–11, as contained in document GB.304/PFA/3/1. The document also contained a point for decision (paragraph 5). The Director-General's statement is reproduced in Appendix II.
145. Sir Roy Trotman congratulated the Director-General on his presentation and expressed his support for the point for decision and the proposed resolution. However, his group still had some concerns that it wished could be addressed, relating to the problems facing the Organization in the immediate future. He did not disagree with the increase in funding to the regions. However, he hoped that the regions would feel a greater sense of responsibility towards the social partners, as well as towards ACT/EMP and ACTRAV, when preparing their programmes and engaging the increased expenditures. If the teams responsible for the relevant areas and the regions would by November give the Committee an indication of how they planned to use those resources, some areas that had not been explicitly addressed in the Director-General's statement could still be taken up to make the Office more

responsive to constituents. More work was needed on wages, the employment relationship and collective bargaining, as well as on labour administration. Having the machinery in place to resolve disputes, particularly through tripartite dialogue, was especially important during periods of stress and could help avoid disruptions.

- 146.** After referring to wages as a means of economic stimulation, the speaker asked the Office not to lose sight of the importance of social security, safety nets, working conditions and health and safety at work and in the community at large. The regions should engage in a transparent dialogue with the social partners in order to ensure that the additional funding was to the benefit of the different countries and constituents. Regarding the relevance of small and medium-sized enterprises (SMEs), he stressed that employment was a matter for each of the three groups of constituents. He welcomed the additional funding in that area. He said that the pivotal role of workers' organizations in creating employment should be recognized and that those organizations, along with ACTRAV staff, should be intimately involved in the discussions on the subject. All parties needed to be able to make recommendations to governments on positive initiatives to create a favourable climate for SMEs. The situation was similar for rural workers, where it was critical to eradicate poverty. With regard to labour migration, all countries faced the issue of the discrimination of migrant workers. The additional amount proposed should again be seen as indicative and more resources should be freed up.
- 147.** He expressed satisfaction with the additional resources assigned to the Turin Centre and indicated that the Centre should be used for empowering both constituents and ILO staff. It was important for the staff to be orientated to the ILO's functions and focus, or they would not be able to do an effective job.
- 148.** The speaker concluded by thanking the Director-General for his forthright presentation, in which among other things he had challenged both ILO staff and constituents to take part in the exercise of becoming a centre of excellence and had called for greater levels of social dialogue, efficiency and transparency.
- 149.** Mr Julien expressed disappointment that, given the unique context of the session – the crisis, the first budget since the adoption of the ILO Declaration on Social Justice for a Fair Globalization, the strategic framework and the third mandate of the Director-General – the budget as presented was not a mobilization budget. As to the method, he regretted the delays and lack of organization, which had seriously undermined the discussion. The deadline set for responding to the new proposals had been too tight and he again called for steps to be taken to improve the functioning of the Governing Body. He stated that the 2008 Declaration called for improvements in both the working methods and the service provided to the constituents. He added that his group found it difficult to give an opinion on a single operational budget when the revised strategic budget was not available to them.
- 150.** With regard to the content of the budget, the speaker complained of a lack of vision and a failure to take sufficient account of the needs arising from the crisis and the implementation of the 2008 Declaration. He regretted that the Employers remained the poor relation regarding the strategic objective on social dialogue, and that ACTRAV's budget was still two-and-a-half times the size of that of ACT/EMP. He went on to state that the adjustments regarding activities for enterprises focused on rural enterprises, even though the rural exodus remained a reality across the world. Unconvinced by the explanations regarding the RBSA, he recalled that his group had hoped for the presentation of an alternative budget which would have made allowance for dealing with any possible unpleasant surprises. The proposed adjustments remained cosmetic. Furthermore, he was concerned by the proposed cuts in several important fields (unforeseen expenditure; accommodation; information technology; management services), that might weaken the Office's capacity to organize itself and to implement the 2008 Declaration. The speaker

again emphasized that, although the present budget was no worse than previous ones, it was not what those working to combat the crisis and implement the 2008 Declaration wanted to see.

151. Moving on to the positive aspects, the speaker referred to the efforts which had been made with regard to the budget, following requests made by various governments. He also noted a number of encouraging signs regarding migrant workers in particular (a field with regard to which the Employers had, moreover, requested the Office to increase its cooperation with the international organizations concerned) and employment, especially in rural zones and within SMEs. He also welcomed the additional funding allocated to the Turin Centre and expressed the wish that that amount should be shared out equally among employers and workers. He thanked the Workers' group for the dialogue which had continued throughout the discussions, as well as the Office for its assistance and the Governments for the consideration they had given to the various budget posts.
152. Returning to the issue of the problems affecting the functioning of the Governing Body, the speaker felt that an international organization could not adopt a biennial budget under such conditions. The Employers were extremely keen to see an improvement in the Office's performance and recalled their disappointment at the fact that so much remained to be done in the fields of human resources policy, the field structure review and results-based management. All their hopes rested on the 2008 Declaration and the related policies which had been implemented. In the interests of that Declaration, for which so many efforts had been made and remained to be made, the Employers would not oppose a budget which had, however, been the cause of a great deal of frustration.
153. The representative of the Government of South Africa, speaking on behalf of the Africa group, pointed out that extreme poverty in Africa had led member States in the region to have high expectations with regard to ILO assistance. Those expectations and diminishing resources placed a heavy burden on the Organization. Given that the economic crisis had put the national budgets of member States under pressure, the same should be expected to happen to the ILO's budget. He considered the readjusted budget proposals to be an acceptable balance and pointed to realities in the region such as the high number of workers in rural employment and the informal economy, the high percentage of those who were not covered by social security schemes and the impact of remittances of migrants. He questioned whether the budget increase of just a few million dollars was sufficient for what was to be achieved through the Organization, compared to the trillions of dollars being put forward in stimulus packages. He supported the increased allocation for the Turin Centre and the point for decision.
154. The representative of the Government of France thanked the Director-General for his new budget proposals, which contained real economies and useful redeployments of resources. However, he questioned the \$300,000 cut under information and communications technology. He thanked the Office for its responsiveness, referring in particular to the earlier information session and the fact that the Office had engaged itself in a more in-depth budgetary discussion. He welcomed the reduction in the provision for cost increases, which did not affect the ILO's efficiency, and the fact that the economic parameters that had been adjusted were now better reflected. The speaker called on the Office to continue to pursue ways to optimize expenditure through the increased use of modern technologies, better risk management, the streamlining of procurement practices and other means. He asked for specific work to be carried out in those areas. He questioned the inflationary factors contained in the method used by the Office to calculate costs increases and called for a better alignment with the techniques used by member States themselves. Regarding the financial impacts of staff movement and the age profile, the Office's response was not satisfactory and the claim that there were generally no financial impacts was not acceptable. He considered that work remained to be done to include those matters on the

agenda of a working party set up to deal with staff costs. The speaker also inquired about expenditure on staff for 2009, as the 2008 figure was only 47 per cent. He requested that the issue be addressed by a working party set up to deal with staff costs for presentation to the PFAC. In conclusion, he referred to the common goal of supporting the ILO's work and objectives, while at the same time taking into account the situation of public finances in what was a time of crisis. In that context, he appreciated the useful work of the Committee and the open dialogue with the Office.

- 155.** The representative of the Government of Brazil spoke on behalf of the Governments of Argentina, Brazil, Chile and Uruguay. She reminded the Office that it was not the time to take a step back with regard to the promotion of the Decent Work Agenda and its social dialogue component, if the current crisis was to be tackled with a human face. The abovementioned Governments supported the revised budget proposals.
- 156.** The representative of the Government of Spain suggested that, on the occasion of future budget discussions, in particular for 2012–13, the Office should organize a preliminary meeting with budget specialists from the three groups of constituents in order to address the purely technical matters related to the budget. That would allow the Committee to focus on the political and strategic analysis of the proposals. He supported the revised proposals, which, he hoped, would make the Office stronger at the international summits in which it would participate, in particular the G8 and the G20 summits. He noted that it would be difficult to justify at the G20 Summit in London a call to maintain the levels of extra-budgetary resources, should member States not be in a position to support the Organization's regular budget. He thanked the Office for the increase in the resources for outcome 7 on migration, as his Government attached great importance to that global issue. The ILO could do much more in that area, as stressed in the independent evaluation discussed at the last session of the Committee. He hoped that the ILO would continue to be a living and relevant Organization.
- 157.** The representative of the Government of Peru considered that the revised proposals reflected a balance between the initial proposals and the ongoing work of the Office in dealing with the international financial crisis. He emphasized the need for a stronger ILO to meet effectively the growing demands of its constituents in the current context. He supported the revised budget proposals. He believed that the ILO should strengthen its work on identifying best practices for South–South cooperation, as that offered an efficient way to promote cooperation between countries. He supported the regional priorities identified for the Americas. Considering the current economic circumstances, however, an explicit reference to work on microfinance should be included, given its vital role in providing access to credit for SMEs.
- 158.** The representative of the Government of El Salvador thanked the Director-General for the revised proposals. He appreciated the Office's efforts to accommodate the requests made by the various delegations when adjusting the proposals, keeping in mind the budgetary constraints faced by member States in the current economic circumstances. He called for a stronger ILO that could meet the requirements of its constituents during the ongoing crisis, underscoring that poverty, unemployment, job insecurity and the informal economy were all increasing. Stressing the importance of keeping expenditures under control, his delegation supported the revised proposals, as it was essential to provide the Office with the necessary resources to continue its work to create decent work and promote social justice for all.
- 159.** The representative of the Government of Panama shared the views expressed by many delegations on the difficult times created by the economic crisis. The crisis challenged progress towards the achievement of decent work. For that reason, his Government supported the programme and budget proposals, which represented the best way of

strengthening the Office to help constituents tackle the crisis and achieve decent work objectives. His Government also supported the readjusted proposals and the point for decision.

160. The representative of the Government of Germany thanked the Director-General for the revised proposals and his team for the in-depth discussion on budgetary issues. He regretted that the revised proposals had been made available only at the last minute, which had not left enough time for a thorough review and discussion. He appreciated the efforts made to revise the estimated cost increase taking into account the various concerns that had been raised. Issues such as travel costs and exchange rate fluctuations still required some clarification. His Government would be happy to discuss those issues further with the Office. He was pleased with the emphasis given to the Turin Centre and disappointed that there was no increase for work on social security in the revised proposals. He called on the Office to play an active role in the context of financial crisis. His Government supported the revised budget as presented by the Director-General.
161. The representative of the Government of Canada appreciated the revised budget submission, but was unable to join the consensus on the level of the budget.
162. The representative of the Government of Portugal appreciated the Director-General's efforts to reduce the budget. His Government would have preferred a zero nominal growth budget, but was available to help build consensus in the light of the objectives proposed by the ILO.
163. The representative of the Government of Jordan thanked the Director-General and expressed appreciation for his reply to the Committee. He recognized the need to maintain the budget level, which would enable the Office to assist member States in coping with the impact of the financial crisis. He supported the proposal as presented.
164. The representative of the Government of Nigeria supported the statement made by the Africa group. He emphasized the need to strengthen the ILO on the basis of the 2008 Declaration, taking account of its role in responding to the increasing challenges faced by constituents in the context of the financial crisis. His Government supported the proposed nominal increase in the budget and considered that the budget costing was transparent. He reaffirmed that it was important for the ILO to be innovative in its resource strategy in order to achieve the projected levels of extra-budgetary and RBSA resources. His Government supported the Director-General's proposed adjustments.
165. The representative of the Government of the United Kingdom thanked the Director-General for his reply and the revised budget proposals. He appreciated the Director-General's recognition of the impact of the financial crisis on public finances, as well as his further efforts to present a lower budget. He considered the proposed reduction in the provision for cost increase as a good starting point. He hoped that, at some point before the June 2009 session of the International Labour Conference, the Director-General would engage in discussions on further efficiency savings with those governments that remained concerned. A unanimous vote in favour of the budget for 2010–11 would be particularly significant in the light of the financial crisis, its effect on public spending and the demands it might place on the ILO. It would send a clear signal of mutual understanding between the ILO and its constituents of their respective needs and constraints.
166. The representative of the Government of Mexico considered that further efforts could be made for greater savings, particularly in the light of the ongoing crisis and the efforts countries had to make. His Government could support neither the proposed budget nor the adjustments as presented.

167. The representative of the Government of Cuba welcomed the revised budget, which was better presented than the first proposal. However, he considered that there was the potential to reduce administrative costs further and to increase savings through enhanced efficiency, increased coherence and continuity in the Office activities and results-based work planning. His delegation could not support the budget as proposed, although it would not object to it should a consensus be reached.
168. The representative of the Government of Zambia endorsed the statement of the Africa group. He thanked the Director-General for the additional resources and welcomed the proposed changes in work methods. He supported the point for decision.
169. The representative of the Government of the Bolivarian Republic of Venezuela joined previous speakers in commending the Director-General and the Office for the renewed effort. He also took note of the concerns expressed in the Committee about the impact of the financial crisis on member States and on the adequacy of budget level. His Government would have preferred a zero nominal growth budget. While it could not support the budget proposal, it would not object to its adoption should a consensus emerge in the Committee. The speaker noted that, in such a time of crisis, supporting an increase in the budget of the ILO could stimulate similar requests by other international organizations, which would be difficult to justify.
170. The representative of the Government of the United Republic of Tanzania shared the views expressed by the Africa group. She appreciated the initiatives undertaken by the Office and supported the proposals for adjustments.
171. The representative of the Government of Egypt seconded the statement made by the Africa group and thanked the Director-General for the proposed adjustments to the budget. He supported the point for decision.
172. The Chairperson noted that a substantial majority had supported the budget and on his proposal the Committee approved the following point for decision.
173. *The Committee proposes to the Governing Body:*
- (a) *that it recommend to the International Labour Conference at its 98th Session (June 2009) a provisional programme level of \$665,116,121 estimated at the 2008–09 budget exchange rate of 1.23 Swiss francs 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;*
 - (b) *that it propose to the Conference at the same session a resolution for the adoption of the programme and budget for the 72nd financial period (2010–11) and for the allocation of expenses among member States in that period in the following terms:*

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

Geneva, 24 March 2009.

Point for decision: Paragraph 173.

Annex 2

**Director-General's proposals for adjustments
to the Programme and Budget proposals
for 2010–11 (GB.304/PFA/3/1)**



THIRD ITEM ON THE AGENDA

**Programme and Budget proposals
for 2010–11**

**Director-General's proposals for
adjustments to the Programme and
Budget proposals for 2010–11**

1. Attached are two appendices summarizing the proposed adjustments to the original proposals and the revised budget totals resulting from these adjustments.
2. Appendix I details the adjustments to the budget in constant dollars.
3. Appendix II summarizes the revised proposals taking account of the revisions to cost increases and the programme adjustments indicated in Appendix I. The net effect of these adjustments is to reduce the nominal level of the proposals by \$3,998,058 from \$669,114,179 to \$665,116,121.
4. The Director-General will present his explanation of these adjustments prior to their discussion by the Committee.
5. *The Committee may accordingly wish:*
 - (a) *to propose that the Governing Body recommend to the International Labour Conference at its 98th Session (June 2009) a provisional programme level of \$665,116,121 estimated at the 2008–09 budget exchange rate of 1.23 Swiss francs 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;*
 - (b) *to submit to the Governing Body for proposal to the Conference at the same session a resolution for the adoption of the programme and budget for the 72nd financial period (2010–11) and for the allocation of expenses among member States in that period in the following terms:*

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

Geneva, 18 March 2009.

Point for decision: Paragraph 5.

Appendix I

Adjustments to the operational budget

	Revised budget 2008-09	Budget proposals 2010-11	Proposed adjustments	Revised budget proposals 2010-11
(in constant 2008-09 US\$)				
PART I: ORDINARY BUDGET				
Policy-making organs				
International Labour Conference	12,245,872	11,600,753	-	11,600,753
Governing Body	5,283,950	4,893,101	-	4,893,101
Major Regional Meetings	802,156	975,953	-	975,953
Legal Services	3,108,753	3,031,034	(9,706)	3,021,328
Relations, Meeting and Document Services	50,490,779	48,585,608	(133,260)	48,452,348
	71,931,510	69,086,449	(142,966)	68,943,483
Strategic Objectives				
Technical Sectors				
Employment				
Economic and labour market analysis	7,266,300	7,077,371	(19,276)	7,058,095
Skills and employability	6,701,963	6,544,072	(16,989)	6,527,083
Employment policy	8,018,748	8,277,732	(21,288)	8,256,444
Job creation and enterprise development	12,499,305	12,977,354	397,560	13,374,914
Executive Director's Office and central support	6,022,310	5,713,842	(14,929)	5,698,913
Regular budget technical cooperation	2,320,526	2,320,526	-	2,320,526
	42,829,152	42,910,897	325,078	43,235,975
Social Protection				
Social Security	8,898,017	8,125,442	(24,422)	8,101,020
Labour Protection	17,426,100	17,126,456	454,194	17,580,650
HIV/AIDS and the World of Work	1,499,703	1,638,586	(4,454)	1,634,132
Executive Director's Office and central support	1,638,717	2,596,001	(8,157)	2,587,844
Regular budget technical cooperation	1,281,240	1,281,240	-	1,281,240
	30,743,777	30,767,725	417,161	31,184,886
Social Dialogue				
Employers' activities	4,978,270	4,978,270	-	4,978,270
Workers' activities	12,376,129	12,376,129	-	12,376,129
Social Dialogue, Labour Law and Labour Administration	8,651,571	9,133,319	(25,303)	9,108,016
Sectoral Activities	11,234,207	11,756,240	273,438	12,029,678
Executive Director's Office and central support	2,679,145	2,539,174	(7,187)	2,531,987
Regular budget technical cooperation	8,257,340	8,257,340	-	8,257,340
	48,176,662	49,040,472	240,948	49,281,420
Standards and Fundamental Principles and Rights at Work				
Fundamental Principles and Rights at Work	7,183,113	7,403,836	380,962	7,784,798
International Labour standards	21,944,954	21,953,643	(60,892)	21,892,751
Executive Director's Office and central support	2,370,462	2,251,939	(5,786)	2,246,153
Regular budget technical cooperation	1,422,342	1,422,342	-	1,422,342
	32,920,871	33,031,760	314,284	33,346,044
Cross-cutting programmes				
Communications and Public Information	23,387,098	22,802,420	(56,301)	22,746,119
Partnerships and Development Cooperation	9,287,272	9,055,091	(26,109)	9,028,982
Gender Equality	2,651,967	2,651,967	(6,608)	2,645,359
Support to UN Reform and Inter-agency Programmes	2,673,293	1,374,002	(2,987)	1,371,015
International Institute for Labour Studies	5,134,508	5,134,508	-	5,134,508
International Training Centre of the ILO, Turin	6,320,513	6,320,513	500,000	6,820,513
Policy Integration	6,862,439	6,862,439	(18,735)	6,843,704
Statistics	7,838,237	8,341,186	(21,091)	8,320,095
Technical Meetings Reserve	1,225,180	1,225,180	-	1,225,180
	65,380,507	63,767,306	368,169	64,135,475
Total technical programmes	220,050,969	219,518,160	1,665,640	221,183,800

Annex 2

	Revised budget 2008-09	Budget proposals 2010-11	Proposed adjustments	Revised budget proposals 2010-11
(in constant 2008-09 US\$)				
The regions				
Field Programmes in Africa	59,423,363	61,415,791	-	61,415,791
Field Programmes in the Americas	48,962,973	49,913,564		49,913,564
Field Programmes in Arab States	11,767,587	12,845,617	-	12,845,617
Field Programmes in Asia and the Pacific	53,130,736	54,146,706		54,146,706
Field Programmes in Europe and Central Asia	18,868,294	19,138,254	-	19,138,254
	192,152,953	197,459,932	-	197,459,932
Support Services				
Information Technology and Communications	22,297,245	21,739,814	(41,808)	21,698,006
Internal Administration	39,175,449	38,196,063	(61,831)	38,134,232
Procurement	2,260,245	2,203,739	(6,480)	2,197,259
	63,732,939	62,139,616	(110,119)	62,029,497
Total strategic objectives	475,936,861	479,117,708	1,555,521	480,673,229
Management Services				
General Management	8,199,799	7,994,804	(21,295)	7,973,509
Human Resources Development	20,709,015	20,231,290	(52,686)	20,178,604
Financial Services	13,531,573	13,193,284	(40,171)	13,153,113
Programming and Management	8,119,349	7,916,365	(23,753)	7,892,612
Executive Director's Office, Management and Administration	1,482,864	1,445,792	(3,879)	1,441,913
	52,042,600	50,781,535	(141,784)	50,639,751
Oversight and evaluation				
Internal audit and oversight	2,126,590	2,126,590	(6,228)	2,120,362
Ethics function	177,473	177,473	(224)	177,249
Independent Oversight Advisory Committee	229,805	299,805	-	299,805
Evaluation	1,743,937	1,831,134	(4,969)	1,826,165
	4,277,805	4,435,002	(11,421)	4,423,581
Other budgetary provisions	35,402,984	35,402,984	-	35,402,984
Adjustment for staff turnover	-5,428,583	-5,428,583	-	-5,428,583
TOTAL PART I	634,163,177	633,395,095	1,259,350	634,654,445
PART II: UNFORESEEN EXPENDITURE				
Unforeseen expenditure	875,000	1,375,000	(500,000)	875,000
PART III: WORKING CAPITAL FUND				
Working Capital Fund	0	0	-	0
TOTAL (PARTS I - III)	635,038,177	634,770,095	759,350	635,529,445
PART IV: INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS				
Security	2,809,905	3,009,905	-	3,009,905
Accommodation	2,540,650	3,000,000	(459,350)	2,540,650
Information and communication technology	810,874	950,000	(300,000)	650,000
Follow up to the Maritime Session of the Conference	325,193	0	-	0
IPSAS	205,201	0	-	0
TOTAL PART IV	6,691,823	6,959,905	(759,350)	6,200,555
TOTAL (PARTS I-IV)	641,730,000	641,730,000	-	641,730,000

Appendix II

Provisional programme level for 2010–11 resulting from the adjustments proposed by the Director-General (in constant US\$)

	(US\$)	(US\$)	2010-11 provisional level (US\$)
Part I Ordinary budget			
Initial proposals		633,395,095	
<i>Programme increases as per Appendix I</i>	2,179,864		
<i>Programme decreases as per Appendix I</i>	<u>-920,514</u>		
Net programme adjustments as per Appendix I		<u>1,259,350</u>	
New proposal			634,654,445
Part II Unforeseen expenditure			
Initial proposals		1,375,000	
Programme decrease as per Appendix I		<u>-500,000</u>	
New proposal			875,000
Part III Working capital fund		-	-
Part IV Institutional investments and extraordinary items			
Initial proposals		6,959,905	
Programme decreases as per Appendix I		<u>-759,350</u>	
New proposal			6,200,555
Provisional programme level (in constant dollars)			641,730,000
Cost increases			
Initial cost increases		27,384,179	
Net cost increase due to programme adjustments		8,756	
Reduction in provision for cost increases		<u>-4,006,814</u>	
New proposal			23,386,121
<i>Total adjustments</i>		-3,998,058	
Provisional programme level (recosted)			665,116,121

Comparison with 2008-09 Programme and Budget

	2008-09 Budget	2010-11 Provisional level	Increase/ (Decrease) compared with 2008-09
Part I Ordinary budget	634,163,177	634,654,445	491,268
Cost increase		23,327,892	23,327,892
Part II Unforeseen expenditure	875,000	875,000	-
Part III Working capital fund	-	-	-
Part IV Institutional investments and extraordinary items	6,691,823	6,200,555	-491,268
Cost increase		58,229	58,229
Total budget (Parts I - IV)	641,730,000	665,116,121	23,386,121

Annex 3

Addendum to the Director-General's Programme and Budget proposals for 2010–11

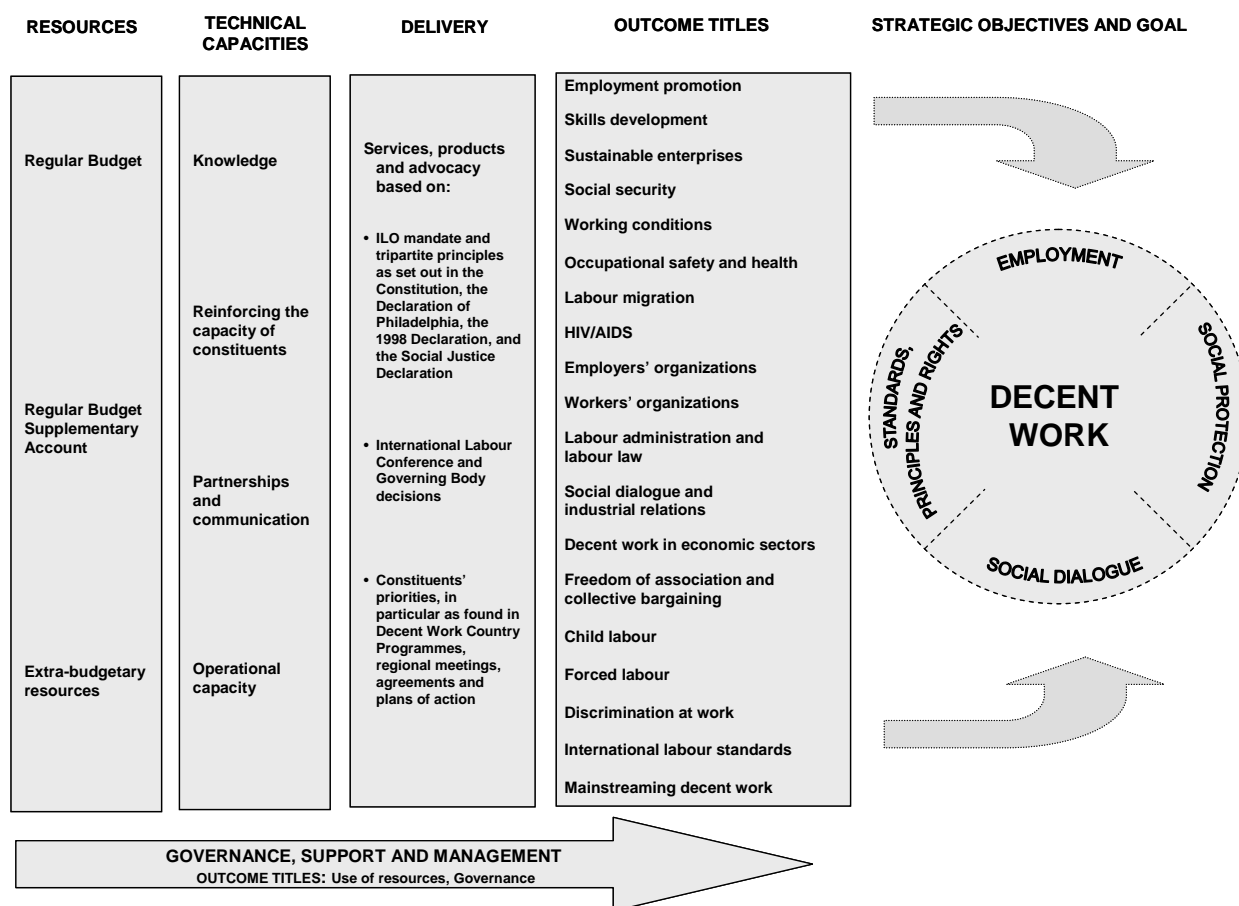
Annex 3

Addendum to the Director-General's Programme and Budget proposals for 2010–11

As proposed to the Programme, Financial and Administrative Committee during the Director-General's reply on 19 March 2009, this Annex contains revisions and additions to the Programme and Budget proposals for 2010–11 resulting from the discussion of the proposals in the Committee (see GB.304/8/3(Rev.)). These changes will be incorporated in the Programme and Budget for 2010–11, as adopted by the International Labour Conference.

Executive overview

Replace Figure 1 by:



Strategic framework

Strategic objective: Employment

Create greater opportunities for women and men to secure decent employment and income

Paragraph 131

The second and third sentences should read:

This underscores the need for all countries to promote employment by creating a sustainable institutional and economic environment that simultaneously addresses the needs of individuals, enterprises and societies as specified in the Social Justice Declaration. The Declaration reaffirms the importance of the mission of member States and the ILO to place full and productive employment at the centre of economic and social policies.

Replace outcome 1 by:

Outcome 1: More women and men have access to productive employment, decent work and income opportunities.

Paragraph 137

Replace the third sentence by:

Work on microfinance will be further developed to promote productive employment, decent work and income opportunities in line with the approach endorsed by the Committee on Employment and Social Policy of the Governing Body in March 2005.

Replace the first measurement criterion under Indicator 1.1 by:

- National development frameworks (five-year plans, poverty reduction strategies) prioritize productive employment, decent work and income opportunities within their macro analysis, sectoral or economic stimulus strategies.

Replace the target under Indicator 1.1 by:

8 member States.

Replace Indicator 1.2 by:

Number of member States in which, with ILO support, national public authorities adopt social finance policies that encourage decent jobs and services to the working poor through local financial institutions.

Replace the first two measurement criteria under Indicator 1.2 by:

- A policy on social finance is adopted setting incentives for local financial institutions, as documented either through legislation, a ministerial decree, a parliamentary resolution or a decision by a central bank or equivalent regulatory authority.
- The policy includes incentives for local financial institutions to gear their operations towards the promotion of productive employment and decent work for the working poor, notably through changes in their client portfolio and/or in the range of services provided.

Replace Indicator 1.4 by:

Number of member States that, with ILO support, include the promotion of productive employment, decent work and income opportunities, in their disaster risk reduction/recovery measures and in their conflict prevention, reconstruction and recovery programmes.

Replace the measurement criteria under Indicator 1.4 by:

To be counted as reportable, results must meet the following criteria:

- Sustainable employment intensive recovery programmes are implemented to address the job losses caused by disaster.
- An awareness-raising and training strategy targeting employers, workers and their organizations is implemented by one or more of the tripartite constituents in order to prepare social partners to better engage in crisis-related recovery programmes.

Replace the target under Indicator 1.6 by:

6 member States.

Replace Indicator 2.2 by:

Number of member States that, with ILO support, make relevant training more readily accessible in rural communities.

Replace the measurement criteria under Indicator 2.2 by:

- Legislation and/or policy relevant to the skills development of people in rural communities is reviewed with ILO advice and/or technical assistance.
- Skills development programmes targeting people in rural communities are designed and organized with ILO advice and/or technical assistance on the basis of assessments of labour market opportunities.
- Training programmes are designed or reformed to be accessible to people in rural communities reflecting ILO advice and/or technical assistance.
- Beneficiaries are placed in wage- or self-employment on completion of skills training, as reflected through post-training support provided with ILO advice and/or technical assistance.

Replace the target under Indicator 2.2 by:

5 member States.

Replace the baseline under Indicator 2.2 by:

8 member States (based on past performance).

Insert a new Indicator 2.3 as follows:

Number of member States that, with ILO support, make relevant training more readily accessible to people with disabilities.

Add measurement criteria under the new Indicator 2.3 as follows:

To be counted as reportable, results must meet at least two of the following criteria:

- Legislation and/or policy relevant to the skills development of people with disabilities is reviewed with ILO advice and/or technical assistance.
- Skills development programmes targeting people with disabilities are designed and organized with ILO advice and/or technical assistance on the basis of assessments of labour market opportunities.
- Training programmes are designed or reformed to be accessible to people with disabilities reflecting ILO advice and/or technical assistance.
- Beneficiaries are placed in wage- or self-employment on completion of skills training, as reflected through post-training support provided with ILO advice and/or technical assistance

Add a target under the new Indicator 2.3 as follows:

7 member States.

Add the baseline under the new Indicator 2.3 as follows:

11 member States (based on past performance).

Renumber Indicators 2.3 and 2.4 as Indicators 2.4 and 2.5.

Replace the third measurement criterion under Indicator 2.3 (renumbered 2.4) by:

- A plan to provide services promoting employment of groups typically excluded from the labour market is implemented, as documented by a budget allocation for services and regular progress reports.

Replace the fourth measurement criterion under Indicator 2.4 (renumbered 2.5) by:

- An information dissemination, awareness-raising, training or outreach strategy on youth employment is implemented by one or more of the tripartite constituents, as documented through evidence of, for example, establishment of hotlines and brochures, training courses, services or recruitment campaigns.

Replace Indicator 3.2 by:

Number of member States that, with ILO support, implement entrepreneurship development policies and programmes for the creation of productive employment and decent work.

Replace the third measurement criterion under Indicator 3.2 by:

A national association or a network of trainers and organizations with the skills and resources to support the delivery of entrepreneurship programmes, especially with a focus on entrepreneurship for women and young people, is established or strengthened.

Strategic objective: Social Protection
Enhance the coverage and effectiveness
of social protection for all

Replace sentence before the measurement criteria under Indicator 5.1 by:

To be counted as reportable, results must meet at least two of the following criteria:

Replace the third measurement criterion under Indicator 5.1 by:

- An information dissemination or awareness-raising campaign on improving working conditions is implemented by one or more of the constituents in one or more specific areas: maternity protection, work–family reconciliation, domestic work, working time and work organization.

Add a new measurement criterion under Indicator 5.1 as follows:

- A training strategy for improving working conditions is implemented by one or more of the constituents in one or more specific areas: maternity protection, work–family reconciliation, domestic work, working time and work organization.

Replace the second, third and fourth measurement criteria under Indicator 5.2 by:

- Legislation, regulations, or policies are adopted that improve minimum wages (national or sectoral), whether established via statute or through collective bargaining.
- Specific measures to improve wage-setting are implemented in either the public or private sectors, such as the establishment or revitalization of a tripartite body at national level or other wage bargaining mechanisms operating at different levels.
- A group of wage experts, trained as part of a capacity-building programme established by the ILO, is employed in the Ministry of Labour or employers' or workers' organizations, or academic institutions dealing with wage policy matters.

Replace the third measurement criterion under Indicator 6.2 by:

- OSH information, awareness raising, and training strategies are designed and implemented by the Government, employers' or workers' organizations, to help give effect to programmes targeting improvement of OSH conditions, as documented by a schedule and budget allocation for, and reports of, activities.

Replace outcome 7 statement by:

More migrant workers are protected and more migrant workers have access to productive employment and decent work.

Paragraph 219

At the beginning of the first sentence, add the words “With a view to protecting migrant workers,”.

Paragraph 223

Split the first sentence in two. After the words “Global Migration Group”, insert: “, including the International Organization for Migration (IOM). It will”. And at the end of the second sentence (now third sentence), add the words: “, including IOM”.

Replace Indicator 7.1 by:

Number of member States that, with ILO support, adopt gender-sensitive labour migration policies to protect migrant workers that reflect the ILO Multilateral Framework and the provisions of relevant international labour standards.

Replace Indicator 7.2 by:

Number of member States that, with ILO support, adopt gender-sensitive labour migration policies and practices that reflect the ILO Multilateral Framework with a view to promoting productive employment and decent work for migrant workers.

Replace Indicator 8.1 by:

Number of member States that, with ILO support, develop a national tripartite workplace policy on HIV/AIDS, as part of the national AIDS response.

Replace the sentence before the measurement criteria under Indicator 8.1 by:

To be counted as reportable, results must meet the following criterion:

Replace the first measurement criterion under Indicator 8.1 by:

- A national tripartite workplace policy is developed on the basis of the ILO Code of practice on HIV/AIDS and the world of work (if an ILO standard on HIV/AIDS is adopted by the Conference in June 2010, the standard will be used to guide the tripartite workplace policies).

Delete the second measurement criterion under Indicator 8.1.

Replace the target under Indicator 8.1 by:

50 member States, of which at least 10 in Africa, 5 in Asia and in the Americas, 3 in Europe and 2 in the Arab States.

Strategic objective: Social dialogue Strengthen tripartism and social dialogue

Replace Indicator 11.3 by:

Number of member States that, with ILO support, adopt new or improve existing labour laws in line with international labour standards, in consultation with the social partners.

Replace Indicator 12.2 by:

Number of member States, that with ILO support, strengthen the machinery for collective bargaining and labour disputes settlement, in line with international labour standards, and in consultation with the social partners.

Strategic objective: Standards and fundamental principles and rights at work Promote and realize standards and fundamental principles and rights at work

Paragraph 311

Insert a new paragraph after paragraph 311:

The ILO will continue to rely largely on the supervisory bodies, the 1998 Declaration follow-up mechanism, the Social Justice Declaration as well as strategic alliances within the United Nations family and other organizations to extend further understanding of, and identify solutions to, problems and assist constituents to create an environment in which the fundamental rights and other relevant international labour standards are fully respected.

Replace the whole section on outcome 15 by:

Outcome 15: Child labour is eliminated, with priority being given to the worst forms

Strategy

The very existence of child labour is a significant indicator of major gaps in decent work. Ensuring that every child is free of the compulsion to work and has access to quality education is thus a crucial first step towards achieving decent work for the most vulnerable in societies. The progressive elimination of child labour can break the cycle of poverty for child labourers and their families by ensuring that they are not physically, mentally and/or morally scarred for entering work at too young an age and by allowing them to benefit from education and gain useful skills to allow them to enter the workforce as productive citizens. The Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No.182) constitute the most authoritative international normative framework for the elimination of child labour and provide the cornerstone of the ILO's strategy for the outcome. Efforts by all ILO constituents and partners must be redoubled in order to meet the goal of the complete elimination of the worst forms of child labour by 2016, especially during times of crisis. As indicated by the Governing Body when it endorsed the Global Action Plan in 2006, the elimination of child labour must remain one of the Organization's highest priorities.

Experience and lessons learned

Sustainable progress towards the full respect for fundamental principles and rights on the elimination of child labour requires complementary approaches. Current experience with providing assistance to constituents in the development and implementation of their national time-bound programmes and action plans clearly reinforces this conclusion. Based on lessons learned from the past, the strategy will make the best use of different means of action to eliminate child labour through the provision of practical and coherent advice and technical assistance. This will draw upon the extensive experience and knowledge gained through the supervisory mechanisms and through technical cooperation in member States around the world. As indicated in the second ILO Global Report on Child Labour (2006), the downward trend in the occurrence of child labour can be largely attributed to combining political commitment, policy development and direct action that focuses on those who are most vulnerable to child labour. Future ILO work will add to the hundreds of thousands of children who have already been withdrawn from intolerable forms of work.

Supervisory mechanisms and social dialogue

Effective application of child labour Conventions is at the heart of the strategy to eliminate child labour. This includes the use of, and appropriate follow-up to, the comments of the Committee of Experts on the Application of Conventions and Recommendations and the Conference Committee on the Application of Standards. Child labour interventions have served as platforms for enhanced social dialogue. To increase their effectiveness in promoting and contributing to meaningful social dialogue, a review of the national tripartite steering committees that guide the ILO's field programmes will be conducted.

Technical cooperation

Over the years, the ILO has gained extensive experience in working with national tripartite partners to successfully implement programmes that remove and rehabilitate child labourers and in providing technical and policy advice on how to eliminate child labour, especially its worst forms. The ILO's technical cooperation strategy will revolve around making the best use of different means of action to progressively eliminate child labour in line with the Global Action Plan adopted in 2006, which sets out the target of the complete elimination of the worst forms of child labour by 2016.

The target cannot be achieved by "business as usual" approaches, but will require action on three fronts:

- supporting the implementation of national action plans and supporting communities and sectors to become "child labour free", by increasing the capacity of employers' and workers' organizations to challenge child labour in the workplace and by supporting governments at the national and local levels to be able to effectively create, maintain and implement effective policy measures to eliminate child labour;
- promoting the child labour component of Decent Work Country Programmes, in particular through social dialogue and linkages to social security, skills development and youth employment;
- strengthening the global movement against child labour.

Combating and eliminating the worst forms of child labour will facilitate a fairer globalization by working to eliminate child labour in supply chains and by supporting corporate social responsibility. As child labour is both a cause and consequence of poverty, the elimination of child labour should feature in Poverty Reduction Strategy Papers, ensuring income support and enhanced social protection. The gender dimension of child labour will continue to be addressed systematically, including through disaggregating data in child labour surveys and through a growing focus on child domestic labour, which particularly impacts girls.

Knowledge and tools

The knowledge base on child labour and improved knowledge sharing practices continue to form a core strategy of ILO action against child labour. Through child labour surveys and targeted research, the ILO will expand its leadership in generating and analysing data to gauge progress in eliminating child labour. Robust and credible evaluations and impact assessments will continue to be conducted to enhance the evidence base and influence policy and action. Research work will focus on high quality global products such as an authoritative world report, a tool to estimate the costs of eliminating the worst forms of child labour, and a comparative analysis of successful national efforts. Practical actions will be enhanced through the use of the extensive collection of targeted tools and materials of the International Programme on the Elimination of Child Labour (IPEC).

Strengthening the capacity of constituents

Capacity building will be widespread at the country level through technical cooperation projects. This is the main means through which the ILO can provide prompt and specialized assistance to build the tripartite constituents' capacity to initiate, sustain and intensify their national-level actions to eliminate child labour. Partnership with the Turin Centre will provide training and networking opportunities for trade unions and employers' organizations and will reach other target audiences on subjects such as child labour in agriculture and domestic service, child labour and education policy, designing and implementing national action plans, and reporting on ILO child labour standards.

Integration of decent work dimensions

The ILO's technical cooperation programme on child labour will continue to provide a major contribution to Decent Work Country Programmes and will offer tangible benefits to its constituents, in the spirit of the Social Justice Declaration, not least by promoting greater integration of child labour concerns into social dialogue between the tripartite constituents. Greater emphasis will be given to technical and policy advice based on direct action projects.

International partnerships

International partnerships and strategic alliances will be strengthened. Some of these include:

- utilizing "One UN" opportunities within the UN family, as well as the UN Global Compact and the UN Global Initiative to Fight Human Trafficking;
- pursuing technical collaboration with regional and subregional bodies;
- providing technical advice and support to specialized alliances, such as the Global Task Force on Child Labour and Education for All, and the Global March against Child Labour;
- further developing industry-based initiatives, such as Minors out of Mining and the International Partnership for Cooperation on Child Labour in Agriculture; and
- continuing research partnerships through the inter-agency Understanding Children's Work project.

Risks and assumptions

The success of the strategy outlined above depends on continuing political commitment at the global level, in line with Article 8 of Convention No. 182, as well as securing significant levels of extra-budgetary funding to support operational activities at both central and field levels. Both of these elements might be threatened by the global recession and financial crisis. The main risk is that the necessary amount of extra-budgetary resources will not be raised to support the technical cooperation activities envisaged.

Indicators

Indicator 15.1: Number of member States in which constituents, with ILO support, take significant policy and programme actions to eliminate child labour in line with ILO Conventions and Recommendations	
Measurement To be counted as reportable, results must meet at least one of the following criteria: <ul style="list-style-type: none"> ■ Policies, programmes and/or action plans are adopted or implemented by one or more of the ILO's constituents, to bring them in line with international labour standards to prohibit and eliminate child labour. ■ Time-bound measures to eliminate the worst forms of child labour as a matter of urgency are implemented by one or more of the ILO's constituents. ■ Child labour concerns, considering the special situation of the girl child, are included in relevant development, social and/or anti-poverty policies and programmes. ■ Policies that address child labour are adopted and promoted through global, regional or subregional economic and social inter-governmental organizations or groupings. 	
Baseline 32 member States in 2008	Target 45 member States, of which 15 in Africa

Indicator 15.2: Number of member States in which constituents, with ILO support, take action to adopt or modify their legislation or reinforce their knowledge base on child labour	
Measurement To be counted as reportable, results must meet at least one of the following criteria: <ul style="list-style-type: none"> ■ Either Convention No. 138 or 182 is ratified. ■ The ILO supervisory bodies have noted with satisfaction or interest progress in the application of the relevant Conventions. ■ Mechanisms and systems are established or strengthened so that up to date sex-disaggregated data and statistics concerning the situation of child labourers are available. ■ Targeted data collection and analysis and research are undertaken by constituents and/or other national partners to expand the knowledge base on child labour and to document lessons learned. 	
Baseline 42 member States in 2008	Target 50 member States

Insert a new outcome 16 as follows:

Outcome 16: Forced labour is eliminated

Strategy

The continued existence of forced labour, imposed primarily by individuals and informal enterprises rather than directly by the State, represents a major impediment to poverty reduction across the world. It is also a severe infringement of basic human rights, and the very antithesis of the decent work for which the ILO stands. Yet the goal of eradicating the twin problems of forced labour and human trafficking, estimated to affect a minimum of 12.3 million women, men and children, can be achieved once there is political will and adequate resources are allocated to combat them. The ILO will therefore further strengthen and focus its efforts to support and consolidate a global alliance against forced labour, so that ILO constituents can fulfil their respective roles in ensuring its effective abolition in the years to come, working together with

other relevant partners at national and international levels. The Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105), which are the most highly ratified of all ILO Conventions, along with appropriate follow-up to the comments of the ILO supervisory bodies and under the 1998 Declaration, will provide the cornerstone of this strategy.

Experience and lessons learned

In all parts of the world, governments are increasingly seeking ILO assistance to tackle the problem of forced labour, through both preventive means and improved law and law enforcement. A key role for the ILO and its constituents is to involve labour institutions in the fight against forced labour, complementing the efforts of other law enforcement agencies and international partners, as is further elaborated in the 2009 global report on forced labour. Experience in certain countries clearly demonstrates the added value of national action plans and of dedicated institutional structures, involving ILO constituents and others, to combat forced labour, especially when such plans are adequately resourced in both human and financial terms. Recognition of the forced labour outcomes of human trafficking has grown tremendously in recent years, and the onus is now firmly on labour market actors to engage and take the necessary action to combat these problems. Various steps are needed, from raised awareness, through to strengthened institutional capacity and legal and policy frameworks, and practical interventions to prevent forced labour and to enable former victims to rebuild their lives.

Supervisory mechanisms, technical cooperation and integration of decent work dimensions

Resources for technical cooperation projects, mobilized principally through the ILO Special Action Programme to combat Forced Labour, will enable the provision of gender-sensitive practical assistance to member States, as well as advice and tools required to address issues identified through the ILO supervisory mechanisms and the follow-up to the 1998 Declaration. At the country level, such assistance will be delivered through Decent Work Country Programmes that integrate the various means of action at the ILO's disposal to pursue the defined objectives. Forced labour can be addressed in Decent Work Country Programmes in various ways – either directly through country outcomes focused on the elimination of forced labour and/or human trafficking or more indirectly through, for example, outcomes on the implementation of ratified Conventions, formalization of the informal economy, protection of migrant workers and other vulnerable groups, or the abolition of the worst forms of child labour. To underpin and add value to this country-based work, regular budget and extra-budgetary resources will need to be invested in the headquarters-based core functions of standards supervision, global communications and advocacy, producing policy guidance and training materials, distilling the lessons of good practice, and ensuring the coordination, collaboration and exchange of experience between different initiatives against forced labour in all regions of the world. Collaboration across the ILO's four strategic objectives will ensure that the range of skills and expertise needed to end forced labour are brought to bear in an efficient and coordinated way, through, for example, the provision of skills training to those people vulnerable to being trafficked or the extension of social protection and minimum wages to workers in bonded labour.

Strengthening the capacity of constituents

Within the global alliance, particular emphasis will be given to strengthening the capacity of employers' and workers' organizations to engage proactively in, respectively, a business and a trade union alliance against forced labour and trafficking. This involves research, training and action at both international and national levels with apex organizations and their national affiliates, including with the Global Union Federations representing workers in sectors known to be at particular risk of forced labour.

Knowledge and tools

Research is critical to generating the quantitative and qualitative information necessary to inform policy development and awareness-raising activities. Partnerships will be fostered with the global academic community to this end. Research will document and analyse the interconnectedness between the four fundamental principles and rights at work, and other decent work variables. The range of high quality core training materials will be extended for use and adaptation by different stakeholder groups at the national level. A further priority area is the implementation of rigorous monitoring and evaluation of intervention strategies against forced labour and trafficking, in order to ascertain what policy responses are the most effective under different conditions.

International partnerships

Strategic partnerships and alliances are a key aspect of all action against forced labour and trafficking, given their global manifestations and consequences. The ILO will continue to work closely with its UN sister agencies, with international financial institutions and with other development actors, to pursue the mainstreaming of action against forced labour in broader poverty reduction and development strategies, fully capitalizing on the many opportunities presented by the UN reform process.

Risks and assumptions

The strategy outlined above presupposes that significant resources from both regular and extra-budgetary sources will be made available to support the ambitious programme of work foreseen. It rests on the assumption that the necessary decentralization of many ILO technical cooperation functions to field-based, demand-led management structures will be accompanied by continued support to core ILO policy programmes. External risks are essentially associated with a possible upsurge in forced labour and trafficking-related problems in the context of the current global crisis and its impact on jobs and labour mobility, and a possible erosion of political commitment to the issue given other pressing priorities faced by national governments and social partners.

Indicator

Indicator 16.1: Number of member States in which constituents, with ILO support, implement specific policies, programmes or actions leading to improved application of Conventions, principles and rights on the elimination of forced labour	
Measurement To be counted as reportable, results must meet at least two of the following criteria: <ul style="list-style-type: none"> ■ Conventions Nos 29 or 105 is ratified or the supervisory bodies have noted with satisfaction or interest progress in the application of the relevant Conventions. ■ A new or modified national law, policy or plan of action to eliminate forced labour is adopted, or forced labour elimination is included as a priority of national development policy, or an institutional structure is established to lead or coordinate action against forced labour. ■ There is a documented increase in the number of prosecutions and convictions of persons exacting forced labour. ■ Systems are established or strengthened to allow former victims of forced labour, including of human trafficking, to access assistance appropriate to their needs. ■ Systems are established or strengthened to provide up to date sex-disaggregated data and information on forced labour and responses to it. 	
Baseline	Target
To be established based on 2008–09 performance	10 member States

Insert a new outcome 17 as follows:

Outcome 17: Discrimination in employment and occupation is eliminated

Strategy

To address the complex and evolving nature of discrimination, a multi-pronged strategy is required. The need for such an approach has been highlighted in the context of the financial and economic crisis, which brings with it the risk of widening inequalities across nations and within countries. The framework provided in the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and the Equal Remuneration Convention, 1951 (No. 100) will be the foundation of the ILO's strategy for this outcome, along with appropriate follow-up to the comments of the ILO supervisory bodies and follow-up under the 1998 Declaration.

The high level of ratification of Conventions Nos 100 and 111 confirms the commitment to the principles enumerated in those Conventions. This commitment was reaffirmed in the 1998 Declaration and most recently in the Social Justice Declaration. Yet the goal of eliminating all forms of discrimination in employment and occupation remains a distant one.

Experience and lessons learned

It is clear that no society is free from discrimination, and that ongoing action is needed to address it. An effective national equality policy requires a combination of measures, which could include legislative and administrative measures, public policies, practical programmes, proactive approaches, and the establishment of specialized bodies.

There have been important legislative developments in the area of non-discrimination, including expanding the prohibited grounds of discrimination, and an increased understanding of multiple discrimination, based on more than one ground of discrimination. However, there remain important implementation gaps in applying the principle of non-discrimination. Certain categories of workers, such as casual workers, domestic workers, migrant workers and workers in the informal economy often remain excluded from legal protection. The lack of respect and recognition of indigenous peoples' rights and cultures often leads to discrimination and exclusion. Social origin is a prohibited ground of discrimination that is often omitted and needs to be addressed, particularly as new forms of social stratification develop. In addition, in the context of promoting the principle of equal remuneration for work of equal value, the concept of "equal value" has proven difficult to grasp and apply in practice.

Enforcement of the principle of non-discrimination remains a challenge, and there is a need for effective enforcement through appropriate public bodies and institutions. Awareness raising has also proven to be important, with workers' and employers' organizations having considerable influence. Enhancing the capacity of the responsible authorities, including judges and labour inspectors, to identify and address cases of discrimination is also necessary. It is crucial to continue to research and gather appropriate sex-disaggregated data in order to assess the gender wage gap, to identify social and economic gaps between different groups of the population, and to monitor and assess the impact and results achieved by the measures that have been taken.

Supervisory mechanisms and technical cooperation

The ILO will continue to take steps to understand and assess the many faces of discrimination, and to assist constituents to address it effectively. In particular, the Committee of Experts on the Application of Conventions and Recommendations, the Conference Committee on the Application of Standards, the 1998 Declaration follow-up mechanism, the results of ILO research and technical assistance, and alliances with UN bodies and mechanisms will continue to provide important information in this regard.

Despite the almost universal endorsement of the principle of non-discrimination, there is a significant lack of corresponding extra-budgetary resources. The ILO will continue its efforts to mobilize resources for technical cooperation, to better enable it to provide the required assistance to constituents to address the complexities of discrimination in a comprehensive and sustainable manner.

Strengthening the capacity of constituents

Governments and employers' and workers' organizations each have a key role in the elimination of discrimination and the promotion of equality, as recognized in the relevant international instruments. Social dialogue is essential to addressing legislative and implementation gaps in this area. The ILO will focus on increasing tripartite capacity to develop and implement national equality policies, as well as on the development and implementation of workplace policies. Strengthening the capacity of the constituents to apply the principle of equal remuneration for men and women for work of equal value will also continue.

Integration of decent work dimensions

The Social Justice Declaration has reaffirmed the centrality of the principle of non-discrimination in the ILO's value system and in action to secure decent work for all women and men. The elimination of discrimination is at the heart of decent work for all those who work or seek work and a living, whether as labourers, employers or self-employed, in the formal or the informal economy. The ILO will step up its efforts to ensure that gender equality and non-discrimination are addressed as cross-cutting issues in the Decent Work Country Programmes under all strategic objectives, and that targeted action is taken to address the rights and needs of

those particularly vulnerable to discrimination and exclusion, including persons with disabilities, migrant workers, indigenous peoples, or persons living with HIV/AIDS.

International partnerships

Non-discrimination is a key aspect of the human rights-based approach to development, which is one of the common programming principles of the UN system. The Common Country Assessment and UNDAF documents in an increasing number of countries mainstream the principles of non-discrimination and gender equality and pay particular attention to groups subject to discrimination and exclusion. The ILO will make particular efforts to align Decent Work Country Programmes with UNDAFs in this respect. It will continue its active involvement in the inter-agency mechanisms concerning indigenous peoples, minorities, persons with disabilities and gender equality. The ILO will also continue to seek increased visibility and influence of international labour standards relating to discrimination and equality, and relevant findings of the supervisory bodies throughout the UN system, including through cooperation with the UN human rights treaty bodies and mechanisms focusing on this topic.

Knowledge and tools

There has been an increasing number of requests from constituents for tools to promote equality and address discrimination at the national and the workplace levels. Tools developed in previous biennia, including on implementing equal remuneration for work of equal value and on tackling racial discrimination, will continue to be disseminated and used. New tools and the requisite training to assist constituents to develop and implement national policies and programmes will also be developed. Research will continue to enhance the ILO's knowledge base in this area, including related to the inter-relationship between different grounds of discrimination and between the various fundamental principles and rights at work. The ILO will also continue to prepare reports analysing these issues, in order to provide a global perspective.

Risks and assumptions

While a general commitment to the principles and rights of non-discrimination can be assumed, this area has received the least funding of all the fundamental principles and rights at work. It is clear that to address discrimination in occupation and employment effectively a comprehensive approach is needed. The main risk is that such an approach would take important extra-budgetary resources, which up to now have not been forthcoming.

Indicator

Indicator 17.1: Number of member States in which constituents, with ILO support, implement specific laws, policies, programmes or actions, leading to improved application of Conventions, principles and rights on non-discrimination	
Measurement	
To be counted as reportable, results must meet at least two of the following criteria:	
<ul style="list-style-type: none"> ■ Conventions Nos 100 or 111 is ratified or the supervisory bodies have noted with satisfaction or interest progress in the application of the relevant Conventions. ■ New or modified laws, policies, action plans and/or programmes are adopted to bring them into line with international standards on non-discrimination. ■ An awareness-raising strategy on non-discrimination is launched by one or more constituents. ■ A national body with a mandate to address equality issues is established or strengthened. ■ A capacity-building plan for relevant officials on the enforcement and/or promotion of non-discrimination laws and policies is implemented. ■ Systems are strengthened to provide up to date sex-disaggregated data on non-discrimination. 	
Baseline	Target
To be established based on 2008–09 performance	5 member States

Renumber outcome 16 on international labour standards as outcome 18.

Renumber indicators 16.1 to 16.4 as indicators 18.1 to 18.4.

Replace the targets under indicators 16.2, 16.3 and 16.4 by:

Indicator 16.2 (renumbered 18.2): 5 member States.

Indicator 16.3 (renumbered 18.3): 5 member States.

Indicator 16.4 (renumbered 18.4): 15 member States.

Policy coherence

Renumber outcome 17 as outcome 19.

Paragraph 342

Insert at the end of the paragraph:

Work on this outcome aims to establish good practices for strengthening the implementation of Decent Work Country Programmes.

Renumber indicators 17.1 and 17.2 as indicators 19.1 and 19.2.

Governance, support and management

Replace Indicator 2.1 by:

ILO constituents guide the implementation of ILO activities at the country level through Decent Work Country Programmes.

Replace the target under Indicator 2.1 by:

Constituents involved in the development of 100 per cent of Decent Work Country Programmes.

Replace the first target under Indicator 2.5 by:

90 per cent.

Annex 4

**Report of the Government members of the
Committee on Allocations Matters
(GB.304/8/4)**



EIGHTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Report of the Government members of the Committee on Allocations Matters

1. The Government members of the Programme, Financial and Administrative Committee of the Governing Body met on 13 March 2009. The meeting was chaired by Ambassador J. Arias Palacio, Chairperson of the Government group of the Governing Body, who also acted as Reporter.

Assessment of the contributions of new member States

(First item on the agenda)

2. The Committee had before it a paper ¹ on the assessment of the contribution of Tuvalu.
3. *The Government members recommend to the Governing Body that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it propose to the Conference that the contribution of Tuvalu to the ILO budget for the period of its membership in the Organization during 2008 and for 2009 be based on an annual assessment rate of 0.001 per cent.*

Scale of assessments of contributions to the budget for 2010

(Second item on the agenda)

4. The Government members considered a paper ² proposing a scale of assessments for ILO member States for 2010.

¹ GB.304/PFA/GMA/1.

² GB.304/PFA/GMA/2.

5. The Government members recommend to the Governing Body that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it base the ILO scale of assessment for 2010 on the United Nations scale for 2007–09, and that it accordingly propose to the Conference the adoption of the draft scale of assessment for 2010 as set out in column 3 of the appendix to this paper, 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.

Geneva, 19 March 2009.

(Signed) J. Arias Palacio
Reporter

Points for decision: Paragraph 3;
Paragraph 5.

Appendix

Scale of assessments

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

Annex 4

State	ILO assessments 2009 Col.1 %	UN assessments 2007-2009 Col.2 %	Draft scale of ILO assessments 2010 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
48 Dominican Republic	0.024	0.024	0.024	-
49 Ecuador	0.021	0.021	0.021	-
50 Egypt	0.088	0.088	0.088	-
51 El Salvador	0.020	0.020	0.020	-
52 Equatorial Guinea	0.002	0.002	0.002	-
53 Eritrea	0.001	0.001	0.001	-
54 Estonia	0.016	0.016	0.016	-
55 Ethiopia	0.003	0.003	0.003	-
56 Fiji	0.003	0.003	0.003	-
57 Finland	0.564	0.564	0.564	-
58 France	6.304	6.301	6.304	-
59 Gabon	0.008	0.008	0.008	-
60 Gambia	0.001	0.001	0.001	-
61 Georgia	0.003	0.003	0.003	-
62 Germany	8.581	8.577	8.581	-
63 Ghana	0.004	0.004	0.004	-
64 Greece	0.596	0.596	0.596	-
65 Grenada	0.001	0.001	0.001	-
66 Guatemala	0.032	0.032	0.032	-
67 Guinea	0.001	0.001	0.001	-
68 Guinea-Bissau	0.001	0.001	0.001	-
69 Guyana	0.001	0.001	0.001	-
70 Haiti	0.002	0.002	0.002	-
71 Honduras	0.005	0.005	0.005	-
72 Hungary	0.244	0.244	0.244	-
73 Iceland	0.037	0.037	0.037	-
74 India	0.450	0.450	0.450	-
75 Indonesia	0.161	0.161	0.161	-
76 Iran, Islamic Republic of	0.180	0.180	0.180	-
77 Iraq	0.015	0.015	0.015	-
78 Ireland	0.445	0.445	0.445	-
79 Israel	0.419	0.419	0.419	-
80 Italy	5.081	5.079	5.081	-
81 Jamaica	0.010	0.010	0.010	-
82 Japan	16.632	16.624	16.631	(0.001)
83 Jordan	0.012	0.012	0.012	-
84 Kazakhstan	0.029	0.029	0.029	-
85 Kenya	0.010	0.010	0.010	-
86 Kiribati	0.001	0.001	0.001	-
87 Korea, Republic of	2.174	2.173	2.174	-
88 Kuwait	0.182	0.182	0.182	-
89 Kyrgyzstan	0.001	0.001	0.001	-
90 Lao People's Democratic Republic	0.001	0.001	0.001	-
91 Latvia	0.018	0.018	0.018	-
92 Lebanon	0.034	0.034	0.034	-
93 Lesotho	0.001	0.001	0.001	-
94 Liberia	0.001	0.001	0.001	-
95 Libyan Arab Jamahiriya	0.062	0.062	0.062	-
96 Lithuania	0.031	0.031	0.031	-
97 Luxembourg	0.085	0.085	0.085	-
98 Madagascar	0.002	0.002	0.002	-
99 Malawi	0.001	0.001	0.001	-
100 Malaysia	0.190	0.190	0.190	-
101 Mali	0.001	0.001	0.001	-
102 Malta	0.017	0.017	0.017	-

State	ILO assessments 2009 Col.1 %	UN assessments 2007-2009 Col.2 %	Draft scale of ILO assessments 2010 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
103 Marshall Islands	-	0.001	0.001	0.001
104 Mauritania	0.001	0.001	0.001	-
105 Mauritius	0.011	0.011	0.011	-
106 Mexico	2.258	2.257	2.258	-
107 Moldova, Republic of	0.001	0.001	0.001	-
108 Mongolia	0.001	0.001	0.001	-
109 Montenegro	0.001	0.001	0.001	-
110 Morocco	0.042	0.042	0.042	-
111 Mozambique	0.001	0.001	0.001	-
112 Myanmar	0.005	0.005	0.005	-
113 Namibia	0.006	0.006	0.006	-
114 Nepal	0.003	0.003	0.003	-
115 Netherlands	1.874	1.873	1.874	-
116 New Zealand	0.256	0.256	0.256	-
117 Nicaragua	0.002	0.002	0.002	-
118 Niger	0.001	0.001	0.001	-
119 Nigeria	0.048	0.048	0.048	-
120 Norway	0.783	0.782	0.783	-
121 Oman	0.073	0.073	0.073	-
122 Pakistan	0.059	0.059	0.059	-
123 Panama	0.023	0.023	0.023	-
124 Papua New Guinea	0.002	0.002	0.002	-
125 Paraguay	0.005	0.005	0.005	-
126 Peru	0.078	0.078	0.078	-
127 Philippines	0.078	0.078	0.078	-
128 Poland	0.501	0.501	0.501	-
129 Portugal	0.527	0.527	0.527	-
130 Qatar	0.085	0.085	0.085	-
131 Romania	0.070	0.070	0.070	-
132 Russian Federation	1.201	1.200	1.201	-
133 Rwanda	0.001	0.001	0.001	-
134 Saint Kitts and Nevis	0.001	0.001	0.001	-
135 Saint Lucia	0.001	0.001	0.001	-
136 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
137 Samoa	0.001	0.001	0.001	-
138 San Marino	0.003	0.003	0.003	-
139 Sao Tome and Principe	0.001	0.001	0.001	-
140 Saudi Arabia	0.748	0.748	0.748	-
141 Senegal	0.004	0.004	0.004	-
142 Serbia	0.021	0.021	0.021	-
143 Seychelles	0.002	0.002	0.002	-
144 Sierra Leone	0.001	0.001	0.001	-
145 Singapore	0.347	0.347	0.347	-
146 Slovakia	0.063	0.063	0.063	-
147 Slovenia	0.096	0.096	0.096	-
148 Solomon Islands	0.001	0.001	0.001	-
149 Somalia	0.001	0.001	0.001	-
150 South Africa	0.290	0.290	0.290	-
151 Spain	2.970	2.968	2.969	(0.001)
152 Sri Lanka	0.016	0.016	0.016	-
153 Sudan	0.010	0.010	0.010	-
154 Suriname	0.001	0.001	0.001	-
155 Swaziland	0.002	0.002	0.002	-
156 Sweden	1.072	1.071	1.072	-

Annex 4

State	ILO assessments 2009 Col.1 %	UN assessments 2007-2009 Col.2 %	Draft scale of ILO assessments 2010 Col.3 %	Increase (Decrease) (Diff. between cols 3 and 1) Col.4 %
157 Switzerland	1.217	1.216	1.217	-
158 Syrian Arab Republic	0.016	0.016	0.016	-
159 Tajikistan	0.001	0.001	0.001	-
160 Tanzania, United Republic of	0.006	0.006	0.006	-
161 Thailand	0.186	0.186	0.186	-
162 The form.Yug. Rep. of Macedonia	0.005	0.005	0.005	-
163 Timor-Leste, Dem. Rep of	0.001	0.001	0.001	-
164 Togo	0.001	0.001	0.001	-
165 Trinidad and Tobago	0.027	0.027	0.027	-
166 Tunisia	0.031	0.031	0.031	-
167 Turkey	0.381	0.381	0.381	-
168 Turkmenistan	0.006	0.006	0.006	-
169 Tuvalu	-	0.001	0.001	0.001
170 Uganda	0.003	0.003	0.003	-
171 Ukraine	0.045	0.045	0.045	-
172 United Arab Emirates	0.302	0.302	0.302	-
173 United Kingdom	6.645	6.642	6.645	-
174 United States	22.000	22.000	22.000	-
175 Uruguay	0.027	0.027	0.027	-
176 Uzbekistan	0.008	0.008	0.008	-
177 Vanuatu	0.001	0.001	0.001	-
178 Venezuela, Bolivarian Republic of	0.200	0.200	0.200	-
179 Viet Nam	0.024	0.024	0.024	-
180 Yemen	0.007	0.007	0.007	-
181 Zambia	0.001	0.001	0.001	-
182 Zimbabwe	0.008	0.008	0.008	-
TOTAL	100.000	99.966	100.000	0.000

Annex 5

Composition of the Administrative Tribunal of the ILO (GB.304/PFA/16/1)



SIXTEENTH ITEM ON THE AGENDA

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal

1. Pursuant to article III of its Statute, the Administrative Tribunal consists of seven judges appointed for three years by the Conference of the International Labour Organization. The present composition of the Tribunal is as follows:
 - Mr Seydou Ba (Senegal), President: term of office expires in July 2009;
 - Ms Mary G. Gaudron (Australia), Vice-President: term of office expires in July 2011;
 - Mr Agustín Gordillo (Argentina): term of office expires in July 2010;
 - Mr Claude Rouiller (Switzerland): term of office expires in July 2010;
 - Mr Giuseppe Barbagallo (Italy): term of office expires in July 2009;
 - Ms Dolores M. Hansen (Canada): term of office expires in July 2009;
 - Mr Patrick Frydman (France): term of office expires in July 2010.
2. There are three judges whose terms of office are due to expire in July 2009: Mr Ba, Mr Barbagallo and Ms Hansen. They have expressed their willingness and availability to accept a new three-year term.
3. The Director-General, after consultation with the Officers of the Governing Body, wishes to propose the renewal of the terms of office of Mr Ba, Mr Barbagallo, and Ms Hansen for three years.

- 4. *The Committee may accordingly wish to recommend to the Governing Body, that it propose to the International Labour Conference at its 98th Session, the renewal of the terms of office of Mr Ba, Mr Barbagallo, and Ms Hansen for three years, through the draft resolution below.***

The General Conference of the International Labour Organization,

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

to renew the terms of office of Mr Seydou Ba (Senegal), Mr Giuseppe Barbagallo (Italy) and Ms Dolores M. Hansen (Canada) for three years.

Geneva, 11 March 2009.

Point for decision: Paragraph 4.

Annex 6

Amendments to the Financial Regulations (GB.304/PFA/7)



SEVENTH ITEM ON THE AGENDA

Amendments to the Financial Regulations

1. At its 297th Session (November 2006), the Governing Body approved the adoption by the ILO of the International Public Sector Accounting Standards (IPSAS) for the financial period beginning 1 January 2010.¹ At its 298th Session (March 2007), the Governing Body was informed that, based on information available at that time, no fundamental changes would be required to the Financial Regulations of the Office.²
2. IPSAS relates to financial reporting and will not change the underlying budgetary methodology nor the funding obligations of member States. The biennial financial period for budget purposes, the calculation of budgetary surpluses and deficits and the subsequent return of surplus funds to member States will remain unchanged.
3. The Office remains on schedule for implementation of IPSAS and has now completed its review of the Financial Regulations. Participation in the United Nations Task Force on Accounting Standards as well as consultations with the External Auditor and the Independent Oversight Advisory Committee have identified the need for a number of amendments to the Financial Regulations to ensure consistency with IPSAS.
4. The principal changes to the Financial Regulations relate to the need to produce annual financial statements. In addition, although not prescribed in IPSAS, an annual audit is considered to be best practice. It is strongly recommended by United Nations auditors and is being implemented by most other UN organizations. The estimated increase in biennial audit fees of US\$300,000 will be included as a cost increase in the Programme and Budget for 2010–11.
5. The introduction of annual financial statements requires that provisions be made for their adoption by the International Labour Conference. Presently, a special half-day sitting of the Programme, Financial and Administrative Committee and of the Governing Body is organized every second year during the first week of the Conference to examine the biennial financial statements and the External Auditor's report for the biennium which are then forwarded to the Conference for adoption. Annual financial statements would require

¹ GB.297/PV, para. 212.

² GB.298/PFA/7.

that such a sitting take place each year and that the Conference consider the financial statements and the External Auditor's report under the standing agenda item "Programme and budget and other questions". The Office considers that this item could be accommodated within the work of the Finance Committee of Government Representatives each year. This would be consistent with good practice.

6. The proposed amendments to the Financial Regulations to implement the necessary changes are provided in Appendix I. Subject to the adoption of these amendments by the Conference, proposals for consequent amendments to the Financial Rules will be made to the Governing Body at its 306th Session (November 2009).

7. *The Committee may therefore wish to recommend to the Governing Body that it propose to the International Labour Conference at its 98th Session (June 2009), the draft resolution in Appendix II amending the Financial Regulations.*

Geneva, 27 January 2009.

Point for decision: Paragraph 7.

Appendix I

Amendments to the Financial Regulations of the International Labour Office

(additions are underlined and deletions are strikethrough)

Article 10

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

Comment: Clarifies that the conversion of the amount payable by member States is converted from the budget as adopted in US dollars to Swiss francs at the budgetary rate of exchange. The change is made necessary by the need to delete article 10, paragraph 5 (see below).

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

Comments: Deletion of this paragraph avoids a conflict with IPSAS which requires that transactions be reported in the financial statements at the rate of exchange in effect on the date of the transaction. The budgetary methodology is established in the revision to article 10, paragraph 2, above and the existing article 18.

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

Comments: Clarifies the content of the interim reporting to each session of the Governing Body and avoids potential confusion with IPSAS terminology.

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

Comment: To renumber the paragraph.

Article 17

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

Comments: Clarifies the provisions related to expense accruals. It conforms with current ILO practice which already complies with IPSAS. In addition, the limitation of 12 months to pay outstanding obligations is removed to ensure that the late submission of invoices, particularly from field operations, or delayed settlement of disputed invoices does not generate a claim on subsequent periods' appropriations.

Article 23

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

- ~~(a) the income and expenditure of all funds;~~
- ~~(b) the status of appropriations, including —~~
 - ~~(i) the original budget appropriations;~~
 - ~~(ii) any supplementary appropriations;~~
 - ~~(iii) the appropriations as modified by any transfers;~~
 - ~~(iv) credits, if any, other than the appropriations voted by the International Labour Conference; and~~
 - ~~(v) the amounts charged against the appropriations and against any other credits;~~
- ~~(c) statements of assets and liabilities at the close of the financial period.~~

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

Comments: This article now provides for the preparation of annual financial statements. The detail following the introductory sentence is superfluous since, in order to comply with IPSAS, all of this detail must be reported.

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

Comment: Maintains the existing budgetary methodology, biennial reporting and calculation of surpluses or deficits based on specific articles of the Financial Regulations and clarifies that these schedules are within the scope of the audit.

Article 24

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

Comments: Establishes the requirement for budgetary reporting and comparisons of budgeted and actual revenue and expenditure for all entities with approved budgets (i.e. CIS, CINTERFOR and IILS), in addition to the Regular Budget.

Article 26

~~The final accounts~~ financial statements of the Organization shall be presented in United States dollars and prepared in accordance with the accounting standards generally in use throughout the United Nations system. The accounting records may, however, be kept in such currency or currencies as the Director-General may deem necessary. Details of contributions assessed, received and outstanding shall be presented in Swiss francs in supporting schedules.**Comments:** Changes final accounts to financial statements to be consistent with IPSAS and establishes the basis upon which the financial statements shall be prepared. Provides flexibility should the UN organizations decide to adopt other accounting standards in the future.

Article 27

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

Comments: Changes final accounts to financial statements for consistency and eliminates the reference to the “financial” period which covers the biennium as per article 1.

Article 28

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

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

Comments: Changes final accounts to financial statements for consistency. Establishes the requirement for annual financial statements.

Article 29

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

Comment: Changes final accounts to financial statements for consistency.

Article 32

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

Comment: Changes final accounts to financial statements for consistency.

Article 33

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

Comment: Changes final accounts to financial statements for consistency.

Article 38

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

Comment: Establishes the requirement for the annual statements to be audited.

Appendix II

Resolution to be submitted to the 98th Session of the International Labour Conference

The General Conference of the International Labour Organization,

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

Decides to make the following amendments to the Financial Regulations:

(a) Paragraph 2 of article 10 shall read as follows:

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

(b) The present paragraph 5 of article 10 shall be deleted.

(c) Paragraph 6 of article 10 shall be renumbered as paragraph 5 and read as follows:

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

(d) The present paragraph 7 of article 10 shall be renumbered as paragraph 6 and remain unchanged.

(e) Paragraph 1 of article 17 shall read as follows:

1. Expenditure charged against the appropriations of a financial period shall consist of payments made during the financial period and obligations covering goods received or services provided remaining unpaid at the last day of the financial period. Once payment has been made against such obligations any remaining balances shall be credited to miscellaneous income.

(f) Paragraph 1 of article 23 shall read as follows:

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

(g) A new paragraph 2 of article 23 shall read as follows:

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

(h) Article 24 shall read as follows:

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

- (i) Article 26 shall read as follows:

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

- (j) Article 27 shall read as follows:

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

- (k) Article 28 shall read as follows:

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

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

- (l) Article 29 shall read as follows:

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

- (m) Article 32 shall read as follows:

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

- (n) Article 33 shall read as follows:

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

- (o) Paragraph 1 of article 38 shall read as follows:

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

Annex 7

**Extract from the first report of the
Programme, Financial and Administrative
Committee of the Governing Body at its
304th Session (March 2009)
(GB.304/8/1(Rev.2))**



EIGHTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

First report: Financial questions

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Amendments to the Financial Regulations
(Seventh item on the agenda)

149. The Committee had before it a paper¹ on proposed amendments to the Financial Regulations.
150. Mr Julien endorsed the point for decision.
151. Sir Roy Trotman expressed his support for the proposed amendments to the Financial Regulations. He was, however, concerned about the shift to annual audits owing to the additional costs of US\$300,000 per biennium during a period of financial constraints.
152. The representative of the Government of Germany voiced his approval of most of the proposed amendments, but expressed concern over the deletion of the final sentence of the existing article 23. He proposed that the sentence should be retained as it was a comprehensive clause and served as a safety net.
153. The representatives of the Governments of the United States and of France supported the revision to the document as proposed by Germany.
154. The representative of the Government of South Africa supported the point for decision.
155. The representative of the Government of Bangladesh supported the point for decision and the revision to the document as proposed by Germany. He added that article 23, which detailed the constituent elements of the financial statements, should be retained.
156. A representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) explained that retaining the full text of the existing article 23 could lead to misunderstandings owing to differences in the accounting terminology historically used for

¹ GB.304/PFA/7.

ILO financial arrangements and that of IPSAS. He added that IPSAS clearly prescribed the elements proposed for deletion from article 23. He saw no difficulty in retaining the last sentence, as proposed by Germany and other government representatives.

- 157. *The Committee recommends to the Governing Body that it propose to the International Labour Conference at its 98th Session (June 2009), the draft resolution in Appendix II amending the Financial Regulations.***

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