



Governing Body

312th Session, Geneva, November 2011

GB.312/PFA/PR

Programme, Financial and Administrative Section
PFA

Warning: This document is a draft and may contain omissions or errors. It is made available solely for the purpose of verification and correction. Persons referred to in this document are not to be regarded as bound by statements attributed to them. The ILO declines all responsibility for any errors or omissions which this document may contain, or for any use which may be made of it by third parties.

PROVISIONAL REPORT

Programme, Financial and Administrative Section

Contents

	<i>Page</i>
Programme, Financial and Administrative Segment.....	1
First item on the agenda	
Programme and Budget for 2010–11: Regular budget account and Working Capital Fund...	1
Second item on the agenda	
Use of the Special Programme Account	2
Fourth item on the agenda	
Proposed 2012–13 budgets for extra-budgetary accounts	5
Fifth item on the agenda	
Building questions: Update on the headquarters renovation project.....	7
Sixth item on the agenda	
Information and communication technology questions	9
Seventh item on the agenda	
Other financial questions	12
Audit and Oversight Segment	15
Eighth item on the agenda	
Annual evaluation report 2010–11	15
Ninth item on the agenda	
Discussions of high-level evaluations: Strategies and Decent Work Country Programmes...	18
Tenth item on the agenda	
Review of the Independent Oversight Advisory Committee (IOAC).....	20
Eleventh item on the agenda	
Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU	22

	<i>Page</i>
Personnel Segment	25
Twelfth item on the agenda Statement by the staff representative	25
Thirteenth item on the agenda Report of the International Civil Service Commission	25
Fourteenth item on the agenda Amendments to the Staff Regulations.....	26
 <i>Appendix</i>	
Statement by the representative of the Staff Union to the Programme, Financial and Administrative Section of the ILO Governing Body.....	29

DRAFT

1. The Programme, Financial and Administrative Section of the Governing Body met on 10 and 11 November 2011. It was chaired by the Chairperson of the Governing Body, Mr Vines. Mr Julien and Ms Sundnes were the Employer and Worker spokespersons, respectively.
2. The order of discussion proposed in document GB.312/PFA/TOB(Rev.) was agreed.

Programme, Financial and Administrative Segment

First item on the agenda

Programme and Budget for 2010–11: Regular budget account and Working Capital Fund

3. The Governing Body had before it two papers ¹ on the regular budget account and Working Capital Fund as at 31 October 2011.
4. A representative of the Director-General reported that since 1 November 2011, contributions for 2011 and previous years amounting to 18,666,539 Swiss francs (CHF) had been received from three member States as follows:

Member States	Contribution received for 2011	Contribution received for arrears	Total contributions received in CHF
Israel	1 330 000	–	1 330 000
Ukraine	336 539	–	336 539
United States	17 000 000	–	17 000 000
Total	18 666 539	–	18 666 539

5. Including contributions received between 1 and 10 November 2011, the total contributions received in 2011 amounted to CHF307,981,179. Of this amount, CHF273,923,723 represented contributions for 2011 and CHF34,057,456 represented contributions for arrears.
6. The balance due as of 10 November 2011 was CHF163,290,036.
7. The Employer spokesperson considered that the paper was useful in that it provided the Governing Body with information on the ILO's financial situation. The figures contained in it showed both a sustained interest in the Organization and the difficulties facing certain countries in meeting their financial obligations, mainly as a result of the stronger Swiss franc.
8. He welcomed the fact that the number of countries that had lost their voting rights had declined, and endorsed the point for decision.

¹ GB.312/PFA/1(Rev.) and GB.312/PFA/1(Add.).

9. The Worker spokesperson thanked governments which had paid their contributions and encouraged other governments to pay their outstanding contributions.

Governing Body decision:

10. *The Governing Body delegated its authority under article 16 of the Financial Regulations by requesting the Director-General to submit proposals for any necessary transfers within the 2010–11 expenditure budget to the Chairperson for approval, prior to the closing of the biennial accounts, subject to confirmation of such approval by the Governing Body at its 313th Session (March 2012).*

(GB.312/PFA/1(Rev.), paragraph 11.)

Second item on the agenda

Use of the Special Programme Account

11. The Governing Body had before it a paper² containing proposals to finance high-priority work with the balance of US\$4.2 million under the Special Programme Account (SPA).
12. The Worker spokesperson expressed support for the social security proposal. The ILO should assist at least five countries wanting to establish social protection floors. Country work should involve all three constituents, in particular trade unions, and the ILO should take a leading role in inter-agency work, based on its standards mandate and social dialogue values. Work should also contribute towards creating synergies with the 2012 Conference discussion on the social protection floor and eventually the adoption of a Recommendation on the social protection floor. She also supported the proposal on productivity growth, wages and collective bargaining, regretting that it was the least funded, although it covered issues that were central to social stability in all regions. She called for an increase in resources for that proposal, given that, despite being recognized as a fundamental objective of the ILO and reaffirmed by the ILO Declaration on Social Justice for a Fair Globalization, collective bargaining did not attract funding from the donor community and lacked even minimal resources as an outcome in Decent Work Country Programmes (DWCPs). She also pointed out that wages should not be linked to productivity only, as they related to other factors as well.
13. The speaker expressed concern about the proposal on decent work for youth. Given the high level of youth unemployment in many countries, more efforts were needed to ensure that activities addressed demand- and supply-side measures, as well as micro and macro interventions consistent with the framework provided by the 2005 Conference discussion on that topic, the Global Jobs Pact and the Global Employment Agenda. Most of the technical consultations suggested had an exclusive supply-side focus (skills, vocational training, youth entrepreneurship) which was insufficient to address the problem of youth unemployment and ran the risk of pre-empting the debate at the Conference in 2012. Furthermore, reference should be made to the quality of youth employment and to the rights-based approach. In 2005, a set of international labour standards had been identified that were relevant to work and young people. The uprising in many Arab countries and the message from the youth of those societies was, in addition to employment, about rights,

² GB.312/PFA/2.

freedom and democracy. She indicated that the secretariat of the Workers' group and the Bureau for Workers' Activities (ACTRAV) should be consulted on the format, the criteria and the participation of workers in order to agree with the proposal. She also wished to see the allocation of resources increased for the proposal on collective bargaining and wages. She supported the rest of the proposals.

14. The Employer spokesperson considered that the paper posed a number of problems. First, it had reached the constituents late and without any prior consultations taking place. Secondly, the use of the SPA raised an issue of principle, given that article 11(9) of the Financial Regulations set a number of conditions for the use of that account; those conditions were clearly not met in the present case. The proposed activities would involve subsequent financial costs which the Employers wanted to know about. Thirdly, the proposals contained in the paper did not reflect the Employers' priorities. The Employers had reservations especially with regard to adopting models and to the substance of the proposal on decent work for youth, when there was no proposal on the question of sustainable enterprises or business start-ups. He suggested that the account should, if necessary, be used to fund the building renovation work.
15. The Employers wanted in-depth consultations on the implementation of the proposals contained in the paper and expressed their reservations.
16. A Government representative of the United Kingdom, speaking on behalf of the industrialized market economy countries (IMEC) group, indicated that the IMEC group had no objection to the specific proposals, but had some concerns about how they had been presented for decision. She emphasized four points: (i) no information was included on the criteria adopted for the selection of the proposals presented over others, even though the paper referred to orientations received from the Governing Body, the Conference and G20 demands; (ii) it would have been useful to know whether other proposals had been considered but not retained, and how the different options had been ranked; (iii) each option should have been supported by a plan, a budget and staffing breakdown and evidence of value for money; and (iv) informal consultations on the proposals should have been organized before the Governing Body met. The speaker requested that future proposals on the SPA satisfy the following criteria: (i) they should be presented with sufficient transparency, clarity and detail to allow informed decisions by the Governing Body; (ii) they should include budget breakdowns and evidence of value for money; (iii) they should include details of how projects were ranked against the selection criteria; and (iv) they should include a mechanism that would allow governments to present additional proposals for consideration, as previous proposals by governments to use funds available in the SPA for the ILO building had been rejected without explanation. The Office was requested to prepare for a discussion on a more inclusive and transparent mechanism for the selection of SPA proposals at the March 2012 session of the Governing Body, failing which it would be difficult for the IMEC group to agree to such proposals in the future.
17. A Government representative of Zimbabwe, speaking on behalf of the Africa group, welcomed the proposals and supported the decision point. He underscored the imperative of the proposal on decent work for youth, which was in line with the conclusions of the 12th African Regional Meeting. The Office should continue to strengthen its work in that area, both in the context of preparation for the Conference discussion in 2012 and with a view to enhancing service delivery in that area.
18. A Government representative of India supported the Office proposals. He welcomed the focus on inter-agency coordination for establishing social protection floors in the wider context of comprehensive national, social and economic policy frameworks. Effective collaboration should be established among national statistical organizations and labour

inspection agencies to collect basic data. He also acknowledged the proposal on the Skills for Employment Knowledge Sharing Platform, mentioning the value of public–private partnerships in enhancing vocational training and skills building opportunities. The speaker made reference to several initiatives undertaken by India in the areas covered by the proposals and asked that India be included in the technical workshop for experts on employment and infrastructure development, as well as in the validation exercise on wage bargaining in relation to productivity.

19. A Government representative of China welcomed the proposals while emphasizing the importance of using resources prudently, especially in times of global austerity. In that context, proposals on the use of the SPA should be more specific. Given the urgent need to find solutions to the youth employment challenge, the issue should be given greater attention within the SPA.
20. A representative of the Director-General focused his intervention on three points. First, most of the proposals reflected priority areas identified in the 2011 Conference decisions concerning social security, domestic work and labour administration. The proposals complemented activities already included in the Programme and Budget for 2012–13, by addressing specific issues for which dedicated resources had not been foreseen. The proposal on labour administration was a case in point. It addressed the need for appropriate data and indicators to measure performance of labour inspection in response to a decision taken by the Conference. In contrast, the proposal on youth employment was meant to enable the Office to consult more widely and gather new ideas in preparation for the discussion at the 2012 session of the Conference. Secondly, the request for more thorough consultations on the proposals and their implementation was noted and the Office would act upon that in further consideration of those items. Thirdly, the Office had considered a wider set of proposals for the use of the SPA but those contained in the paper were the preferred options. In particular, the use of the SPA for the building renovation fund had not been adopted as funding for phase I of the building renovation was almost complete. Proposals had been made during the discussion to closely involve the Bureau for Employers' Activities (ACT/EMP) and ACTRAV in the implementation of the SPA proposals, which the Office welcomed and would pursue.
21. The Employer spokesperson emphasized that it was not the purpose of the SPA to make up for shortfalls in the regular budget, and supported the statement made on behalf of the IMEC group on that point. He recalled that the question had created a number of difficulties in March 2011, and it would therefore have been better to hold consultations before drafting the paper. He recalled the importance of consultations held in accordance with the principles of tripartism that prevailed in the ILO.
22. He also requested that ACT/EMP and ACTRAV be involved in implementing the proposed initiatives, and reiterated his group's reservations.

Governing Body decision:

23. *The Governing Body authorized the Director-General to use US\$4.2 million from the SPA as detailed above and summarized in paragraph 4 of the paper.*

(GB.312/PFA/2, paragraph 32.)

Fourth item on the agenda

Proposed 2012–13 budgets for extra-budgetary accounts

24. The Governing Body had before it two papers³ on extra-budgetary accounts.

(a) International Occupational Safety and Health Information Centre (CIS)

25. The Worker spokesperson fully supported the review of the CIS overall direction and strategy and welcomed the reference to enhancing the ILO's knowledge base on occupational safety and health. Greater linkages and synergies should be created between the CIS, the Programme on Safety and Health at Work and the Environment (SafeWork) and Conditions of Work and Employment Programme (TRAVAIL) databases to set up a unified data collection system in the labour protection field. She reiterated that while the use of electronic formats for publications was welcomed, many workers' organizations did not have access to electronic documents. The Workers therefore stressed the importance of continuing to provide hard copies of all publications.
26. She recommended an evaluation of earlier collaboration with regard to the CIS network of national, regional and collaborating centres in order to increase cooperation. The Workers' group supported the point for decision.
27. The Employer spokesperson endorsed the point for decision, but had two comments to make. First, he recalled that his group set great store by the activities of the CIS, which did excellent work. The Employers placed great importance on the CIS's continued ability to carry on its activities, and wondered whether the necessary human and financial resources were available. Secondly, with regard to paragraph 10, he wanted some more detailed information on the proposed synergies between the CIS databases and those of TRAVAIL, and noted that his group would not be in favour of any merger; the databases in question covered very different areas and it was essential to avoid confusion. Lastly, he recalled that the Department of Statistics had been given responsibility for ensuring consistency in data collection in the ILO. The Employers would devote particular attention to that question at the March 2012 session of the Governing Body during the discussion of the implementation report, since the streamlining exercise appeared not to have been completed.
28. A representative of the Director-General responded to the questions raised by the Workers' and Employers' groups. He confirmed that hard copies and electronic copies would continue to be produced for all publications, and noted that, as part of the strategy of reinforcement, the CIS was trying to bring about more active participation from partners and collaborators, including increased collaboration with ILO field specialists. He indicated that the CIS was looking to create synergies between databases, not inappropriate merging.

³ GB.312/PFA/4/1 and GB.312/PFA/4/2.

Governing Body decision:

29. *The Governing Body approved the proposed 2012–13 income and expenditure budget for the CIS extra-budgetary account, as set out in detail in the appendix of the paper.*

(GB.312/PFA/4/1, paragraph 16.)

(b) Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR)

30. The Employer spokesperson thanked CINTERFOR for its work, which was highly regarded by South American employers. Thanks were also due to the Government of Uruguay for paying its arrears of contributions. The Employers were bound to encourage the ILO to seek other resources.
31. The Worker spokesperson stressed the need to adopt a more integrated approach to vocational training, linking it to the strategic pillars of decent work. The rights-based approach was particularly relevant, notably in terms of having freedom of association and collective bargaining recognized as integral elements of decent employment and vocational training. She expected that during the next biennium a specific programme to promote vocational training clauses in collective bargaining processes would be presented, and suggested that activities related to the promotion of new technologies should be discussed with trade unions.
32. In the area of enterprise sustainability, the focus should be on a vocational training and workplace improvement programme to increase the productivity of small and medium-sized enterprises (SMEs), as well as promoting respect for freedom of association and collective bargaining, improvements in wages and working conditions. Further work was needed to strengthen the participation of workers' associations in vocational training institutions. It would be good to have an evaluation of social partners' participation in vocational training institutions with a view to building a strategy to improve it. Vocational training for young people needed to be part of an integrated macroeconomic framework putting decent and productive employment at the core of economic and social policies. Programmes should include a gender perspective with continuous learning opportunities available throughout an individual's working life. She also supported a focus on skills development and regional integration. Bipartite and tripartite dialogue should enhance working conditions and productivity linked with the promotion of the Human Resources Development Convention, 1975 (No. 142), the Human Resources Development Recommendation, 2004 (No. 195), the Vocational Training Recommendation, 1939 (No. 57), and the Vocational Training (Adults) Recommendation, 1950 (No. 88).
33. Youth employment and enterprise development should be consistent with the concept of sustainable enterprises developed at the 2007 session of the Conference putting full, decent and productive employment at the core of economic and social policies and ensuring the right balance between supply- and demand-side measures. She commended the work done to promote CINTERFOR networks and reiterated the need for workers' representatives to be included in those networks. The Workers supported the point for decision.
34. A Government representative of Brazil commended CINTERFOR for its role in South–South and triangular cooperation. He encouraged the development of CINTERFOR with a focus on green jobs and skills development. The speaker welcomed the proposal for CINTERFOR's Programme and Budget 2012–13 and supported the point for decision.

35. A representative of the Director-General indicated that great efforts had been made towards a more integrated approach including knowledge sharing regarding vocational training and skills development with a specific focus on the participation of workers' and employers' representatives. She added that the Office was expanding its network of training institutions and developing regional strategies.

Governing Body decision:

36. *The Governing Body approved the income and expenditure estimates of the CINTERFOR extra-budgetary account for 2012–13, as set out in Appendix I of the paper.*

(GB.312/PFA/4/2, paragraph 13.)

Fifth item on the agenda

Building questions: Update on the headquarters renovation project

37. The Governing Body had before it a paper⁴ on the status of the headquarters renovation project.
38. A representative of the Director-General indicated that, while the project had experienced minor delays in launching the tenders for some of the planned works, that should have only limited impact on the time line for execution of the works as approved by the Governing Body in November 2010.
39. The asbestos survey was under way and the results should be available for the next Governing Body session. The tender for the replacement of the 16 main elevators had just been published. Drafting of the detailed technical specifications for the renovation of the kitchen areas would be completed by mid-December and the corresponding international tender launched early in 2012. The restaurant and cafeteria services would remain available during the entire renovation period. The technical specifications for the construction of the temporary office building (commonly referred to as the "Annex") were ready and the international tender would be published soon.
40. Following expert advice, the Office had decided to organize two separate tenders for the services of a "project pilot", rather than one comprehensive one. The first tender had already been launched. The project communication strategy was being fine-tuned with the Department of Communication and Public Information.
41. The Worker spokesperson welcomed the Office paper and the oral information provided but expressed a number of concerns. Her group considered that preparation of the technical specifications and evaluation of the offers received should not be undertaken by the same consultants. Her group felt that consultations with the Staff Union were essential, especially on safety and health issues, and that the Staff Union should be represented on the Project Steering Committee. Regarding the asbestos survey, it would be useful to provide regular information on its findings, not just through Governing Body papers.

⁴ GB.312/PFA/5(&Corr.).

42. She wondered how the Office planned to place one half of the staff in one third of the building and what would happen if the construction of the Annex took longer than expected. She asked for information on the project team, which to her knowledge had not yet met, and requested confirmation that all contracts for the project stipulated compliance with the fundamental principles and rights at work. She found the risk register attached to the paper somewhat vague and requested more detail. Regarding the discussions with the Swiss authorities, she asked for more information on developments. She also requested comprehensive documents on past decisions on both building and information technology (IT), since the new format of the Governing Body required the sharing of more information with its members.
43. An Employer member, speaking on behalf of his group, reaffirmed the great importance his group placed on the issue: first, because of its responsibility in finding effective solutions to the problem in the absence of specific funding; and, second, because the great amount of financial resources needed for the job could jeopardize other essential responsibilities of the ILO. For those reasons, the Employers welcomed the paper but considered that it was not the type of document expected to be presented within the new methodology adopted for Governing Body sections. The paper provided some information but did not provoke any orientation or decision. He suggested that information should be better provided to Governing Body members through modern communication media in between sessions in order to keep the Governing Body regularly informed on the project.
44. A Government representative of Brazil, speaking on behalf of the group of Latin American and Caribbean countries (GRULAC), welcomed the paper but expressed the hope that future papers would be more focused on decisions which the Governing Body should take in the context of the project. His group wondered whether the renovation works would affect the work of the Governing Body or the Conference. Regarding the replacement of the elevators, it was not clear why the Office had needed an external consultant to evaluate the offers and supervise the works. He also requested information on the number of elevators currently in operation and why the replacement could not be done in a shorter time. Regarding the renovation of the kitchen areas, he wondered about their current state and the contribution to the renovation costs by the current service provider. Finally, he requested more information on the discussions with the Swiss authorities concerning the sale of the plots of land required to finance the second phase of the project.
45. A Government representative of France welcomed the paper, which was important not only because of the financial resources involved in the project but also because the result would affect conditions of work and hence the quality of the services the Office could provide. He asked for information on how the project was being coordinated with other Geneva-based UN agencies, and reminded the Governing Body that, in his Government's view, it would have been appropriate to include the project as one of the priority items for use of the SPA.
46. The representative of the Director-General explained that the only responsibility of the outside consultants who assisted the Office in evaluating offers was to ensure that the bids received were in conformity with the specifications; they did not participate in the commercial evaluation of the bids. The project team, on which the Staff Union was represented, had already met to discuss the asbestos survey, together with the Administrative Committee on Occupational Safety and Health.
47. Regarding occupancy of the building, he explained that it was in fact possible to locate one half of the staff in one third of the building by applying the existing rules. He confirmed that all contracts for the project included the Office's general conditions of contract, which required compliance with the fundamental principles and rights at work. He pointed out that the "project pilot" would assist the Office in updating and elaborating the risk register.

Progress had been made in discussions with the host country but the Office was not yet able to lift its objections to the “Jardin des Nations” plan.

48. As the Employers had suggested, the Office would in future make an effort to keep both the staff and the members of the Governing Body regularly informed using the Internet and other modern means of communication. He took note of the suggestion that future documents on the project could be for information only.
49. During the first phase of the project (2012–15), the work of the Governing Body and the Conference would not be affected by the project. Outside expertise was required for the preparation of the specifications, evaluation of the offers and supervision of the actual replacement of the elevators, since that was a highly specialized matter. Currently, seven elevators were operational on each side of the building. The elevator renovations were being phased to ensure an adequate level of service. The kitchen floors had been affected by carbonation. This was a structural problem and therefore the ILO’s responsibility, not that of the service provider. He indicated that he met regularly with his counterparts in other UN organizations in Geneva to coordinate activities, particularly with the World Health Organization and the United Nations Office at Geneva, which were also planning renovations.
50. The Worker spokesperson reiterated that, if there were no objections from the other members of the Governing Body, the Staff Union should be represented on the Project Steering Committee.
51. *The Governing Body took note of the paper and invited the Office to take into account the views expressed during its discussion.*

Sixth item on the agenda

Information and communication technology questions

(a) Progress on IT infrastructure investments

52. The Governing Body had before it a paper⁵ describing the progress of the Information Technology Transformation Project approved under the SPA and the Programme and Budget for 2012–13.
53. The Worker spokesperson thanked the Office and indicated that the document covered most of the information requested by the Workers’ group in the March 2011 Governing Body session. She noted that ILO constituents could exercise governance on IT issues only if they were given further detailed information regarding IT sub-projects and the impact of the building renovation. She requested additional information on the establishment of the Project Management Office (PMO) and planned IT infrastructure initiatives. She noted the importance of consultation with the Staff Union.
54. An Employer member expressed concern regarding the lack of detailed information in the paper and indicated that critical issues highlighted during the November 2010 Governing

⁵ GB.312/PFA/6/1.

Body session were not adequately addressed. In particular, she requested information regarding the status of reskilling staff, financial details and progress on IT governance. She also requested information about the challenges encountered thus far.

55. A Government representative of Japan thanked the Office for its efforts and voiced support for the infrastructure improvement initiative. He asked for additional detail on progress and, in particular, on the project components outlined in tables 1 and 2.
56. A representative of the Director-General explained that close coordination had been established with the building renovation project, which did not affect the renovation of the Data Centre.
57. In response to the wider issues of transforming staff to keep pace with the rapid change in modern IT, he noted that information would be provided in the March 2012 session of the Governing Body in the context of the IT Strategy 2010–15 update.
58. He indicated that the primary challenge encountered thus far was balancing the need to sustain existing services while taking on significant new projects. He noted that two initiatives of IT infrastructure investments were progressing ahead of schedule owing to excellent collaboration from internal departments, assistance from external consultants and highly dedicated staff.
59. He indicated that the post for the Chief of the PMO was expected to be filled by the end of the year and briefly described the role, duties, functions and resources associated with the PMO.
60. The terms of reference, structure and charter for IT governance had been drafted, and included both the PMO and an IT Steering Committee. The IT governance structure was expected to be finalized by the end of the year.
61. *The Governing Body took note of the paper and invited the Office to take into account the views expressed during its discussion.*

(b) Progress on IRIS field rollout

62. The Governing Body had before it a paper⁶ describing progress on IRIS field rollout.
63. The Worker spokesperson welcomed the document and sought additional information in relation to lessons learned on training and support, as well as the results of the business process review (BPR) conducted in DWT/CO–Budapest and the Regional Office for the Arab States in Beirut, as noted in paragraphs 4 and 5.
64. She questioned whether the Office would have sufficient time to implement both phases of IRIS in the African region, as the original schedule of implementation had outlined phase 1 in 2012 and phase 2 in 2013. She also inquired whether IRIS would be rolled out to other field offices in parallel.
65. Lastly, referring back to the previous agenda item, the speaker noted that she was looking forward to the implementation of IT governance, in particular the formation of the PMO.

⁶ GB.312/PFA/6/2.

66. An Employer member expressed appreciation for the information provided in the document. She asked for clarifications on paragraph 2, specifically on how the lessons learned and conclusions from the retrospective review of the Budapest implementation were applied in other locations. She expressed concern that the IT-related expenditures were not centralized in all cases, and sought an explanation as to why.
67. She noted that the implementation time line of IRIS was regularly changed and requested a more precise implementation time line. She pointed out that implementation for the African region was scheduled for 2013, and inquired whether that could be accelerated.
68. She stated that the document provided no budgetary information and asked the Office if the budget for IRIS field rollout was adequate. Lastly, she requested additional information on the status of upgrading IRIS.
69. A Government representative of Japan thanked the Office for the information provided, and noted the importance of IRIS for the Office, its staff and the member States. He was pleased that the rollout was on schedule and expressed hope that it would continue as planned.
70. A representative of the Director-General, in response to the questions raised, provided two examples of lessons learned and results from the business process reviews.
71. As a lesson learned from the Budapest rollout of IRIS, the time frame for the delivery of IRIS training, which had originally been concentrated over a shorter period of time, had been extended in order to accommodate field offices in carrying out key daily tasks in addition to receiving training.
72. As a lesson learned from the Beirut rollout of IRIS, the Office was better able to harmonize internal processes and procedures, flow of information and segregation of duties in line with the ILO's financial rules and regulations, resulting in a more equitable distribution of tasks among staff. He added that the Office could provide additional detail on the results of BPRs, if needed.
73. Although the initially planned dates for implementation of IRIS phase 1 for the African region had been moved from 2012 to 2013, the representative was confident that both phases could be implemented in the same year (2013). He noted that, as long as the Office provided a sufficient time gap (approximately six months) between phases 1 and 2, and applied lessons learned from previous locations, the implementation in Africa would be successful. The representative emphasized the advantage of the Regional Office for Africa in Addis Ababa being in close time-zone proximity to headquarters, and thus being able to benefit from extended support during core working hours. He stated that discussions on accelerated IRIS rollout were in progress, pointing out that one of the main challenges was the fact that the Office was rolling out IRIS within existing resources. In response to the inquiries about IT-related expenditures, he noted that the only decentralized funding was related to network connectivity in regions.
74. The representative of the Director-General noted that the Building and IT Subcommittees no longer existed, and IT-related matters were now reported directly in the PFA section of the Governing Body. The subcommittees had previously made it possible to discuss IT initiatives in greater detail. He suggested that informal consultations be held during the current session of the Governing Body to determine the format and content of future IT and building renovation papers. Those consultations would also provide an opportunity to share some more detailed information on IT.

75. *The Governing Body took note of the paper and invited the Office to take into account the views expressed during its discussion.*

Seventh item on the agenda

Other financial questions

(a) Progress report on the expenditure review

- 76.** The Governing Body had before it a paper⁷ on the progress of the expenditure review.
- 77.** The Director-General introduced the paper and stressed the importance of the expenditure review for the long-term interests of the Organization. He stated that he had established the Expenditure Review Committee (ERC) to go beyond savings issues and to address processes for better resource management. He emphasized the value of the ERC in continuing to ensure that all ILO activities met standards of value for money which combined high-quality products and results with cost effectiveness and efficiency. He highlighted the fact that savings measures of over US\$5 million had been included in each budget while, within zero real growth, new costs had been absorbed for staff development, staff security, building and accommodation, ethics and oversight. The Director-General considered the need for savings to be a permanent, high-priority objective on which efforts must continually improve.
- 78.** The Director-General sought support and guidance from the Governing Body in addressing the difficult issues that surrounded changes to organizational procedures and culture. On issues pertaining to conditions of work, he assured the Governing Body that the Office consulted the Staff Union. He informed the Governing Body of his intention to report regularly on progress made and measures taken.
- 79.** The Employer spokesperson considered that the expenditure review had produced convincing results, and he supported the ways forward outlined in the paper. With regard to travel, the ILO should follow the practice in other organizations. The Employers drew the attention of the Office to the need to improve the way in which travel authorizations were managed, as the issue of the amount of travel – in other words, whether such travel was appropriate – was just as important as the cost of travel.
- 80.** The Worker spokesperson noted the composition of the ERC and expressed regret that ACTRAV had not been involved in that internal oversight structure. She questioned how the assessment of work plans for outcome 10 on workers' activities would reflect workers' organizations' priorities without involving ACTRAV. She expressed concern with regard to the autonomy of ACTRAV and ACT/EMP at the field level since the Regional Directors were part of the ERC, while ACTRAV and ACT/EMP were not.
- 81.** The savings measures proposed in the document were welcomed. She reiterated the need to ensure quality of documents over the issue of length and stressed that quality of work and of working conditions should not be sacrificed to ensure savings. She emphasized the need for ACTRAV to be closely associated in the cost-savings review, namely of the *International Journal of Labour Research*, an ACTRAV publication. Where proposals from the ERC affected staff assignments, she asked the Office to be committed to

⁷ GB.312/PFA/7/1(Rev.).

consultation with the Staff Union, and she underlined the importance of dialogue on a wider range of items. With regard to paragraph 28, she requested additional information on what would be examined under each heading.

82. A Government representative of Canada, speaking on behalf of the IMEC group, strongly supported the cost-saving efforts and the work of the ERC. She believed that travel and publications were good priority areas for review and welcomed additional ideas for cost savings. Noting the potential savings through harmonizing travel procedures with those of other UN organizations, she requested further details on how the ILO travel policies differed.
83. She welcomed the electronic distribution of pre-session and information documents and asked for clarification on how *Provisional Records* that were key to decision-making would be made available to delegates during the Conference. She supported paragraph 21 and requested that the Office carefully track and report actual savings and how those were achieved. She requested an annual report on efficiency measures and savings and how the savings were used. She asked for the terms of reference of the ERC and its methods of work. The IMEC group supported the proposals to explore long-term measures and asked the Office to consider consolidating administrative functions with other UN agencies in Geneva. The IMEC group understood from the paper that the Office had identified possible savings of some US\$460,000, and she suggested that the Office implement the proposed cost-saving measures. The IMEC group proposed a point for decision.
84. A Government representative of Japan, speaking on behalf of the Asia and Pacific group, recognized the important mandate of the ERC and the office-wide assessment to increase value for money, savings, efficiency and effectiveness. He welcomed the work related to travel and publications and duly acknowledged the immediate measures taken. He encouraged a continued review for additional savings and harmonization of travel arrangements. He believed further savings were possible through cutting publication costs and decreasing the length of meeting documents. He supported the long-term efforts proposed in paragraph 22 of the paper.
85. He asked the ERC to seek improvement of working modalities in the ILO. He requested more background information on each item in paragraph 28 to ensure an informed discussion. The Asia and Pacific group supported savings on translations and proposed a cost-benefit analysis of the creation of a department to meet interpretation demands. He called for more noteworthy and tangible achievements in the following report. He encouraged the Office to ensure that, on any proposals affecting staff assignments, the voice of the staff would be heard.
86. A Government representative of Zimbabwe, speaking on behalf of the Africa group, noted the significant savings and efforts to harmonize travel with other UN agencies. He welcomed proposed measures on savings in publications. He endorsed the use of electronic files as a primary means of communication, but emphasized the need for flexibility in that regard for constituents with limited access to modern technologies.
87. A representative of the Director-General assured the Governing Body that the quality of services to constituents was the first concern of the ERC. In order to effectively manage the process, task teams were used to ensure that those most concerned were fully involved in examining implications and developing solutions. ACTRAV and ACT/EMP would be involved in any discussions involving the substance of employers' and workers' activities.
88. The Office would report to the Governing Body in November 2012. That report would describe the concrete measures that had been implemented and the savings to date from those measures. He also offered to conduct informal consultations with the Governing

Body, in the interim, to discuss progress that had been made and to receive further guidance.

89. The Office would provide information to the Governing Body, during informal consultations, on such questions as in-session documents for the Conference and class of travel. Lastly, he assured the Governing Body that any cost-saving measures that could be implemented by the Office were immediately implemented.
90. The Worker spokesperson preferred that the Office report on implemented cost-saving measures to the November 2012 session of the Governing Body. She expressed reticence with regard to using resources to report in March 2012 on a process that had not finished. She reiterated that the Office should consult with the Staff Union in order to accomplish that work properly. The Workers supported the proposed point for decision without amendment.
91. The Employer spokesperson endorsed the arguments put forward by the representative of the Director-General and highlighted the effectiveness of certain informal consultations. The Employers approved the proposed point for decision as currently worded, provided that it be specified that the terms “further update” could refer to the holding of informal consultations. Such consultations would enable a document to be prepared for the November 2012 session.
92. *The Governing Body took note of the paper and invited the Office to take into account the views expressed during its discussion.*

(b) Appointment of a member of the Investments Committee of the International Labour Organization

93. The Governing Body had before it a paper⁸ on appointments to the Investments Committee of the ILO.
94. The Worker spokesperson supported the point for decision, and recommended that the Office take gender balance into account in the composition of all ILO committees.
95. An Employer member approved the point for decision as currently worded.

Governing Body decision:

96. *The Governing Body decided to:*
- (a) *express its appreciation to Mr Rolf Banz for his years of service to the Investments Committee;*
- (b) *renew the appointment of Mr René Zagolin and Mr Xavier Guillon as members of the Investments Committee for a further period of three years, expiring on 31 December 2014;*

⁸ GB.312/PFA/7/2.

- (c) *appoint Mr Max Bärtsch as a member of the Investments Committee for a period of three years, expiring on 31 December 2014.*

(GB.312/PFA/7/2, paragraph 4.)

(c) **Working group on the follow-up to the Tripartite Declaration concerning Multinational Enterprises and Social Policy**

97. The Governing Body had before it a paper⁹ on an additional meeting of the tripartite ad hoc working group.

Governing Body decision:

98. *The Governing Body modified its June 2011 decision¹⁰ by authorizing an additional meeting of the tripartite ad hoc working group to discuss and decide on the final text of its report, to be held before the March 2012 session of the Governing Body, to be financed from resources within the Employment Sector.*

(GB.312/PFA/7/3, paragraph 3.)

Audit and Oversight Segment

Eighth item on the agenda

Annual evaluation report 2010–11

99. The Governing Body had before it a paper¹¹ containing the annual evaluation report 2010–11.

100. The Worker spokesperson noted the high technical quality of the report and the extensive data provided, but found that it lacked details on substantive matters. Regarding table 6 on the Strategic Policy Framework (SPF), she had some difficulties in interpreting the reference to the need for the ILO to demonstrate a wider impact of its normative work, which could be interpreted as undermining the standard-setting role of the Organization, and queried why the report did not question the uneven distribution of technical cooperation resources, which were concentrated on outcomes 1 and 16. She wondered how resources for other outcomes could be found adequate, including the outcome on workers' activities, which had received only 1.5 per cent of 2010 total extra-budgetary technical cooperation expenditure on country programmes and global products. She asked the Office to improve constituents' involvement in project design and the integration of international labour standards in projects.

⁹ GB.312/PFA/7/3.

¹⁰ GB.311/7/2(Corr.).

¹¹ GB.312/PFA/8.

- 101.** On DWCP lessons learned, she emphasized the need to consider the interrelated nature of support across the four decent work strategic objectives and to move away from a project-based funding approach. While she was against a one-size-fits-all approach, she insisted that the ILO Declaration on Social Justice for a Fair Globalization spoke of the inseparable, interrelated and mutually supportive nature of the four strategic objectives. Thus, a pick-and-choose approach was not welcomed either. She also asked the Office to put in place mechanisms to make the involvement of the social partners a sine qua non requirement in project design and evaluations, as recommended in the report. She asked for information on the completed internal evaluation of the DWCP for the Syrian Arab Republic in the present-day context.
- 102.** The Employer spokesperson welcomed the quality of the paper. In general, he considered that the constituents should be better trained for participation in evaluations, and that ACTRAV and ACT/EMP should play a pivotal role. He recalled that the Employers had always advocated decent work programmes based on demand rather than on supply, and considered that each activity should produce concrete results in order to meet constituents' needs. The Employers noted that those points had been taken up in the report and included in the recommendations.
- 103.** The Employers' group invited the Office to step up its efforts in regard to follow-up of evaluations, and approved the knowledge strategy, which should facilitate information sharing. The Employers endorsed the Office views on responsibilities and considered that line managers played an essential role.
- 104.** With regard to impact assessment, the Employers were of the view that the indicators did not always reflect the progress achieved. Lastly, given the current context, the speaker considered that there was an urgent need for the Office to define its priorities more precisely.
- 105.** A Government representative of the Netherlands, speaking on behalf of the IMEC group, considered the report very valuable in documenting the implementation of the evaluation strategy and in trying to identify weaknesses in the results-based management (RBM) framework of the ILO. The IMEC group noted the improvements made in the follow-up to evaluation recommendations but called for greater transparency in future of the consultations conducted on the topics for high-level evaluations. The IMEC group praised the analysis in table 6 but expressed concern over the limitations of the proposed long-term implementation of measuring impact, which should be feasible as part of the RBM system and should be incorporated in the recurrent reports as soon as possible. Noting the favourable results found in the meta-analysis of technical cooperation, the IMEC group asked how attribution to the ILO could be assumed given the reported weaknesses in monitoring.
- 106.** The IMEC group called on the Office to implement the suggestions and lessons presented in the report and requested a new decision point calling for an update on their implementation by March 2012.
- 107.** A Government representative of China, speaking on behalf of the Asia and Pacific group, called on the Office to improve the use of evaluations through the implementation of recommendations and capacity development of constituents. Speaking for the Government of China only, he noted improvements in follow-up to decentralized evaluations and knowledge management, and supported the call for an improved results-oriented responsibility framework.

108. A Government representative of France found that the report shed light on how evaluation was being used in the Office and contributed to the RBM system, which he viewed as positive progress towards institutionalizing an evaluation culture.
109. A Government representative of India welcomed the section on the implementation of Regular Budget Supplementary Account (RBSA) evaluations, which included the green jobs RBSA project in India. He noted the advances in the implementation of the 2011–15 evaluation strategy and the progress reported on the follow-up to evaluation results.
110. A representative of the Director-General noted the short time the Evaluation Unit (EVAL) had available since the adoption of the new strategy in March 2011 to report in the new more extensive format. He referred to the detailed background reports prepared for additional substance on methodologies, conclusions, lessons learned and recommendations of the various evaluations and meta studies. Regarding the unequal distribution of technical cooperation resources among the 19 outcomes, he explained that all EVAL could do was to ensure that all projects were evaluated in accordance with prevailing procedures.
111. He noted the positive correlation shown in evaluations between constituent involvement and sustainability of DWCPs and projects. EVAL encouraged constituent involvement in evaluation design and had made progress in strengthening capacity of constituents. Management follow-up to recommendations for governance-level evaluations as well as those for projects had significantly improved, with the latter increasing from 50 to 72 per cent compliance.
112. He stated that the review of the SPF in table 6 had arisen as part of the new strategy requiring EVAL to review overall performance effectiveness. Despite the substantial progress made on RBM, further strengthening of the monitoring and evaluation framework, strategies, assumptions, outcome-based workplans and teamwork was required as part of an ongoing and gradual process. He explained that the meta-evaluation was based on evaluations conducted by 59 external evaluators, which conferred credibility on the information contained in the report on the ILO's performance.
113. Regarding the proposed revised decision point, he cautioned against moving too fast on introducing impact assessments in the recurrent reports, as that would take time and substantial investment in the monitoring and evaluation mechanisms. The additional report requested for March would increase the reporting burden on the Office.
114. The Worker spokesperson accepted the IMEC group's proposal for amendments to the point for decision.
115. The Employer spokesperson considered that the Office should not be unnecessarily burdened with work. However, as the Workers approved the amendment proposed by Governments, the Employers' group chose to follow suit.
116. A Government representative of the Netherlands, speaking on behalf of the IMEC group, agreed with the Chair's interpretation that the envisaged report would consist of further recommendations regarding follow-up and be subject to informal consultations with the groups.

Governing Body decision:

117. *The Governing Body:*

- (a) confirmed the priorities for the programme of work; and*
- (b) requested the Director-General to present a paper for adoption to the March 2012 session of the Governing Body containing recommendations on how to give effect to the suggestions and planned next steps, including the incorporation of impact assessment as part of the recurrent discussion reports.*

(GB.312/PFA/8, paragraph 85, as amended.)

Ninth item on the agenda

**Discussions of high-level evaluations:
Strategies and Decent Work
Country Programmes**

- 118.** The Governing Body had before it a paper¹² summarizing three high-level independent evaluations completed in 2011.
- 119.** An Employer member expressed the group's appreciation for the documents presented. The Employers wished to know how the Office intended to follow up on that document, given that no financial implications were expected. However, it was regrettable that the Office had not proposed any clear solution to the problems in coordination that had arisen in regard to the fight against discrimination in employment and occupation. Although the implementation of the strategy had been a success, the Employers' group considered that there was a need for increased cooperation of the social partners. The speaker also stressed the need to take into account the lessons learned and the recommendations contained in the paper, and added that the Employers' group wished to be kept informed of follow-up.
- 120.** The Employers welcomed the adoption of the HIV and AIDS Recommendation, 2010 (No. 200), and the progress made in the fight against that scourge, but warned against complacency. The focus should be on resource mobilization and participation of the social partners in the programme financed by the Global Fund and the United Nations.
- 121.** The Employers considered the evaluation of the Bahia Decent Work Agenda too ambitious to enable an accurate assessment of the different interventions. The speaker regretted that the Brazilian employers had not been sufficiently involved in the process. In conclusion, the Employers' group supported the point for decision.
- 122.** The Worker spokesperson endorsed the recommendations of the evaluation of the ILO's strategy for the elimination of discrimination, noting that donors needed to allocate resources to all the dimensions of that work, not just gender. The existing strategy for outcome 17, when linked to international labour standards, could strengthen the basis for policy coherence in the promotion of the social justice agenda. She also invited the ILO to continue to work with constituents on improving the implementation of Conventions

¹² GB.312/PFA/9.

Nos 100 and 111 and ensure that anti-discrimination issues were adequately addressed in DWCPs. The report was particularly timely given the phasing out of the follow-up mechanism under the ILO Declaration on Fundamental Principles and Rights at Work (1998 Declaration) and the upcoming General Survey and recurrent item discussion on fundamental principles and rights at work.

- 123.** With regard to the HIV and AIDS strategy evaluation, the Workers supported the report's emphasis on working from the ILO's comparative advantage through tripartite approaches, and on incorporating the broader Decent Work Agenda, including gender and informal economy issues. The Workers called for adequate resources to support constituents in effectively implementing Recommendation No. 200 at national, sectoral and enterprise levels. Lastly, with regard to the Bahia evaluation report, the spokesperson endorsed the comments made by the Brazilian trade unions. She considered that the rich experience described could serve as an example to other Brazilian states and other countries, and asked whether workshops were being considered. In conclusion, she endorsed the point for decision.
- 124.** A Government representative of Egypt, speaking on behalf of the Africa group, emphasized the support for non-discrimination through ratification of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), by all African countries and the Equal Remuneration Convention, 1951 (No. 100), by 51 countries. In particular, the speaker noted the correspondence between the 17 targets of the Decent Work Agenda in Africa 2007 and the 19 programme and budget outcomes. However, a holistic approach and more resources were needed, the latter particularly to mitigate the negative impact of the crisis on discrimination. In conclusion, he endorsed the point for decision.
- 125.** A Government representative of the Netherlands, speaking on behalf of the IMEC group, found the recommendations of all evaluations useful but would have liked more information on the impact of the strategies and programmes. The IMEC group called on the Office to improve the evaluability of the strategy for the elimination of discrimination so that subsequent discussions at the Conference could be guided by impact information. The IMEC group found recommendations 5 and 6 of the HIV strategy evaluation particularly substantive in calling for priority countries and consolidated staffing. The IMEC group called on the Office to address high-risk groups such as sex workers and the young, and asked it to indicate how the recommendations would feed into a governance discussion of the HIV strategy. Noting the usefulness of the Bahia evaluation, he called on the Office to find a way to translate the lessons learned to other DWCPs. In conclusion, he endorsed the point for decision.
- 126.** A Government representative of Brazil offered an update on the current status of events in Bahia. A series of decent work conferences were taking place around the country, based on the experience in Bahia. The success of the sub-national decent work programme offered strong prospects for South-South cooperation.
- 127.** A Government representative of India thanked the Office for its efforts to make elimination of discrimination more relevant, efficient and effective through improved knowledge management, monitoring and capacity building. With regard to the ILO's HIV strategy, he emphasized the need to focus on the informal sector.
- 128.** A representative of the Director-General explained that the Bahia Decent Work Agenda had become a programme in 2008 and was being integrated into the national agenda through a series of conferences to be held up to May 2012. She mentioned that the sustainability of the programme had been secured through a special fund based on private-public contributions. The Regional Office would use the experience of Bahia for its South-South cooperation programme.

129. Another representative of the Director-General emphasized the importance of the Office being highly effective and efficient in its action for the elimination of discrimination and outlined two issues that would be addressed. First, with regard to the inherent risks of fragmentation in supporting such a multifaceted issue, as pointed out in the evaluation, the Office would invest greater effort in coordinating the work of different parts of the Office. Second, to improve the evaluability of the strategy, the Evaluation Unit would be consulted on steps to be taken. Evaluation results would also be part of future Global Reports and ILC discussions on follow-up to the 2008 Declaration.
130. Another representative of the Director-General assured the Governing Body that the recommendations of the evaluation reflected the thinking of the Office, particularly in looking more at addressing HIV in the informal economy through workers' and employers' organizations and operating more around countries and less by projects. Implementation of Recommendation No. 200 would spearhead action, and the Office would keep the Governing Body informed on the progress made in implementing the recommendations through the established procedures.

Governing Body decision:

131. *The Governing Body requested the Director-General to take into consideration the findings, recommendations and lessons learned from the independent evaluations.*

(GB.312/PFA/9, paragraph 110, as amended.)

Tenth item on the agenda

Review of the Independent Oversight Advisory Committee (IOAC)

132. The Governing Body had before it a paper¹³ on an independent review of the Independent Oversight Advisory Committee (IOAC).
133. The Worker spokesperson recalled that when the IOAC had been initially created in 2007 the Workers' group had been sceptical about the added value that the creation of the IOAC would bring to the ILO. The Workers' group noted the importance of independent oversight bodies and said that in order to be more efficient the numerous existing oversight bodies at the ILO should be improved, rather than the ILO investing in the creation of an additional one. The Worker spokesperson stated that, in the interests of consensus and tripartism, the Workers had endorsed the creation of the IOAC in the past and would be prepared to do so again, but with the understanding that the tripartite principles of the Organization would be fully recognized and that the IOAC would not supersede in any way the oversight role and other functions of the PFA.
134. She referred to several recommendations contained in the appendix. The Workers' group agreed with the Office comments in recommendations 2 and 9. In recommendation 3, more clarification was requested with respect to the last sentence, which read "Consideration of geographical representation, gender and any other characteristics should be secondary", as this opposed the ILO's values and could also be interpreted to mean that trade union

¹³ GB.312/PFA/10.

representatives should not be part of the IOAC. The Workers supported option 2 in recommendation 4, and recommendations 5 and 6 were endorsed. The justification for recommendation 7 was contested and the Workers' group did not support recommendation 10, which related to including a review of activities and performance of the ILO's evaluation function as part of its terms of reference. In the interests of consensus, she supported the point for decision.

135. The Employer spokesperson agreed with the numerous recommendations contained in the report, and observed that some of them merited more in-depth discussion. The Employers supported the point for decision as presented in the document.
136. With regard to the selection process, the speaker invited the Office to undertake consultations quickly so that the process could be ratified the following March. It was important for the members of the IOAC to be competent and independent experts. The most difficult task would be to determine how to carry out the selection. During the review of the IOAC's mandate, the Employers wished to see stronger links between that body and the Governing Body.
137. The election of a new Director-General and the Governing Body reform would give the Governing Body the opportunity to review all the evaluation and audit functions, particularly with regard to the appointment process, and the independence of the members of the IOAC and their relationship with the Governing Body. The Employers hoped that the November 2012 session would be carefully prepared to that effect, because it was important, before reviewing the IOAC's mandate, to determine the exact position that the IOAC should occupy in the audit and oversight procedures as a whole.
138. A Government representative of Japan, speaking on behalf of the IMEC group, stressed that the IOAC had an essential and distinctive role to play and that endorsing it with permanent status would align the ILO with other UN organizations. He concurred with the conclusions of the consulting firm's recommendations, in particular the recommendations regarding the selection process. The speaker welcomed informal consultations and felt that they should begin immediately. He encouraged the Office to provide relevant draft documentation. The IMEC group supported the point for decision.
139. A Government representative of Brazil, speaking on behalf of GRULAC, expressed GRULAC's support for the IOAC and its belief that a permanent IOAC could ensure the effective monitoring of the ILO. He evaluated the recommendations and called for further discussion on certain topics, such as the terms of reference and the selection process. On the basis of future tripartite discussions, as called for in the decision point, GRULAC supported the point for decision.
140. A Government representative of Egypt, speaking on behalf of the Africa group, expressed support for some of the recommendations contained in the appendix. He stressed that a more open and transparent selection process was required and that further discussions regarding the terms of reference were necessary. The speaker praised the Joint Inspection Unit (JIU) report entitled *The audit function in the United Nations system* and remarked that the consulting firm's report could have been elaborated in closer coordination with the JIU. The Africa group expressed the view that the adoption of decisions on terms of reference and the selection process should have preceded the point for decision, but stated that in the interests of consensus it would support the point for decision, proposing that it be amended to say that the informal consultations should be aligned with the JIU report and practices in other UN organizations.

141. A Government representative of Canada supported the amendment proposed by the Africa group, understanding that the primary objective of the amendment was to ensure that constituents were provided with all relevant information.
142. A representative of the Director-General explained that the terms of reference with the consulting firm explicitly required that it take into account the JIU report as well as the practices of other UN organizations.
143. The Worker spokesperson did not support the proposed amendment to the point for decision.
144. The Employer spokesperson considered the proposed amendment to be rather confusing, and said that his group could not support that proposal; however, it did support the point for decision as worded in the Office paper. The speaker suggested waiting for the examination of the evaluation and audit functions to take place in November in order to discuss the role of the JIU.

Governing Body decision:

145. *The Governing Body decided to:*

- (a) *establish the IOAC as a permanent advisory body reporting to the Governing Body;*
- (b) *extend the mandate of the current five members of the IOAC until 16 November 2012 under the existing terms of reference as approved by the Governing Body at its 300th Session (November 2007); and*
- (c) *request the Director-General to continue to facilitate informal consultations in order to make proposals on:*
- (i) *the selection process for membership of the IOAC to the 313th Session (March 2012) of the Governing Body; and*
- (ii) *the revision of the terms of reference of the IOAC, no later than at its 315th Session (November 2012).*

(GB.312/PFA/10, paragraph 8.)

Eleventh item on the agenda

Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU

146. The Governing Body had before it a paper¹⁴ summarizing several reports of the JIU.
147. The Employer spokesperson noted his concern about various elements in the document, and also pointed out that the discussions on that subject were getting shorter and shorter. The Employers were certain that the JIU could be useful if its reports were better focused

¹⁴ GB.312/PFA/11.

on the ILO and if the Governing Body then made more use of them. In that respect it would be a good idea for a member of the JIU to present the document and the various reports, highlighting aspects of relevance for the ILO. The Employers could not give their views on the points mentioned in paragraphs 24 and 25; they first needed to know whether or not collaboration with the JIU should be continued. In any event, before a decision could be reached on the question of resources, there should be a global debate on all the Organization's evaluation and audit functions.

- 148.** The Worker spokesperson expressed concern about the report on more coherent UN system support to Africa, notably with regard to the fact that some of the Office comments on the draft report had not been taken up, ignoring the social partners and the additional level of bureaucracy that would result from the establishment of the proposed high-level steering committee to oversee the Regional Coordination Mechanism (RCM). The group agreed with the Office in paragraph 8 that the issue of offshoring service centres did not apply to the ILO. She supported the position of the Office, as explained in paragraph 11, concerning the selection and conditions of service of executive heads in UN organizations, and the comments of the UN System Chief Executives Board for Coordination (CEB) and the Office to the effect that the adoption of 18 benchmarks "to guide and measure efforts towards a more efficient and effective organization" would be complex. She regretted that the report did not take into account the ILO's tripartite structure. The Workers' group agreed with the Office and the CEB opposing the recommendation calling for the JIU to investigate accusations or threats of retaliation when the internal oversight office declined to do so. The group supported the recommendations related to environmental protection, which should be implemented in due course, subject to resource availability. She invited the Office to carry out the review of travel expenditure in consultation with the Staff Union.
- 149.** Moving to the point for guidance in paragraph 24, the speaker reiterated a number of concerns about JIU-related work, including the considerable costs entailed in the follow-up of recommendations. The Office should produce for the Governing Body a document on the different layers of oversight and control, their functions, costs and benefits, to enable the Governing Body to better understand the value added of the JIU and to make informed decisions on follow-up action.
- 150.** A Government representative of the United States requested clarifications from the Office on the costing envisaged to contribute to the JIU tracking system mentioned in paragraph 24. The Office should continue tracking the JIU recommendations, their implementation and the related efficiencies and savings over time.
- 151.** A Government representative of Egypt, speaking on behalf of the Africa group, underscored the value of cooperation between the JIU and the participating organizations. He called upon the ILO to take a number of actions to step up its partnership with the JIU, namely: (i) holding formal high-level meetings with the JIU inspectors in the future; (ii) engaging more actively in the approval and implementation of JIU recommendations relevant to the ILO's mandate and agreed upon with no comments from the CEB; (iii) supporting the development of the JIU web-based tracking system mentioned in paragraph 24; and (iv) acting on the proposal to establish a high-level steering committee to oversee the RCM in Africa. The speaker proposed that a point for decision be considered by the Governing Body, requesting the Director-General to submit to the March 2012 session of the Governing Body a detailed report on the steps taken by the Office to implement the JIU recommendations.
- 152.** A Government representative of France supported the Employers' statement calling for a presentation by a JIU representative to Governing Body members on the various JIU reports that were relevant to the ILO. That included both reports concerning UN system-

wide issues and those more directly addressing the Office, as those reports were an important source of information and convergence towards UN system-wide harmonization. The speaker underscored the complementarity of the JIU within the broader ILO oversight mechanism and the need for the ILO to follow up on JIU recommendations.

- 153.** A Government representative of Canada expressed concern about the fact that JIU discussions were getting shorter over time, which did not allow for proper consideration of JIU reports. She supported the Employers' proposal for a broader discussion on the ILO oversight mechanism, as well as the need for a better understanding of JIU work and how better to use it. She requested the Office to coordinate a briefing early in 2012 between the JIU and the tripartite constituents to discuss how to best benefit from JIU work and its recommendations.
- 154.** A Government representative of China, speaking on behalf of the Asia and Pacific group, underscored the need to evaluate the effectiveness and efficiency of the existing UN system-wide cooperation framework and to identify best coordination practices and methods of collaboration to increase UN coherence, thus avoiding duplications of work and the dispersion of resources. The Asia and Pacific group strongly supported the JIU initiatives, which aimed to assess and better clarify roles and responsibilities within the UN system and between different bodies. The representative referred to UN General Assembly resolution 60/258, which called for enhanced dialogue between the JIU and participating organizations, including the ILO. He requested the Office to further reaffirm its commitment to results-based management and the harmonization of practices. The Office should provide information on its involvement in the three high-level committees, in particular the United Nations Development Group.
- 155.** At the invitation of the Chairperson, the Chair of the JIU took the floor. He highlighted a number of areas where ILO cooperation with the JIU should be strengthened, identified several shortcomings in the paper submitted by the Office and called upon the ILO to support the web-based tracking system mentioned in paragraph 24.
- 156.** A representative of the Director-General addressed four points. First, the practice of the Office had always been to report on JIU reports with CEB comments, which explained possible delays in reflecting all JIU reports in the papers submitted to the Governing Body. Second, the ILO faced a particular difficulty as its unique tripartite structure was often not appropriately reflected in JIU documents. Third, the large number of JIU recommendations submitted to the Office – over 100 per year – presented specific challenges in terms of their implementation, in particular because they were often presented in general terms and did not consider costs. Lastly, the Office had taken due note of the proposal to hold informal discussions on the way the Office should handle JIU reports and their value added to audit and governance functions for the Office.
- 157.** A Government representative of Brazil, speaking on behalf of the Government group, thanked the representative of the JIU for his statement, called on further interactions with the JIU on future occasions and encouraged the Office to submit relevant JIU recommendations to the Governing Body along with comments from the Office.
- 158.** *The Governing Body took note of the paper and invited the Office to take into account the views expressed during its discussion concerning matters relating to the Joint Inspection Unit.*

Personnel Segment

Twelfth item on the agenda

Statement by the staff representative

159. The statement by the representative of the Staff Union is reproduced in the appendix to the present report.

Thirteenth item on the agenda

Report of the International Civil Service Commission

160. The Governing Body had before it a paper¹⁵ on the report of the International Civil Service Commission (ICSC) for 2011.
161. The Worker spokesperson sought clarification as to whether the reference in article 14.7 of the Staff Regulations to the Director-General's duty to consult the Staff Union about any proposed amendment to the Staff Regulations should not be replaced by a duty to negotiate any proposed amendments.
162. In response, the Legal Adviser indicated that the use of the expression "after consulting the Joint Negotiating Committee" had been chosen by the Governing Body in order to give effect to the Recognition and Procedural Agreement concluded in 2000 between the Director-General and the Staff Union. The replacement of the term "consultation" by any other term in the Staff Regulations was a discretionary decision that the Governing Body alone was empowered to make.

Governing Body decision:

163. *The Governing Body:*

- (a) *noted the recommendation of the ICSC on the increase of 0.13 per cent in the base/floor salary and consequential increases in separation payments, for staff in the Professional and higher categories, and authorized the Director-General to give effect in the ILO, through amendments to the Staff Regulations, to that increase, subject to its approval by the General Assembly;*
- (b) *approved the following amendment to article 14.7 of the Staff Regulations:*

Subject to the approval of the Governing Body, these Regulations may be amended, without prejudice to the acquired rights of officials, by the Director-General after consulting the Joint Negotiating Committee. The Director-General ~~shall also~~ may amend the Regulations, without prejudice to the acquired rights of officials, and after consulting the Joint Negotiating Committee, in order to give effect to decisions of the International Civil Service Commission

¹⁵ GB.312/PFA/13.

and of the General Assembly on the recommendation of the Commission concerning (1) salary scales (2) rates of allowances and benefits (~~other than pensions, dependency allowances, education grant, home leave, repatriation grant and termination indemnity~~), the conditions of entitlement thereto, and standards of travel; and (23) the classification of duty stations for the purpose of applying post adjustments; as well as in respect of non-controversial issues with no significant financial and policy implications; the Governing Body shall be informed of such amendments.

- (c) *decided that the Office would report to it on common system issues and consequential amendments to the Staff Regulations once a year, normally at its spring session.*

(GB.312/PFA/13, paragraphs 5 and 12.)

Fourteenth item on the agenda

Amendments to the Staff Regulations

- 164.** A representative of the Director-General explained to the Governing Body that the item had been placed on the agenda of the PFA Segment in anticipation of a possible agreement on recruitment and selection procedures in the context of the mediation process initiated in early 2011. She stated that no final agreement had yet been reached, and that she therefore would provide the members of the Governing Body with an update on progress made and outstanding issues.
- 165.** The mediation process between the Office and the Staff Union had been launched on issues around recruitment and selection. Additional areas of priority had been identified as: (i) clarification of the scope of collective bargaining in the ILO, including a better definition of areas that fell under negotiation, consultation and information; (ii) a review of the contract types and policies; and (iii) the classification of positions.
- 166.** Four joint mediation sessions had taken place, in February, March, May and October 2011.
- 167.** She was pleased to report that the basic principles for an overall review of recruitment and selection procedures had been agreed with the Staff Union and that both sides had witnessed advancements with a view to finding workable solutions. However, progress in the mediation had faltered over one remaining difference between the parties: the use of external assessors in the recruitment process.
- 168.** The Staff Union had considered that the use of external assessors constituted a breach of the Collective Agreement on Recruitment and Selection and had mobilized around that issue; most notably with a call for global action in November 2010. The speaker explained that the parties had indeed agreed in 2000 that the assessment centre evaluations would be carried out by internal staff, jointly appointed by the Administration and the Staff Union. Unfortunately, that had proved unworkable for effective and timely recruitment. Being ILO staff members, internal assessors were engaged primarily in the realization of the objectives and deliverables under the approved programme and budget, and they were consequently seldom available for that voluntary and time-consuming human resources-related task, which also required regular training. To illustrate the scope of work involved, she explained that during the second Recruitment, Assignment and Placement System (RAPS) exercise of 2011 there had been 38 competitions requiring 120 assessment centre actions. With only 12 available internal assessors the Office had been unable to guarantee that more than one third of assessment centre evaluations could be undertaken by internal assessors.

- 169.** Since the introduction of the RAPS in 2008, several interim agreements had been reached concerning the use of external assessors. For the first RAPS exercise in 2008 three external assessors were agreed upon. During the second RAPS exercise in 2010, the work of the external assessors had been subject to random review by internal assessors; the review process fully validated the quality of the work of the external assessors. Lastly, and with the assistance of the mediator, agreement had been reached over the use of mixed teams of internal and external assessors for the first RAPS exercise in 2011.
- 170.** The speaker highlighted the fact that since 2008 the same three professional external assessors had been used and their work had been confirmed as being of an excellent standard. The Staff Union had not raised any substantive objection concerning the quality of their work. She stated that there was general acknowledgement, including by the internal assessors, that the only viable means of enabling the Office to meet its commitments with regard to the quality and efficiency of its recruitment and selection processes, was to use qualified external assessors. She reminded the Governing Body that while the Office had always supported the use of internal assessors, it was not an affordable viable solution, given existing internal capacity.
- 171.** Discussions during the most recent mediation session in October 2011 had again concentrated on that very issue which, although not substantive in nature, was impeding progress in the long-overdue review of the Collective Agreement on Recruitment and Selection that had been foreseen in 2002. It was also delaying progress in other areas of mediation, including policy areas needed to implement the Human Resources Strategy endorsed by the Governing Body in November 2009.
- 172.** Despite focused mediation efforts, the Staff Union had refused to agree to the use of the same external assessors or to any of the assessment measures agreed upon for previous RAPS exercises. The Staff Union had released a Bulletin, dated 1 November 2011, which stated that “the Staff Union Committee has decided to use all, including legal, means at its disposal to denounce the unlawfulness of the present RAPS exercise”.
- 173.** That situation put the Office at risk of not being able to deliver on the recruitment and selection for existing vacancies. It would also challenge the legitimacy of the appointment of candidates who had participated in good faith in a rigorous process of competition. There was a negative impact of staff morale. Lastly, the strain caused by responding to such actions constituted an inefficient use of staff resources and was to the detriment of the positive climate needed for dialogue.
- 174.** She was confident that during the mediation sessions scheduled for the following week and for early December, it would be possible to find a sustainable solution for the Office on that procedural area of dissent, thus unblocking the path for a constructive dialogue on broader issues of priority for the ILO and its staff. She concluded that the Administration was confident that the mediation process would yield tangible results that could be submitted to the following session of the Governing Body for approval. She hoped that her briefing had served to inform the Governing Body of the nature and scope of the contention at stake, and would not be construed as in any way undermining the commitment of the Office to continued social dialogue and collective bargaining.
- 175.** The Worker spokesperson stated that, while she did not find it appropriate to comment on the substance of the matters under mediation between the parties, she felt compelled to recall that social dialogue and collective bargaining was one of the pillars of the ILO. The Administration and the Staff Union had a joint duty to make the mediation process work and she trusted that the parties would be able to report to the Governing Body that they had reached agreement on any persistent areas of dissent.

Geneva, 15 November 2011

Appendix

Statement by the representative of the Staff Union to the Programme, Financial and Administrative Section of the ILO Governing Body

(312th Session – November 2011)

Mr Chairperson,
Director-General,
Members of the Governing Body,

Dear colleagues here today, and those following via the Intranet,

In March, I spoke of hope and optimism, of the “beginning of the beginning” with the launch of an external mediation process, which had been agreed between the Director-General and the Union and announced to this assembly just one year ago. I spoke with confidence and determination that the mediation would succeed.

When we launched the mediation, the Union participated under the weight of great expectations, as the staff expected their actions in November 2010 to lead to improvements to long-standing issues of great concern. The mediation was intended to address a number of issues including: recruitment and selection, precarious work, classification of positions, and collective bargaining and collective dispute resolution.

Today, one year on, precarious work is just as prevalent, if not more prevalent than a year ago. Why do I say this? Because in the middle of the mediation, the Office published – absent of any consultation or negotiation – a policy governing external collaborators. These are independent consultants, or what Recommendation No. 198 calls self-employed workers. This new policy is in direct contradiction with some of the key elements of the Employment Relationship Recommendation, in particular in respect of the criteria to be used for the determination of the existence of an employment relationship.

Its hasty publication, the unwillingness by management to suspend its application pending the outcome of good-faith negotiations, as they believe there is no duty to bargain or even consult over the subject, has raised questions among the staff as to whether there is a genuine willingness to end precarious work in the Office.

It serves to deteriorate the situation, rather than contribute to an atmosphere conducive to mediation.

It does not build confidence.

As regards recruitment and selection, a major stumbling block has been encountered once again. Despite an interim agreement having been reached during the mediation, the Office has now moved forward unilaterally. The current round of recruitment is being carried out in violation of the Staff Regulations, opening the Office to considerable legal and financial liability. We were told that this was done because the “primary interest of the ILO and its staff [was] a swift recruitment process” which would “facilitate the compliance with the ILO Governing Body expectations on delivery as committed in the approved HR Strategy”.

This raises an important question. When the Human Resources Strategy was adopted in 2009, did you, in fact, mean that the Office should elevate speed above all else, including respect for the law?

This unilateral action once again serves to inflame the situation, rather than contribute to an atmosphere conducive to mediation.

It does not build confidence.

However, the Union remains committed to the mediation, and to making collective bargaining work. We remain committed to restoring confidence.

But the expectations of the staff remain. In fact, I would say they have grown. With little forward progress made, we need to produce results now, as this process cannot continue forever. And the alternative – a return to conflict – is not an attractive option for anyone. Let us say we are doomed to succeed.

Let me now briefly turn to the items on your agenda.

Later this afternoon you will consider the **Progress Report on Expenditure Review**. And here, let me begin by saying that we welcome the establishment of this Expenditure Review Committee, and the information provided in the paper helps us to understand the composition and goals of the Committee. However, given that the Committee will consider structures, procedures, methods of work and expenditure patterns, as the Committee is open to suggestions from staff, the Union wonders why it does not have a place at the table.

Let me be clear: this is not about “co-management”. This is about involving the statutory representative of the staff in a process which, both directly and indirectly, will have an impact on conditions of employment and work. We appreciate recent moves to provide the breathing room necessary for negotiations to succeed on conditions of travel. We will continue to work on this to deliver a package which meets the savings targets set by the Governing Body, while ensuring that the rights and interests of the staff are protected.

If the Union is involved in the work of the Expenditure Review Committee, we will be in a position to make concrete suggestions for potential savings in areas which may result in protecting our working conditions. We can ensure that efforts to streamline, simplify and save costs would not conflict with other priorities set by the Governing Body. Staff members come and talk to us about this. They make suggestions. And the Union could facilitate a more structured, ongoing dialogue among the staff on reform.

One such suggestion, which has been raised by staff, would be to end the “double-dipping” phenomenon, where staff retire, and come back to work – sometimes the very next day – receiving both their pension and an income from the Office, without any contribution to the Pension Fund. Addressing the double-dipping issue represents an important opportunity to ensure a solvent Pension Fund, while at the same time responding to the frustrations from many staff who would then have an opportunity – through more rigorous succession planning – for career advancement, or for precarious staff to be regularized.

You will not hear me praising harmonization often, but here we may have something to learn from the policies that have been adopted by the UN General Assembly to manage double-dipping.

We know what is going on in the world. We see at first hand the realities of the cuts and austerity measures being taken in the public sector, and we know that there are ways of working smarter, and differently, and yes, even more efficiently to increase value for money. But as we are currently not part of the conversation – as we are currently not part of the Expenditure Review Committee – we are forced to react, to demand that things be

reconsidered after decisions have been taken or proposals made. This is not a healthy way of managing change.

Again: this is not about co-management. It is about making the staff part of the change, rather than the change “happening to them”.

The same holds true for the **headquarters renovation** which you will consider tomorrow. We understand that the Steering Committee has been formed and is meeting regularly. The Union has been invited to be part of the “Project Team” which has yet to hold any meetings. While we appreciate the regular but informal updates we have received from FACILITIES, we have had no formal consultation on several decisions already taken, some of which will have a real impact on the staff.

We have questions we would wish to raise in the context of the Steering Committee, related to the Annex, the occupancy of which seems a moving target. We have concerns in relation to the accommodation of technical cooperation projects, and the communication strategy, which met with great interest by the staff but has not been as regular as hoped. We would ask for greater detail on the “risk register” and contribute to its development, and we would wish to be fully engaged in the consultations on the refurbished offices, including on how these consultations with the departments would be structured.

Our exclusion from these discussions in the Steering Committee, and the fact that we receive some information only through Governing Body papers, does not build confidence.

The Union wonders what risk is represented if it sits on the Steering Committee, rather than in a project team which does not meet. In our view, the value of our presence in such a body – even as an observer – is clear. We asked why the Union would not have a seat at the table, and were told that it was a Governing Body decision. We would welcome any clarification on this.

Finally, I would like to say a word on the working environment. Something that has become palpable when passing through the corridors and, in particular, speaking to staff in the regions, and technical cooperation staff, is the pressure to work faster and work longer hours in deteriorating conditions. This has been confirmed by the Union’s stress survey. More than 850 staff responded to the survey, with the results showing that the level of stress at work has increased for the majority of staff as they have to work more intensively to unachievable deadlines, feel pressured to work long hours, and are worried over poor promotion prospects and job insecurity – again this is a particular worry for precarious staff and those on technical cooperation. In fact, 30 per cent of respondents find their job very stressful or extremely stressful, and with a quarter of respondents remarking a decline in the quality of work. Sick leave due to stress is on the rise as is work eating into leisure or family time.

And at the same time we have a Safety and Health Policy which would help address these issues, which I am happy to say was the product of extensive and good-faith negotiations over five years, and which has been finalized since March this year. This Policy, which was announced as having been published back in 2008, still has not been published. We cannot understand how an organization, which is a global leader in occupational safety and health (OSH) and promotes Conventions on the subject, does not have a policy of its own. We are embarrassed when we speak to representatives of other UN organizations and learn that they have an OSH policy, but we do not.

It is not true that an OSH policy was adopted in 2008, as you were given to believe at the time – this was merely an announcement, a commitment on the part of the Director-General to “offer a safe and healthy working environment which contributes to human dignity and self-fulfilment”. And yet, the policy which would make this commitment a reality is still eagerly anticipated.