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FIRST ITEM ON THE AGENDA

**The Director-General's**

# **PROGRAMME AND BUDGET PROPOSALS FOR 2016–17**



## Preface

In October 2012, the ILO embarked on a process of deep reform with the firm resolve to make the Organization's work more effective and more efficient, and ultimately to increase its influence in promoting social justice in a world where it is badly needed.

The Office, under the guidance of its Governing Body, has progressed significantly in the implementation of its reform agenda, but still has a long way to go. The reform efforts have been made against a background of continuing distress in labour markets as the global economy struggles to recover from the crisis that broke in 2007 and to get people into decent work. Progress has been limited, tenuous and uneven, and in many member States pressure on public finances remains considerable.

At the same time, the ILO has had to address unprecedented controversy in respect of the workings of its standards supervisory system, which goes to the very heart of its core business.

In this context, my Programme and Budget proposals for 2016–17 aim not only to build on the achievements of reform to date, but also to provide the conditions for them to be continued and deepened. They combine continuity in the commitment to the established reform objectives and innovation in the way we work, as required and permitted by circumstances and the progress of reform. The underlying value proposition to our tripartite constituents is not only that the ILO has a mandate that truly matters in the world today, but that it is also acting to deliver on that mandate in line with their expectations as to quality, objectivity, transparency and cost effectiveness, and with a keen eye to real impact.

This is an ILO worth investing in.

A key feature of the proposals before the Governing Body is the substantial transfer of resources from administration and support functions to the technical work from which constituents directly benefit. A total of US\$25 million has been redeployed to strengthen our technical capacity. This is in addition to the \$18 million redeployed in the current biennium. This includes the establishment of 17 extra technical positions in the regions and increased regular budget technical cooperation funding for them relative to the Programme and Budget for 2014–15.

This is one dimension of providing better value for money. Another is focusing these resources on a limited number of key policy areas so as to bring critical mass and multidisciplinary

approaches to bear in order to assure real impact, verified by strengthened oversight and audit mechanisms. That is why my proposals envisage ten policy outcomes, which address key areas of concern to constituents, enabled by outcomes in respect of advocacy, governance and support functions. These arrangements also provide the basis for the continued implementation of the centenary initiatives.

The approach taken has the twin advantages of eliminating the superimposition of the eight areas of critical importance on 19 programme outcomes in 2014–15, and of bringing an end to the existing correspondence of those 19 outcomes with departmental structures in Geneva. This will strip out unhelpful complexity in current arrangements and further facilitate teamwork across the Organization. Importantly, the proposals continue to be backed by a firm commitment to a strong results-based management system and the associated measurement framework has been strengthened.

The proposals also reflect the ILO's commitment to work closely in partnership with other international organizations and with the United Nations (UN) system as a whole. Most obviously, the decision to adopt a transitional two-year strategic plan will allow the ILO to align its medium-term strategic planning framework with that of the UN as of 2018. The ILO is also proposing to contribute almost \$4 million towards the funding of the UN Resident Coordinator system. With the adoption by the UN in the coming months of the post-2015 development agenda, these measures – combined with the ILO's efforts to have decent work figure prominently in the agenda – will position the Organization well to be an influential player in the multilateral system in the course of the coming biennium and beyond.

In line with the Office's commitment to the highest levels of transparency, the draft operational budget draws on a first analysis of data from relevant services to provide a more complete picture of expenditure for the International Labour Conference and the Governing Body by including the cost of services previously covered under other budget lines. Consequently, and despite the real savings resulting from the reforms already undertaken or under way, the costs of these governance organs are shown at substantially higher budget levels than in past documents.

As indicated above, I remain very conscious of the constraints on public finances in a

significant number of the ILO's member States which make it incumbent on the Office to be vigilant at all times in respect of costs and to set the proposed level of the budget accordingly.

With this in mind, and because there is a reduction in overall costs, I am pleased to present

proposals which combine the maintenance of the real level of ILO activities with a nominal reduction in the dollar level of the budget.

I commend the programme and budget proposals that follow for the consideration of the Governing Body.

2 February 2015

Guy Ryder  
Director-General

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## Abbreviations

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CEB	United Nations System Chief Executives Board for Coordination
DWCP	Decent Work Country Programme
ICSC	International Civil Service Commission
ILOSTAT	ILO database on labour statistics
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IRIS	Integrated Resource Information System
IT	information technology
JIU	Joint Inspection Unit
OECD	Organisation for Economic Co-operation and Development
RBSA	Regular Budget Supplementary Account
SME	small and medium-sized enterprise
UN	United Nations
UNDAF	United Nations Development Assistance Framework



# Executive overview

## A programme and budget of reform

1. The Programme and Budget proposals for 2016–17 are driven by the ILO's ongoing commitment to reform. The overriding objective is to strengthen the technical capacity of the Organization in order to provide high-value services to government, employer and worker constituents in the 185 member States and, through advocacy, to expand the authority and influence of the Organization.

2. The proposals introduce a new strategic plan and a new results framework centred on ten policy outcomes and three enabling outcomes. Together with the accompanying strategies, they define and allow for the measurement of the results that the ILO aims to achieve in 2016–17.

3. The strategic plan is transitional and applies to the 2016–17 period. As of 2018, the ILO will adopt a four-year planning cycle, aligned with that of the UN, as recommended by the UN General Assembly in 2012 and decided by the Governing Body in March 2014. This will further strengthen the ILO's engagement with the One UN initiative.

4. The proposed regular budget shows significant shifts in resources to the ILO's technical work in the regions and at headquarters, drawing on efficiency gains achieved in support services.

5. The 2008 ILO Declaration on Social Justice for a Fair Globalization provides the overarching framework for these programme and budget proposals. The proposals are anchored in the continued commitment to the goal of decent work, which is pursued with rigour both in substantive work and in efforts to uphold efficiency and reform.

## A relevant and responsive ILO

6. Member States are grappling with an uneven and slow global recovery from the financial crisis and with the profound technological, demographic and geo-economic changes in the patterns of production and consumption that are taking place within and across countries. These factors are hampering the generation of productive employment and decent work, the achievement of social and labour outcomes and the work of the

relevant institutions. Employment, labour and social challenges are foremost among the policy challenges faced in all member States and globally. The ILO's tripartite approach is therefore highly relevant and effective in responding to the demands for solutions.

7. The rate of ratification of the eight fundamental Conventions has reached new heights, rising to 91.7 per cent of the potential total at the end of 2014, placing new demands on member States and consequently on the ILO to translate the principles and values enshrined in these instruments into tangible benefits for women and men in the world of work. Foremost is the demand for an effective tripartite response to the challenges faced, that combines time-tested principles with evidence-based knowledge of policies that work.

8. The Programme and Budget proposals for 2016–17 will equip the Organization with the capacity to work with constituents in giving effect to the sustainable development goals expected to be adopted by the UN General Assembly in September 2015.

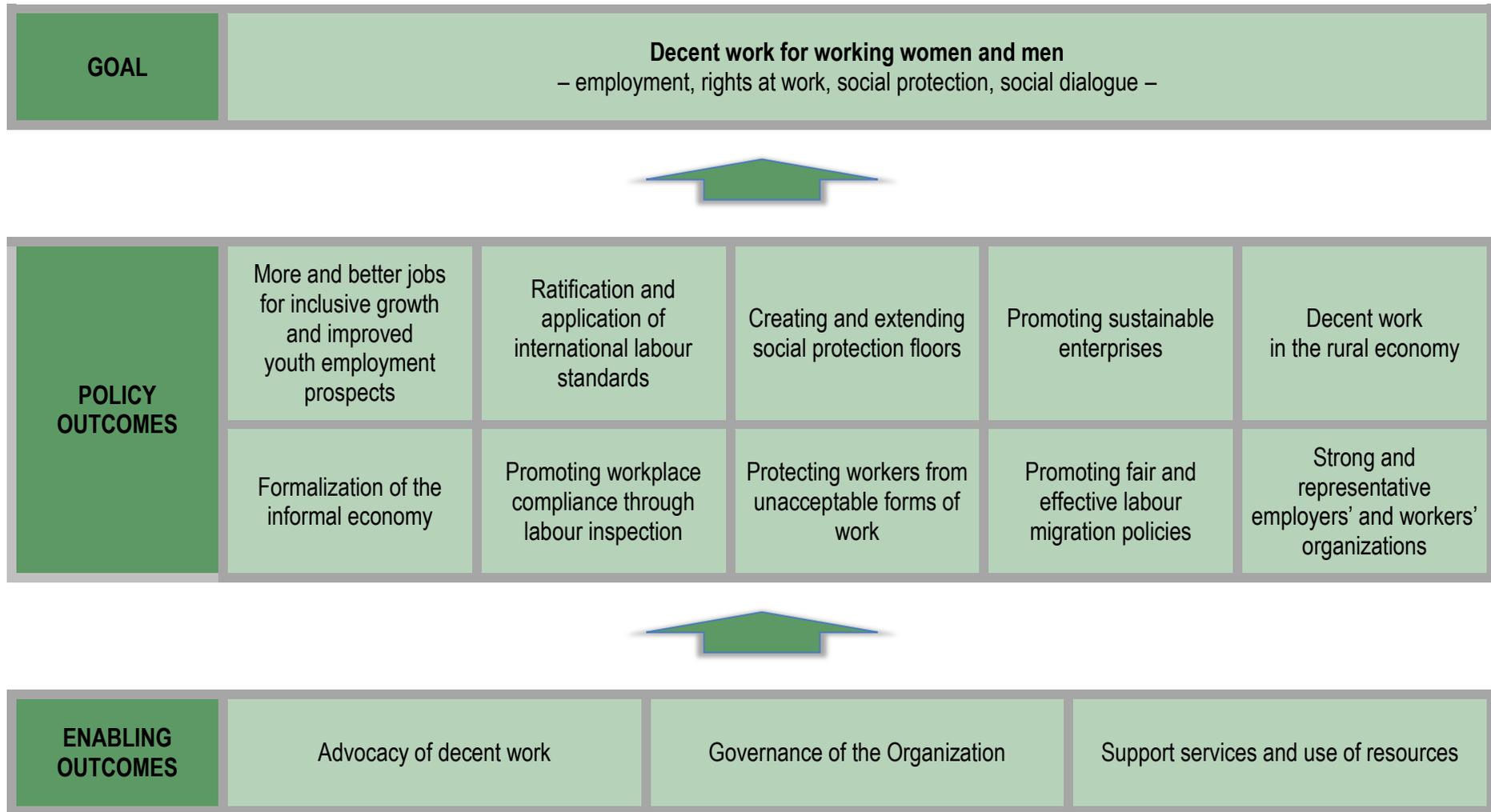
9. The proposals directly follow up on several recent policy conclusions adopted by the International Labour Conference, especially on the issues of social protection, youth employment, sustainable enterprises, fundamental principles and rights at work, labour inspection, transitions to formality and labour migration.

## A focused programme for enhanced results

10. As shown in figure 1, the results framework of the transitional strategic plan and of the Programme and Budget proposals for 2016–17 comprises:

- ten policy outcomes, centred on key world of work challenges of relevance to member States;
- three enabling outcomes, covering the advocacy, governance and support functions of the Organization and the Office.

Figure 1. Results framework 2016–17



**11.** Three cross-cutting policy drivers apply to the ten policy outcomes and guide the enabling outcomes. These policy drivers require all ILO services to:

- reflect the principles and guidance provided by international labour standards and promote their wide application;
- promote the principle and practice of gender equality and non-discrimination;
- support and strengthen ILO constituents, and promote social dialogue.

**12.** In the case of each policy outcome, a brief explanation is provided of how the policy drivers will be taken into account. Reference is made to the international labour instruments that are most directly relevant to and important for the policy outcome in question.

**13.** The ten policy outcomes: address key world of work challenges of relevance to member States, including those reflected in the post-2015 sustainable development discussions; are strictly within the ILO's mandate; correspond to areas of ILO expertise; and have the potential to have a high impact.

**14.** All policy outcomes will draw on a consolidated research capacity, a solid knowledge base, an expanding statistical database and the capacity development services of the International Training Centre of the ILO (Turin Centre). Together with the three enabling outcomes, they will equip the Organization to effectively serve its

constituents and expand its authority and influence globally.

## Continued commitment to reform

**15.** Progress in the implementation of reforms at the ILO since 2012 has included: the restructuring of top management in 2012; the reorganization of the headquarters secretariat in 2013; the establishment of a Research Department in 2013; the implementation of new human resources initiatives; an in-depth review of the ILO's field operations and technical cooperation arrangements, with changes to be implemented up to the end of 2015; and an ongoing review of work processes and structures, in order to generate efficiencies and enable the transfer of resources from administration and support to technical work. The process of reforming the functioning of the Governing Body and the International Labour Conference has also moved ahead.

**16.** These reforms find expression in the budgetary changes introduced for 2014–15 and are reflected in those proposed for 2016–17.

## A regular budget of reform

**17.** The proposed regular budget for 2016–17 is \$801.26 million, which is identical in constant US dollars to the budget approved for 2014–15.

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

	Revised strategic budget 2014–15 <sup>1</sup>	Proposed strategic budget 2016–17	Proposed strategic budget 2016–17
	(in US\$)	(in constant 2014–15 US\$)	(recosted (US\$))
<b>Part I. Ordinary budget</b>			
A. Policy-making organs	56 413 245	54 441 096	54 727 968
B. Policy outcomes	637 682 127	640 534 273	635 564 571
C. Management services	63 864 594	62 984 597	62 713 611
D. Other budgetary provisions	45 594 077	45 594 077	46 575 748
Adjustment for staff turnover	-6 595 445	-6 595 445	-6 521 935
<b>Total Part I</b>	<b>796 958 598</b>	<b>796 958 598</b>	<b>793 059 963</b>
<b>Part II. Unforeseen expenditure</b>			
Unforeseen expenditure	875 000	875 000	875 000
<b>Part III. Working Capital Fund</b>			
Working Capital Fund			
<b>Total (Parts I–III)</b>	<b>797 833 598</b>	<b>797 833 598</b>	<b>793 934 963</b>
<b>Part IV. Institutional investments and extraordinary items</b>			
Institutional investments and extraordinary items	3 426 402	3 426 402	3 453 865
<b>TOTAL (Parts I–IV)</b>	<b>801 260 000</b>	<b>801 260 000</b>	<b>797 388 828</b>

<sup>1</sup> To facilitate comparison with 2016–17 figures, the 2014–15 budget was revised to reflect under the policy-making organs and the policy outcomes the resources from the Official Meetings, Documentation and Relations Department, and the Internal Services and Administration Department that directly support these items.

18. The budget proposals reflect a number of important changes emerging from the reform process. In excess of 60 positions have been re-profiled to better meet the technical needs in the regions and at headquarters. These changes have included:

- reductions in the number of administrative positions;
- the conversion of managerial positions to technical positions;
- reductions in non-staff expenditure;
- the establishment of junior and mid-level technical positions;
- the reinforcement of technical capacity in the regions;
- an increase of \$2.5 million in regular budget technical cooperation resources for the regions;
- an increase of \$2.67 million in the contribution towards the funding of the UN Resident Coordinator system;
- the financing of a second Regional Meeting, to provide for one in 2016 (Asia and the Pacific) and one in 2017 (Europe and Central Asia);

- an increase in resources for oversight purposes, including for the Independent Oversight Advisory Committee, the Office of Internal Audit and Oversight and the Evaluation Office.

19. These measures taken together have resulted in some \$25 million, equivalent to 3.3 per cent of the ILO regular budget for 2014–15, being redeployed within a constant base budget. Twenty-two new technical positions have been provided for within the Policy Portfolio and a further 17 positions have been provided for in the regions, as compared to the Programme and Budget for 2014–15. This points to a significant shift of resources from administration and support to technical work (in lower and middle professional grades), and from headquarters to the regions. Savings resulting from reforms introduced to the governance organs are an integral part of these proposals. The increase in regular budget technical cooperation resources will directly benefit cooperation with constituents.

## Cost increases

20. The nominal level of the proposed budget for 2016–17 is some 0.5 per cent lower than the budget for 2014–15. The reduction is possible as a result of:

- the successful implementation of reform initiatives to rejuvenate and restructure the Office, resulting in lower average salary grades and steps;
- inflation forecasts for the period 2013–15 not being realized or being revised to lower levels;
- the strengthening of the US dollar against local currencies, reducing the dollar equivalent of operating costs outside of Geneva; and
- low inflation forecasts for the period from 2015 up to the end of 2017.

21. The established principle of a zero real growth budget has been maintained. However, owing to the factors identified in the preceding paragraph and more fully explained in Information Annex 2, a \$3.9 million nominal reduction in the budget, prior to any adjustment from movement in the Swiss franc/US dollar exchange rate, is possible without reducing the programmatic capacity of the Office.

## Advancing decent work through services to constituents

22. The regular budget is the primary source of financing of the Programme and Budget proposals for 2016–17, but it is not the only one. Voluntary contributions from donors in the form of extra-budgetary resources for specific projects and through the unearmarked facility of the Regular Budget Supplementary Account (RBSA) complement the regular budget.

23. Table 2 details the total estimated resources, including the proposed regular budget, that would contribute to each of the ten policy outcomes in 2016–17. In total, the ILO plans to mobilize \$410 million in extra-budgetary resources and \$35 million in RBSA resources.

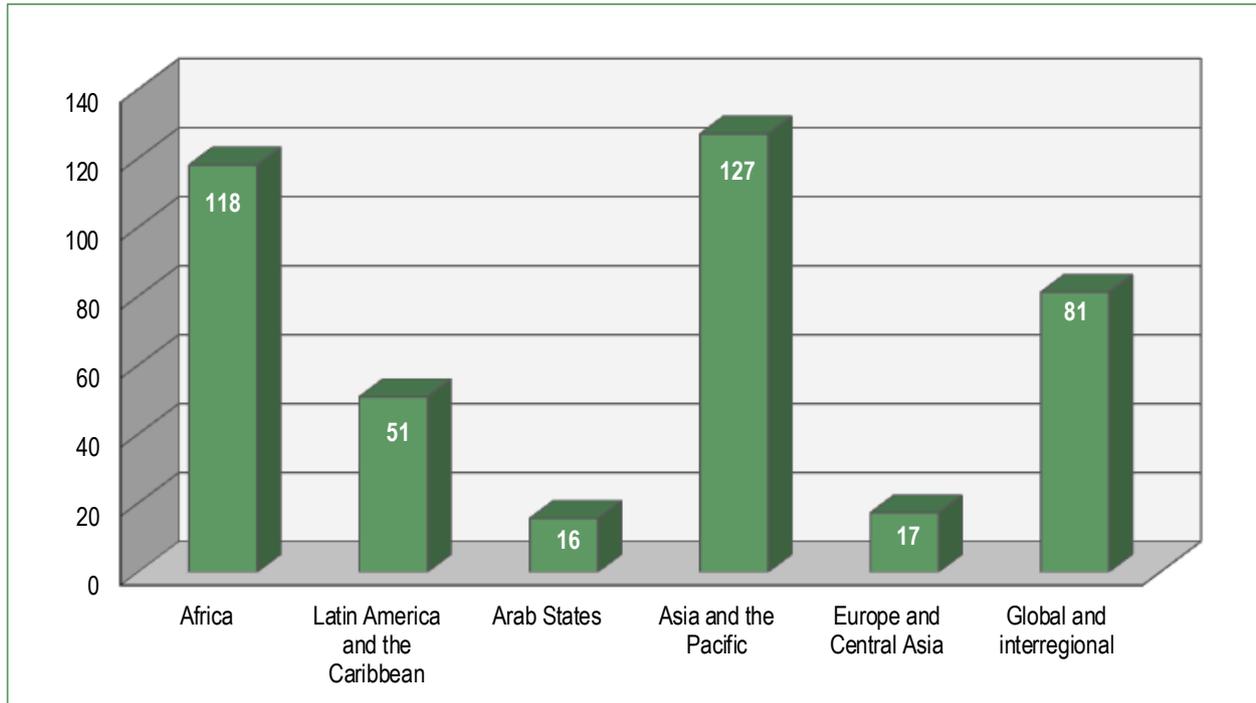
**Table 2. Strategic framework, total estimated resources in 2014–15, preliminary total resources for 2016–17 (in US\$ million) and country targets**

Outcome	Revised regular budget 2014–15 <sup>1</sup>	Estimated extra-budgetary expenditure 2014–15	Estimated RBSA for 2014–15	Regular budget 2016–17	Estimated extra-budgetary expenditure 2016–17	Estimated RBSA for 2016–17	Expected country targets 2016–17
<b>Outcome 1:</b> More and better jobs for inclusive growth and improved youth employment prospects	139.3	142.5		133.2	127.1		92
<b>Outcome 2:</b> Ratification and application of international labour standards	78.4	20.4		73.5	24.6		51
<b>Outcome 3:</b> Creating and extending social protection floors	47.4	8.1		50.5	12.3		37
<b>Outcome 4:</b> Promoting sustainable enterprises	59.8	48.8		51.7	53.3		48
<b>Outcome 5:</b> Decent work in the rural economy	29.4	16.3		33.9	15.6		12
<b>Outcome 6:</b> Formalization of the informal economy	27.8	8.1		51.5	8.2		45
<b>Outcome 7:</b> Promoting workplace compliance through labour inspection	93.6	48.8		68.5	53.3		49
<b>Outcome 8:</b> Protecting workers from unacceptable forms of work	51.5	77.3		57.1	69.7		62
<b>Outcome 9:</b> Promoting fair and effective labour migration policies	15.8	28.5		34.4	29.9		26
<b>Outcome 10:</b> Strong and representative employers' and workers' organizations	94.7	8.1		86.2	16.0		138
<b>TOTAL</b>	<b>637.7</b>	<b>407.0</b>	<b>23.0</b>	<b>640.5</b>	<b>410.0</b>	<b>35.0</b>	<b>560</b>

<sup>1</sup> To facilitate comparison with 2016–17 figures, the 2014–15 budget was revised to reflect the mapping of the results framework for 2010–15 against the results framework for 2016–17.

24. The breakdown of the total estimated extra-budgetary expenditure by region is shown in figure 2.

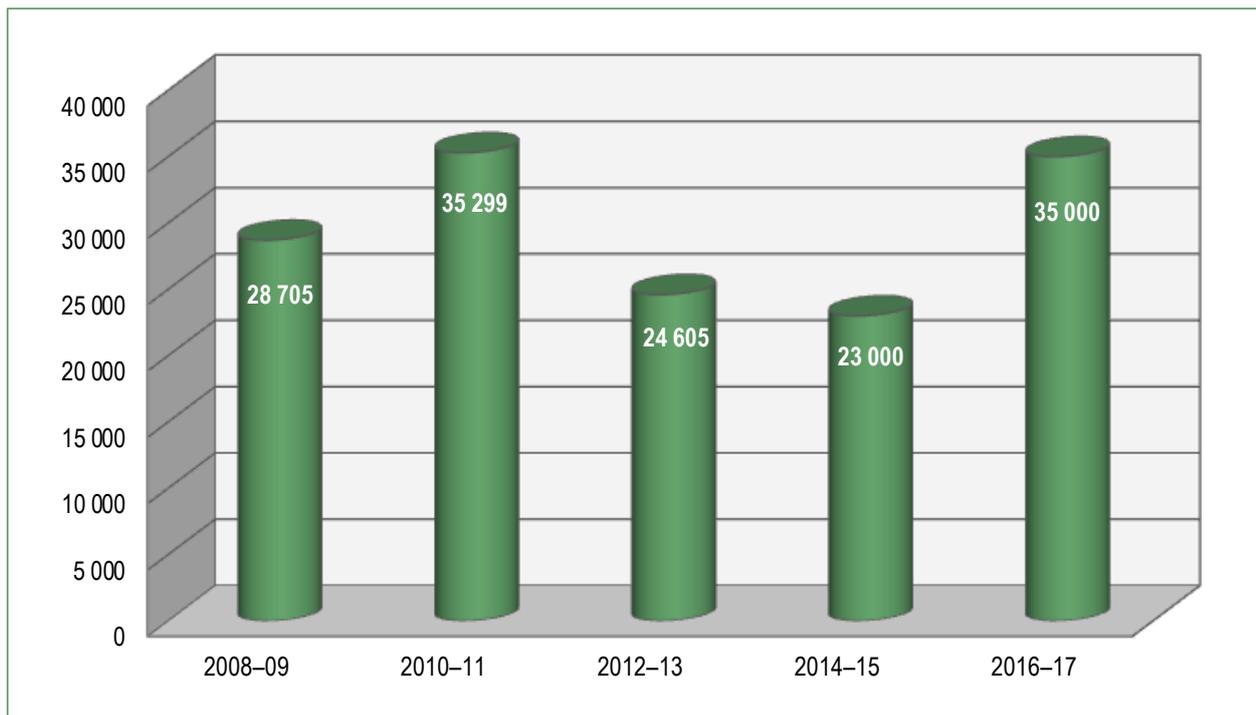
Figure 2. Estimated extra-budgetary expenditure by region in 2016–17 (in US\$ million)



25. RBSA resources are targeted to finance strategic catalytic actions that leverage other resources, across the ten policy outcomes, with a focus on low-income and lower-middle income countries, and on other countries in vulnerable

situations. Figure 3 shows RBSA resources available to the ILO over the biennia since the introduction of the account in 2008–09, as well as RBSA estimates for 2016–17.

Figure 3. RBSA actual and estimated expenditure (in US\$ thousands)



**26.** The ILO will be working increasingly with new forms of cooperation, which include public–private partnerships, South–South cooperation and domestic funding, in line with the ongoing debate on how to increase the effectiveness of development cooperation beyond 2015.

**27.** These three categories of resources will be used in various combinations to finance the achievement of a total of 560 country targets planned for the biennium across the ten policy outcomes (see table 2), of which 163 are in Africa, 136 are in the Americas, 141 are in Asia and the Pacific, 57 are in Europe and Central Asia and 63 are in the Arab States.

**28.** New Decent Work Country Programmes (DWCPs) developed during the biennium will draw on the framework provided by the ten policy outcomes.

**29.** The implementation of these outcomes calls for Office-wide collaboration and methods of work. In order to ensure the proper management of staff and other resources, a workplan will be developed for each outcome at the start of the biennium by an outcome team set up for that purpose. This workplan will in turn inform the workplans of each unit in the regions and at headquarters. The workplans will be regularly monitored and the status of the targets assessed twice per year.

## Engaging fully with the One UN initiative

**30.** The ILO has recently taken significant steps to deepen its engagement with the UN. This will significantly shape the way in which the ILO programme is delivered in 2016–17. These steps include:

- the alignment with the UN's four-year planning cycle as of 2018;
- the allocation of budgeted resources to support the UN Resident Coordinator system;
- strengthened cooperation with UN Country Teams (as at 2014, the ILO is a participant in 133 such teams);
- the increased use of UN funding as a significant source of extra-budgetary resources (12.6 per cent of total allocations in 2013);
- closer coordination with the United Nations System Chief Executives Board for Coordination (CEB) and its subsidiary bodies, including the High-level Committee on Programmes and the High-level Committee on Management, as part of the efforts to make the UN fit for purpose and to “deliver as one”.

## The centenary initiatives

**31.** Proposed in June 2013, and subsequently approved by the Governing Body in October 2013, the seven centenary initiatives span several biennia up to 2019 and call for a range of contributions. In 2016–17, selected products and services planned through both the policy and the enabling outcomes will advance the implementation of the initiatives. These products and services are reflected in specific references made throughout the programme and budget proposals.

## Lessons learned and integrated approaches

**32.** Lessons gained from past experience, including those reflected in recent ILO programme implementation reports and evaluation reports, have guided the preparation of the Programme and Budget proposals for 2016–17. Most prominently, these lessons have led to: the design of fewer, larger and more integrated outcomes; the design of effective partnerships to achieve impact; the recognition that meaningful results require realistic time frames, calling for proper planning and coordination of interventions; and the design of knowledge, tools, capacity-building activities and partnerships of a more ambitious scale and allowing a wider outreach of actions.

**33.** By their very nature, the ten policy outcomes call for the contribution of several areas of technical expertise in order to deliver the expected products and to achieve the expected results. Employment policies, both urban and rural, interact with business environments just as much as labour market outcomes interact with wage policies and institutional settings. Social protection schemes depend on employment policies. Labour inspection is one means, among others, to address unacceptable forms of work. Informality is addressed through various channels, from business regulations to employment and social protection regulations. Workplans and coordination methods will ensure that such interdisciplinary and cooperative methods are applied to the best effect.

## Measuring and improving performance

**34.** The results framework provides the architecture for measuring the results to be achieved in the biennium. Each policy outcome includes an outcome strategy with key expected changes to be achieved, a selection of significant outputs to be delivered by the Office and performance indicators with results criteria and

country-level targets broken down by region. By virtue of the revised results framework, most baselines will be established towards the end of the 2014–15 biennium in the light of the results to be achieved under the areas of critical importance.

**35.** The policy outcomes will contribute, where relevant, to the emerging UN-wide sustainable development goals. The expected results under each outcome focus on changes to be achieved in member States, with significant ILO contribution, in the following three areas:

- policies, strategies and regulatory or legal frameworks;
- capacity and institutional development for service delivery;
- capacity and institutional development for knowledge, analytical capacity, statistics and information dissemination.

**36.** The three enabling outcomes are also stated in results terms with related performance indicators, targets and baselines. A risk register identifies ten major organizational risks with related mitigation strategies.

**37.** The impact and effectiveness of the ILO's achievements will be assessed on the basis of the Office's results-based evaluation strategy. The Office will strengthen governance-level evaluations and the role of the Evaluation Advisory Committee, and will enhance organizational learning through the dissemination of evaluation findings and training and technical advice. The role of impact assessment will be strengthened, with new guidance being provided on the issue. An independent external evaluation of the evaluation function and its results-based evaluation strategy for 2011–15 will be conducted in 2016–17.

## Policy outcomes

**38.** The ILO's overall goal is the promotion of decent work for working women and men. The 2008 ILO Declaration on Social Justice for a Fair Globalization defines decent work as comprising four pillars or strategic objectives, namely employment, rights at work, social protection and social dialogue. The Declaration also states that these strategic objectives are "inseparable, interrelated and mutually supportive".

**39.** The transitional strategic plan for 2016–17 applies this strategic approach to ten topical world of work challenges confronting the tripartite constituents.

**40.** The policy outcomes are designed as integrated responses to key employment, social and labour policy issues in the five regions of the ILO. A brief overview of the proposed response to

the main contextual developments and the needs of constituents in each of the five regions follows the presentation of the ten policy outcomes.

**41.** The policy outcomes are guided by three cross-cutting policy drivers, which define conditions that are essential to achieving the ILO's constitutional objectives. These policy drivers specify how the outcome strategies are to be implemented in respect of international labour standards, gender equality and non-discrimination, and social dialogue and tripartism.

**42.** A subsequent section covers means of action in matters of research and knowledge, labour statistics and capacity development. These means of action are present across all of the ten policy outcomes.

### Outcomes to be achieved in 2016–17

**43.** This section presents each of the ten policy outcomes using a standard format. Each outcome strategy includes an outcome statement and an overview of the problem to be addressed; key expected changes to be achieved; key lessons from previous work; means of action and support to constituents with a selection of the significant outputs to be delivered; cross-cutting issues; and

external partnerships. Indicators to measure performance with results criteria, targets for the biennium with a baseline, and a strategic budget are also included.

**44.** Each policy outcome calls for Office-wide collaboration and methods of work to be specified in a workplan that will be finalized at the beginning of the biennium.

### Outcome 1: More and better jobs for inclusive growth and improved youth employment prospects

*Outcome statement: Member States promote more and better jobs, enhance youth employment prospects and build more inclusive economies.*

#### The problem to be addressed

**45.** Long-term unemployment and job insecurity have increased, especially in countries most affected by the global crisis. Underemployment, informality and working poverty remain significant in many countries, and wage growth in most countries has lagged behind productivity. Inequality has widened, while gender imbalances persist. Young people are disproportionately affected by these trends. Job growth is a critical factor in sustained poverty reduction and will be

fundamental to the post-2015 development agenda.

**46.** At the 103rd Session (2014) of the International Labour Conference, constituents agreed, in the conclusions concerning the second recurrent discussion on employment, that these challenges required "proactive, employment-centred, inclusive growth strategies and balanced, coherent policy frameworks, well-articulated, both at the global and national levels".

#### Expected changes

**47.** Key expected changes are:

- effective and informed engagement of constituents in the formulation, implementation and monitoring of comprehensive employment policy frameworks, including youth action plans;
- greater use of knowledge on: (a) macroeconomic policies for more and better jobs and inclusive growth; and (b) policies (regulatory, skills, industrial, trade, sectoral, investment, infrastructure and environmental) that promote structural transformation and enterprise development and raise the quantity and quality of employment;
- greater use of knowledge on labour market policies and institutions (collective bargaining, wage policy, working time, employment protection, equal opportunity, employment services and activation strategies targeting young people in particular) that support more and better jobs;
- improved capacity of constituents for developing efficient and market-relevant skills that contribute to decent employment outcomes.

## Key lessons from previous work

48. The conclusions adopted by the International Labour Conference on employment (2014) and on youth employment (2012) and lessons from evaluations of ILO work suggest that promoting the quantity and quality of employment calls for:

- a comprehensive approach, based on tripartite consultations and social dialogue, with emphasis on policy implementation, monitoring and evaluation and inter-institutional coordination mechanisms;
- a balanced approach to demand- and supply-side policies and measures;
- complementarities between labour market institutions (including wage policies, minimum wages, collective bargaining and the provision of social protection) for tackling job quality and inequalities;
- targeted action to address the unprecedented youth employment crisis through a balanced approach of activation policies and protection of the rights of young women and men;
- evidence-based assessments of policies that are effective and guide the ILO's country strategies and global advocacy.

## Means of action and support to constituents

49. The ILO will enhance policy advice and tools, capacity building, knowledge development and technical cooperation in five thematic areas, namely:

- *Comprehensive employment policy frameworks:* The ILO will provide policy advice, guided by the Employment Policy Convention, 1964 (No. 122), on formulating, implementing and monitoring comprehensive employment policy frameworks as set out in the conclusions on employment adopted by the International Labour Conference (2014).
- *Macroeconomic policies for more and better jobs and inclusive growth:* The ILO will develop research and capacity building on pro-employment macroeconomic policies, including research into how such policies can best support productive investment, structural transformation, the expansion of sustainable enterprises and the tackling of inequalities.
- *Jobs and skills for young people:* Guided by the conclusions concerning the youth employment crisis: a call for action, adopted by the International Labour Conference at its 101st Session (2012), the ILO will enhance knowledge, policy advice and capacity building on what works for youth employment. New emphasis will be placed on activation strategies, the quality of jobs, disadvantaged groups and the green economy. The effectiveness of skills development systems and active labour market policies targeting young people will be assessed and support provided to strengthen employment services.
- *Industrial, sectoral, trade and investment, skills, infrastructure and environmental policies:* The ILO will expand its policy research, advice and technical cooperation on how such policies contribute to quality job creation, an enabling environment for enterprises, productivity growth and economic diversification, and the implications for skills development and worker remuneration. Work under this theme will also include analysis of how green policies in construction, agriculture and renewable energy can support youth employment.
- *Inclusive labour markets:* Better knowledge of what works with respect to complementarities between different labour market institutions and job quality and inclusive growth will provide the foundation for policy advice and technical assistance on labour market institutions, collective bargaining, wage policies, working time and working conditions.

**50.** Support and capacity building will also be provided to build sound labour market information as a basis for comprehensive employment policies, guided by the new definition of work, employment and underutilization adopted by the 19th International Conference of Labour Statisticians (2013).

**51.** The most significant outputs to be delivered by the Office in the biennium will include:

- policy tools, briefs and guides on the design and implementation of comprehensive employment policies; an assessment of the impact of policies on employment; an expanded employment database; inventories on working conditions and industrial relations institutions; and statistical indicators on job quality;
- technical support with regard to the employment impact assessment methodologies that will be applied in relation to trade, investment (including infrastructure), climate change, sectoral strategies and labour market institutions;
- reports on policy-oriented research such as the *World Employment and Social Outlook* report and the *Global Wage Report*; a global report on infrastructure investments, employment and the labour market transitions of young people; and research in support of the future of work, women at work and green centenary initiatives;
- policy tools and capacity building on national skills policies, skills anticipation methods, educational quality assurance, tripartite skills councils, lifelong learning, and global and regional skills recognition systems; and a global platform on quality apprenticeships;
- impact assessment reports on “what works” for youth employment with respect to wage subsidies, employment services and youth guarantees; publications on youth labour market trends at the global, regional and national levels, including school-to-work transition surveys; an expanded global inventory of youth employment policies, including targeted employment programmes for low-income and underemployed young people in developing countries; and a toolkit to promote the employment of disadvantaged young people through activation strategies;

- expanded capacity building of tripartite constituents, delivered in cooperation with the Turin Centre, including through the annual courses on employment policy, the learning forum on innovations in public investment and employment programmes, the Academy on Skills Development, and the Decent Work for Youth programme.

## Cross-cutting issues

**52. *International labour standards:*** The strategy is guided by the Employment Policy Convention, 1964 (No. 122), the Human Resources Development Convention, 1975 (No. 142), the Human Resources Development Recommendation, 2004 (No. 195), and a number of instruments related to fundamental rights at work and other relevant and up-to-date standards. The Employment (Transition from War to Peace) Recommendation, 1944 (No. 71), will be revised through a standard-setting double discussion at the 2016 and 2017 sessions of the International Labour Conference.

**53. *Social dialogue:*** The ILO will design customized capacity-building tools for the social partners to support their effective engagement in national social dialogues on employment policies, in tripartite skills and employment services committees, and in collective bargaining.

**54. *Gender equality and non-discrimination:*** Policy-oriented research will be conducted on the situation of women at work as a foundation for the women at work centenary initiative. Research and capacity building on the interactions between macroeconomic policies, employment and labour market policies will equip constituents to reduce the incidence of gender-based inequalities and discrimination.

## External partnerships

**55.** The post-2015 development agenda will call for strong partnerships with multilateral institutions, in particular the UN, the World Bank, the International Monetary Fund (IMF) and the G20, as well as among academic and regional institutions, regional development banks and subregional economic communities. Partnerships within the multilateral system and regional institutions on youth employment and skills will be strengthened.

## Indicators

<b>Indicator 1.1:</b> Member States that, in consultation with social partners, have developed, revised, implemented or monitored comprehensive employment frameworks	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. A comprehensive employment policy framework is developed, revised, implemented or monitored with tripartite consultations and dialogue.</li> <li>2. Government establishes or strengthens inter-ministerial coordination mechanisms or tripartite institutions for the periodic review of employment frameworks and outcomes using improved labour market information.</li> </ol>	<b>Target</b> 21 member States (10 in Africa, 2 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 2 in Europe–Central Asia)
	<b>Means of verification</b> Official published documentation.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 1.2:</b> Member States that have taken targeted action on jobs and skills for young people through the development and implementation of multi-pronged policies and programmes	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. A multi-pronged strategy or action plan for youth employment is developed or implemented.</li> <li>2. School-to-work transition programmes allowing disadvantaged young people to access skills and jobs are put in place and regularly assessed.</li> <li>3. Government and social partners review and upgrade skills development systems, including apprenticeships, to facilitate school-to-work transitions.</li> </ol>	<b>Target</b> 16 member States (4 in Africa, 4 in the Americas, 2 in Arab States, 3 in Asia–Pacific, 3 in Europe–Central Asia)
	<b>Means of verification</b> National publications and reports; ILO reports; assessment and evaluation reports of tripartite skills councils; reports on apprenticeship programmes.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 1.3:</b> Member States in which constituents have strengthened capacities on macroeconomic policies for promoting more and better jobs and for tackling inequalities	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Constituents and tripartite institutions assess and promote policies for more and better jobs and for tackling excessive inequalities, drawing on evidence-based analysis and capacity building.</li> <li>2. Constituents, central banks and finance and planning ministries review policies with evidence-based research or implement capacity-building initiatives on fiscal and monetary policies to generate more and better jobs.</li> </ol>	<b>Target</b> 21 member States (8 in Africa, 3 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 3 in Europe–Central Asia)
	<b>Means of verification</b> Reports from global and regional institutions; ILO global and country reports; participation of ILO constituents in annual employment policy courses at the Turin Centre and in the regions; reports of tripartite meetings.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 1.4:</b> Member States in which constituents have implemented institutional development and capacity-building programmes in industrial, sectoral, trade, skills, infrastructure, investment or environmental policies for more productive and better quality jobs	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Constituents apply ILO quantitative and qualitative labour market and employment impact assessment methodology in appraising industrial, sectoral, trade, skills, infrastructure or environmental investment policies and strengthening public and private capacities to implement such policies.</li> <li>2. Constituents apply ILO skills anticipation tools, assess the effectiveness of national and sectoral skills policies and strategies or promote tripartite skills councils.</li> <li>3. Constituents in fragile States or disaster-prone States include productive and decent work in their conflict prevention, disaster risk reduction and recovery measures.</li> </ol>	<b>Target</b> 19 member States (8 in Africa, 3 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 1 in Europe–Central Asia).
	<b>Means of verification</b> Official reports and publications; country studies; evaluation reports.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

**Indicator 1.5:** Members States that have reviewed, developed and implemented policies, regulations and services to achieve inclusive and effective labour market institutions

<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Government reviews, develops and implements policies, programmes, regulations and other measures to enhance the effectiveness and inclusiveness of labour market institutions, drawing on evidence-based analysis.</li> <li>2. Constituents review or develop evidence-based policies and measures to promote effective collective bargaining and minimum wages.</li> <li>3. Government strengthens the provision, coverage and outreach of effective employment services.</li> </ol>	<p><b>Target</b></p> <p>15 member States (4 in Africa, 3 in the Americas, 1 in Arab States, 5 in Asia-Pacific, 2 in Europe–Central Asia).</p>
	<p><b>Means of verification</b></p> <p>Published policies and reports of the Ministry of Labour; laws and regulations; reports of employment services.</p>
	<p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>

## Strategic budget

<p><b>Outcome 1:</b> More and better jobs for inclusive growth and improved youth employment prospects</p>	<p>Proposed regular budget 2016–17 (US\$)</p>	<p>Estimated extra-budgetary expenditure 2016–17 (US\$)</p>
	<p><b>133 240 794</b></p>	<p><b>127 100 000</b></p>

## Outcome 2: Ratification and application of international labour standards

*Outcome statement: Member States are better equipped to ratify, apply and give effect to international labour standards as a means to advance decent work and achieve social justice.*

### The problem to be addressed

**56.** Wide ratification of international labour standards with effective national application is an ILO constitutional objective. However, ratification levels are uneven between countries and between Conventions, and the supervisory bodies point to many gaps in their effective application. There is a need to identify those standards or the provisions thereof that no longer meet the needs of constituents, or do not adequately address emerging issues, as well as broader obstacles that give rise to significant ratification difficulties. An effectively functioning Conference Committee on the Application of Standards is a critical condition for the effectiveness of this outcome.

### Expected changes

**57.** Key expected changes are:

- effective engagement of and ownership by the tripartite constituents in the preparation, adoption, application and review of international labour standards;

- wider ratification and implementation of and effect given to international labour standards, guided in particular by the observations of the supervisory bodies;
- strengthened capacity and awareness of tripartite constituents, members of parliament, judges and other key actors with regard to applying international labour standards and the guidance of the supervisory bodies.

### Key lessons from previous work

**58.** Key lessons are set out below:

- The Social Protection Floors Recommendation, 2012 (No. 202), the Domestic Workers Convention, 2011 (No. 189), and the Maritime Labour Convention, 2006, illustrate how the strong engagement of tripartite constituents from the early stages paves the way for wide support and effective application.
- Tripartite constituents can play an effective role in identifying specific barriers to ratification or difficulties in application at an early stage, which significantly improves the prospects of wide ratification and effective application.

## Means of action and support to constituents

**59.** The Office will ensure full support to the effective functioning of the ILO's supervisory system and its different organs in order to strengthen and sustain its relevance.

**60.** Based on national needs assessments, legal gap analyses and the comments of the supervisory bodies, the ILO will provide expert advice and technical assistance to member States that request it to overcome gaps in the application of ratified Conventions and promote further ratifications. A special focus will be placed on standards relating to occupational safety and health and labour inspection as a follow-up to the action plans adopted by the Governing Body.

**61.** In collaboration with the Turin Centre, support will be provided to build the capacity of tripartite constituents, members of parliament, judges and other relevant actors with regard to international labour standards and the ILO's supervisory system. Building on the example of the Maritime Labour Academy, the activities carried out with the Turin Centre will be consolidated, to create one flagship academy on international labour standards.

**62.** Subject to any decision of the Governing Body, the establishment of a Standards Review Mechanism would be a means of updating, revising or consolidating international labour standards to ensure that they meet the needs of a changing world of work.

**63.** The most significant outputs to be delivered by the Office in the biennium will include:

- policy tools, guides and other resource materials to enable the tripartite constituents to engage in the identification of international labour standards which may require updating, revision or consolidation;
- technical assistance on the implementation of international labour standards, including preparatory working documents to support the work of the supervisory bodies;

- technical advice and comments on labour legislation, including model national legal provisions;
- tools for legal gap analyses to enable the drafting of relevant legislation in compliance with international labour standards;
- technical support, including reports and guidance, to the Special Tripartite Committee established for the Maritime Labour Convention, 2006;
- a training academy on international labour standards, in cooperation with the Turin Centre.

**64.** These outputs will together contribute to the standards centenary initiative.

## Cross-cutting issues

**65. *Social dialogue:*** Capacity-building support for governments and employers' and workers' organizations will be provided, to better equip them to participate in the preparation, adoption, ratification process and implementation of international labour standards. Support to tripartite constituents at the national level, to follow up on the comments of the supervisory bodies, will be strengthened.

**66. *Gender equality and non-discrimination:*** Special attention will be paid to the application of the international labour standards on equality of opportunity and treatment. A gender perspective will be incorporated into national needs assessments, legal gap analyses and training and capacity-building activities.

## External partnerships

**67.** Partnerships with the UN and other international and regional organizations and public–private partnerships with a particular focus on human rights instruments will be further strengthened. Building on previous experience, partnerships with national judicial institutions and parliamentarians will be further promoted, including through technical assistance on labour law.

## Indicators

<b>Indicator 2.1:</b> Constituents who have increased their capacity to participate in the preparation and adoption of international labour standards	
<b>Results criteria</b> Reportable results must meet the following criterion: 1. Rate of response of constituents to questionnaire on draft standards.	<b>Target</b> 60 per cent for each new standard.
	<b>Means of verification</b> International Labour Conference and Governing Body reports.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 2.2:</b> Member States that have taken action to ratify and apply international labour standards, in particular in response to issues raised by the supervisory bodies	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: 1. International labour standards are ratified. 2. Reports on ratified Conventions submitted by government contain information in reply to comments made by ILO supervisory bodies. 3. Government takes action to address the implementation gaps identified by ILO supervisory bodies.	<b>Target</b> 30 member States (10 in Africa, 8 in the Americas, 2 in Arab States, 7 in Asia–Pacific, 3 in Europe–Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> ; reports of the supervisory bodies; ILO register of ratifications.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 2.3:</b> Member States in which constituents and other key actors have improved knowledge on and capacity to use international labour standards and the supervisory system	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: 1. Government or parliaments take action on drafting or amending legislation in line with international labour standards. 2. Domestic courts reference international labour standards in their decisions. 3. Capacity to promote and follow up on international labour standards is established or strengthened in the Ministry of Labour and in employers' or workers' organizations.	<b>Target</b> 21 member States (6 in Africa, 5 in the Americas, 3 in Arab States, 5 in Asia–Pacific, 2 in Europe–Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> ; reports of the supervisory bodies, database on judicial decisions; reports of the Turin Centre on training and learning activities on international labour standards.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 2:</b> Ratification and application of international labour standards	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	73 530 125	24 600 000

## Outcome 3: Creating and extending social protection floors

*Outcome statement: Member States implement the Social Protection Floors Recommendation, 2012 (No. 202), and extend social protection systems as a means to accelerate poverty reduction and promote inclusive growth and social justice.*

### The problem to be addressed

68. The right to social security remains unfulfilled for the large majority of the world's population. Only 27 per cent of the global population enjoys access to comprehensive social protection systems; the rest is covered only partially or not at all. Many countries thus face the challenge of expanding their social protection systems, as well as of making those systems more sustainable. This is especially important in countries with ageing populations.

### Expected changes

69. Key expected changes are:

- national rights-based social protection strategies effectively guided by social dialogue and social security standards;
- an enhanced knowledge base and the better use of information on social security schemes providing benchmarks for the assessment of progress in the extension of social security;
- increased capacity for the extension of social protection coverage or the improvement of benefit adequacy through the development of new programmes or the enhancement of existing ones.

### Key lessons from previous work

70. Key lessons are set out below:

- Recent ILO research shows that social protection is a key element of sound economic policy contributing to inclusive growth by boosting human capital and supporting domestic consumption. In addition, it reduces poverty, vulnerability and inequality while enhancing adaptability to change, political stability and social cohesion.
- A participatory approach, identifying national needs and priorities and involving national planners and decision-makers, including the ministries of planning and finance, ministries of labour and the social partners, is key to the

successful and coordinated development of nationally defined social protection floors.

- Social protection interventions bring immediate benefits to people's lives, which in turn contribute to more equitable and healthier societies. For example, in Mozambique 800,000 people are benefiting from an ILO-designed cash transfer programme and in Thailand all citizens have access to health care, following years of ILO support.
- Partnerships with other UN member organizations and with other national, regional and international partners enhance the effectiveness of country-level interventions and global policy influence. Joint UN assessment-based national dialogue exercises have proven successful in facilitating the extension of social protection, notably to persons in the informal economy.
- Success in extending social protection requires: (i) awareness raising with regard to the need for national social protection floors; (ii) sound costing and fiscal space analysis; and (iii) social impact assessments to inform policy reform decisions.

### Means of action and support to constituents

71. The ILO will provide support to constituents in the framework of DWCPs within the following five areas of action: a social protection floors advocacy campaign; policy knowledge products; advisory services and capacity building; national social dialogue; and building and strengthening partnerships. Work will focus on:

- scaling-up national social protection schemes and programmes through technical advisory services with regard to design, costing, fiscal space options and efficient delivery systems;
- supporting the extension of social protection to the informal economy and rural areas, and to cover migrant and domestic workers;
- working jointly with international partners and national constituents on universal health coverage and social protection systems, including long-term care in ageing societies;
- facilitating national and regional social dialogue to ensure that economic policy-making adequately considers social protection needs;

- monitoring social security reforms, including reforms of pension systems, and providing advice to ensure the adequacy of benefits and coverage;
- being a global advocate of social protection, forging alliances and bringing together key partners to ensure that social protection is central to the implementation of the post-2015 development agenda.

**72.** The most significant outputs delivered by the Office in the biennium will include:

- a database for monitoring world social protection policy, with improved knowledge products including the *World Social Protection Report* to be published in 2017;
- technical advisory services on the expansion of national social protection floors, the design and administration of programmes and the costing of social protection systems, including fiscal space analysis;
- innovative mechanisms tested to support cash transfers and in-kind benefits linked to public works and human capital investments, including those in support of climate-change adaptation;
- an improved set of tools to evaluate the impact of social and welfare policies that recognize the role of social dialogue in promoting social protection;
- capacity building for constituents on the design of social protection schemes, including on establishing and implementing social protection floors within comprehensive social protection systems;
- leadership and partnerships in social protection policy debate, including in the framework of the

Social Protection Inter-Agency Cooperation Board, which is co-chaired by the ILO and the World Bank, and inter-agency work on country assessments.

## Cross-cutting issues

**73. *International labour standards:*** The strategy is guided by and promotes the Social Protection Floors Recommendation, 2012 (No. 202), the Social Security (Minimum Standards) Convention, 1952 (No. 102), and other Conventions related to social protection.

**74. *Social dialogue:*** A key focus will be empowering governments, the social partners and other stakeholders to develop socially effective, financially efficient and fiscally affordable policies to extend social security coverage.

**75. *Gender equality and non-discrimination:*** Special attention will be paid to equipping constituents to address knowledge gaps by collecting sex-disaggregated social security data and to design and implement gender-responsive social protection policies.

## External partnerships

**76.** As co-chair, with the World Bank, of the Social Protection Inter-Agency Cooperation Board, the ILO will influence national and global social protection debates, including joint inter-agency country assessments, and reinforce South–South cooperation. A strong focus will be the follow-up to the post-2015 development agenda and promotion and implementation of social protection floors under the “One UN” initiative.

## Indicators

<b>Indicator 3.1: Member States that have improved their social protection policies and financing strategies, the governance of social protection schemes or the coordination of social protection</b>	
<p><b>Results criteria</b> Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Government and the social partners agree on a national social protection policy or reform in line with ILO social security standards.</li> <li>2. Government develops or revises legislation, regulations, policies or programmes, to improve the performance, management and governance of a social security scheme.</li> <li>3. A national coordination mechanism or institution to support national dialogue on social protection is strengthened or operationalized.</li> </ol>	<p><b>Target</b> 13 member States (1 in Africa, 2 in the Americas, 3 in Arab States, 6 in Asia–Pacific, 1 in Europe–Central Asia)</p>
	<p><b>Means of verification</b> Published government reports; <i>Official Gazette</i>; ministry policies and reports; internal ILO reports; instruments of ratification; tripartite declarations; joint inter-agency reports</p>
	<p><b>Baseline</b> To be set at the end of the 2014–15 biennium</p>
<b>Indicator 3.2: Member States that have enhanced their knowledge base, analytical capacity, financial management, statistics or means of information dissemination for the delivery of social protection</b>	
<p><b>Results criteria</b> Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Government endorses or operationalizes a knowledge product (national diagnostic, actuarial valuation or technical report, guide or tool) that improves capacity to deliver or extend social protection.</li> <li>2. Government designs or updates a delivery mechanism, a statistical database or a monitoring and evaluation system to improve the management of social protection.</li> <li>3. Social security experts, trained in a capacity-building programme supported by the ILO, are employed in social security government agencies, employers' and workers' organizations or academic institutions dealing with social security.</li> </ol>	<p><b>Target</b> 14 member States (1 in Africa, 4 in the Americas, 3 in Arab States, 4 in Asia–Pacific, 2 in Europe–Central Asia)</p>
	<p><b>Means of verification</b> Published government reports; <i>Official Gazette</i>; ministry policies and reports; internal ILO reports; monitoring and evaluation reports of social protection programmes</p>
	<p><b>Baseline</b> To be set at the end of the 2014–15 biennium</p>
<b>Indicator 3.3: Member States that have set up new programmes or improved the existing ones that contribute to extending social protection coverage or improving benefit adequacy</b>	
<p><b>Results criteria</b> Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Government develops new or revises existing social protection programmes, which can be either contributory or non-contributory, that extend coverage of social protection.</li> <li>2. Government designs, revises or implements regulations that improve benefit adequacy in contributory and non-contributory social protection programmes.</li> </ol>	<p><b>Target</b> 10 member States (1 in Africa, 2 in the Americas, 3 in Arab States, 2 in Asia–Pacific, 2 in Europe–Central Asia)</p>
	<p><b>Means of verification</b> Published government reports; <i>Official Gazette</i>; ministry policies and reports; internal ILO reports; monitoring and evaluation reports of social protection programmes; social security inquiry database.</p>
	<p><b>Baseline</b> To be set at the end of the 2014–15 biennium.</p>

## Strategic budget

<b>Outcome 3: Creating and extending social protection floors</b>	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>50 530 493</b>	<b>12 300 000</b>

## Outcome 4: Promoting sustainable enterprises

*Outcome statement: Member States are better equipped to promote an environment conducive to the growth of sustainable enterprises that is aligned with sustainable development objectives and the creation of productive employment and decent work.*

### The problem to be addressed

77. An enabling environment is key to the creation and development of sustainable enterprises. The creation of such an environment hinges upon a well-defined and well-articulated set of policies, spanning the fields of education, finance, labour markets, legal and property rights, technology and infrastructure, among others. In many countries, deficiencies in the enabling environment result in insufficient access to entrepreneurship and business development services, limited access to higher value added value chains and suboptimal workplace practices. In turn, this hampers productivity increases, leads to high levels of unemployment, informality and working poverty and harms the natural environment.

### Expected changes

78. Key expected changes are:

- effective reforms of the regulatory and institutional environment, which promote the creation and growth of sustainable enterprises, improving the economic, social and environmental performance of such enterprises, strengthening investment, creating more and better jobs and facilitating formalization;
- improved management practices and labour–management relations in particular in micro- and small enterprises, resulting in improved working conditions, higher productivity and cleaner production, taking into account the whole of the value chain;
- expanded business support services for potential and existing entrepreneurs, including women and young people, with a focus on integrated financial and non-financial services and on access to green business opportunities.

### Key lessons from previous work

79. Key lessons are set out below:

- Interventions with a lasting impact on a significant scale have to take account of the fact that enterprises are embedded in institutional environments and value chains. The transformations sought are best achieved through interventions targeting policies and institutions, in addition to enterprises themselves.
- Breakthroughs in the formalization of micro- and small enterprises can be achieved by adapting the enabling environment in ways that reduce the cost and increase the benefits of formalization, while ensuring respect for workers' rights.
- Interventions are most effective when they offer integrated packages of assistance customized to the different types of enterprises and target groups involved. Clear results frameworks and plans for scaling up are a precondition for achieving and assessing impact.

### Means of action and support to constituents

80. Services to constituents will focus on:

- strengthening the capacity of constituents to implement the policy changes identified through national enabling environment assessments and to evaluate the impact of these reforms on the development of enterprises and the creation of decent jobs;
- assisting start-ups and micro- and small enterprises in becoming sustainable by upgrading and expanding local and global value chains, so as to make full use of their potential to contribute to growth and social development;
- scaling-up entrepreneurship development programmes, including for women and young people, through strengthened cooperation with education and training institutions and through new business opportunities emerging as part of the transition to a greener economy;
- expanding the empirical evidence relating to the contribution of enterprise development to job creation and to the quality of jobs, and expanding the understanding of risks and constraints to enterprise growth and of sustainable ways to overcome them.

**81.** The most significant outputs to be delivered by the Office in the biennium will include:

- guidance and support with regard to assessing the enabling environment for sustainable enterprises and capacity building for data gathering, analysis, advocacy and policy reform;
- policy briefs that summarize the evidence of: (a) the impact of business environment reforms; (b) public and private policies contributing to sustainable and responsible business practices; and (c) rigorous impact assessments of entrepreneurship development and workplace practices;
- detailed analyses and assistance to identify, develop and upgrade clusters or sectors that have the potential to create sustainable enterprises and decent work; this includes the pilot application in selected countries of a just transition policy framework (adopted by the International Labour Conference in 2013);
- support with regard to the improvement of productivity and working conditions through the Sustaining Competitive and Responsible Enterprises (SCORE) and the System for Integrated Measurement and Improvement of Productivity (SIMAPRO) programmes;
- capacity building and support for entrepreneurship and cooperative development, including through the annual Academy on Sustainable Enterprise Development at the Turin Centre.

**82.** These outputs will also support the enterprises centenary initiative.

## Cross-cutting issues

**83. *International labour standards:*** The strategy is guided by the Conventions and Recommendations identified as being particularly relevant by the International Labour Conference in the conclusions concerning the promotion of

sustainable enterprises that it adopted at its 96th Session (2007), and by the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. It will take into account any conclusions concerning small and medium-sized enterprises (SMEs) that may be adopted during the 104th Session (2015) of the International Labour Conference.

**84. *Social dialogue:*** Enhancing the capacity of constituents to engage actively in social dialogue regarding policy reforms, measures to enhance the functioning of supply chains and workplace practices is central to this outcome.

**85. *Gender equality and non-discrimination:*** As part of the review of the enabling environment from a gender perspective, the strategy will foster women entrepreneurship through specific approaches and tools and gender-responsive interventions aimed at improving supply chains and workplace practices.

## External partnerships

**86.** The ILO will strengthen its partnerships with intergovernmental and other international organizations working on responsible business practices, including with development banks, the Organisation for Economic Co-operation and Development (OECD), the Office of the United Nations High Commissioner for Human Rights and the Human Rights Council, as well as the International Cooperative Alliance. Collaboration with the International Finance Corporation's "Let's Work" global partnership and the livelihoods projects of the Office of the United Nations High Commissioner for Refugees will focus on testing innovative approaches to support job creation through enterprise development. Work on the environmental sustainability of enterprises will be leveraged through the UN Partnership for Action on Green Economy, and through other innovative partnerships for promoting greener workplace practices and business models.

## Indicators

<b>Indicator 4.1: Member States where the enabling environment for sustainable enterprises has been improved through policy, legal, institutional or regulatory reforms</b>	
<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Constituents complete an assessment of the enabling environment in line with the resolution concerning the promotion of sustainable enterprises, adopted by the International Labour Conference in 2007, making use of the ILO methodology.</li> <li>2. Constituents formulate a prioritized action plan and a monitoring and evaluation framework assessing the impact of the planned changes in the enabling environment.</li> <li>3. Government develops new policies, laws or regulatory and administrative changes contributing to an enabling environment.</li> </ol>	<p><b>Target</b></p> <p>8 member States (2 in Africa, 2 in the Americas, 1 in Arab States, 2 in Asia-Pacific, 1 in Europe-Central Asia)</p> <p><b>Means of verification</b></p> <p>Official documents and reports; ILO reports.</p> <p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>
<b>Indicator 4.2: Member States where enterprise support programmes have been designed and implemented aimed at improving productivity, working conditions, constructive industrial relations and environmental sustainability in SMEs or cooperatives, promoting their integration into local or global value chains</b>	
<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Specific programmes promoting productivity and working conditions in SMEs or cooperatives are designed and implemented in the member State using ILO products.</li> <li>2. Additional resources are committed in the member State to programmes promoting productivity and working conditions in SMEs or cooperatives using ILO products.</li> <li>3. SMEs or cooperatives are integrated into local or global value chains as a result of cooperation between national constituents and multinational and national companies.</li> </ol>	<p><b>Target</b></p> <p>16 member States (5 in Africa, 3 in the Americas, 2 in Arab States, 4 in Asia-Pacific, 2 in Europe-Central Asia)</p> <p><b>Means of verification</b></p> <p>Official documents and reports, including results-measurement audits.</p> <p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>
<b>Indicator 4.3: Member States in which public and private intermediaries have designed and implemented scalable entrepreneurship programmes aimed at income and employment creation with a focus on young people and women</b>	
<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Entrepreneurship interventions in the member State are adapted using ILO products for entrepreneurship promotion with a focus on young people and women.</li> <li>2. Constituents scale up entrepreneurship promotion mobilizing additional resources and using ILO products for entrepreneurship development with a focus on young people and women.</li> </ol>	<p><b>Target</b></p> <p>24 member States (10 in Africa, 5 in the Americas, 3 in Arab States, 5 in Asia-Pacific, 1 in Europe-Central Asia)</p> <p><b>Means of verification</b></p> <p>ILO reports; Start and Improve Your Business gateway.</p> <p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>

## Strategic budget

<b>Outcome 4: Promoting sustainable enterprises</b>	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>51 693 608</b>	<b>53 300 000</b>

## Outcome 5: Decent work in the rural economy

*Outcome statement: Tripartite constituents are better equipped to promote decent work for sustainable rural livelihoods with a focus on protecting and empowering vulnerable people.*

### The problem to be addressed

87. Eight out of ten of the world's working poor live in rural areas where the lack of decent work opportunities is pervasive. Therefore, the challenge of ending poverty is fundamentally one of ending rural poverty. As highlighted in the conclusions on promoting rural employment for poverty reduction adopted by the International Labour Conference at its 97th Session (2008), decent work deficits in rural areas are typically many, diverse and inter-related. Common constraints to unleashing the potential of rural economies include: a lack of decent jobs and reliable incomes; low productivity; informality; weak enforcement of the rule of law; ineffective organization and participation of rural people in decision-making; under-investment in agriculture, non-farm rural employment and infrastructure; and limited or no access to social protection and services. Additional pressures result from climate change, conflict and natural resource depletion, including land and water scarcity.

### Expected changes

88. Key expected changes are:

- the effective integration of decent work principles and practices into policies and strategies for sustainable rural development;
- the strengthened capacity and engagement of ILO constituents in the development and implementation of programmes in rural areas based on decent work, including through the better organization and representation of rural workers and employers;
- an enhanced knowledge base and the better use of information on decent work and productive employment in rural areas.

### Key lessons from previous work

89. ILO actions for working women and men in rural areas must include: promoting rights, including those of indigenous and tribal peoples; combating discrimination and child and forced labour; and implementing programmes on skills development and employment-intensive

infrastructure investments. Given the interrelated nature of the problems and challenges faced by people in rural areas, an integrated, coordinated and focused approach is likely to have greater impact and sustainability, especially when built around thematic empirical evidence, policy development and collaboration with other international institutions and coordinated support through national and local stakeholders.

### Means of action and support to constituents

90. Depending on country needs, the ILO will support constituents at the national, sectoral or local levels in their actions to include decent work principles and practices in policies, strategies and programmes for rural development, notably by:

- promoting decent work in agriculture and related sectors for improved livelihoods and food security, with an emphasis on extending social protection and rights at work and giving a voice to and improving the organization, working conditions, productivity and incomes of waged workers, including those on plantations, as well as of smallholders, small businesses and cooperatives;
- supporting economic diversification and productive transformation in areas with high productivity and decent job-creation potential through investments in infrastructure, value chain and skills upgrading and non-farm enterprise development;
- influencing public and private investment through effective dialogue between government, employers' and workers' organizations on policies, programmes and decisions affecting rural economies and livelihoods, including access to public and private services.

91. This outcome will be pursued through the strategic use of major ILO initiatives targeting the rural economy, including employment-intensive investments in rural infrastructure; cooperative, farm and non-farm enterprise development; the promotion of women's entrepreneurship; local economic and value chain development; and other initiatives aimed at realizing the rights and improving the working conditions of rural workers.

92. An important component of the work will be the focus on enhancing the knowledge base on decent work and productive employment in rural

areas, in particular with respect to vulnerable workers, their families and communities. Targeted assistance will be provided to national statistical offices to produce reliable labour statistics, including through the review of existing data collection systems and tools.

**93.** The most significant outputs delivered by the Office in the biennium will include:

- policy briefs, technical advice and guidance to support the integration of decent work principles and practices into policies and strategies for sustainable rural development;
- capacity building for constituents in the promotion of decent work and productive employment in rural areas, including for the development and implementation of targeted programmes for plantation and other waged workers, smallholder farmers, small businesses and cooperatives, with a particular focus on women, young people and indigenous peoples;
- evidence-based research on the linkages between economic growth, decent work, productive employment and poverty reduction, as well as analyses of the coverage of and barriers to the ratification and effective implementation of ILO instruments in rural areas;
- a set of statistical data and key decent work indicators, disaggregated by rural and urban areas and, where possible, by sex and age.

## Cross-cutting issues

**94. *International labour standards:*** The strategy is guided by the Conventions and Recommendations identified as particularly relevant in the conclusions on promoting rural employment

for poverty reduction adopted by the International Labour Conference at its 97th Session (2008), in particular the eight fundamental Conventions, the Labour Inspection (Agriculture) Convention, 1969 (No. 129), the Rural Workers' Organisations Convention, 1975 (No. 141), the Safety and Health in Agriculture Convention, 2001 (No. 184), the Plantations Convention, 1958 (No. 110), and the Indigenous and Tribal Peoples Convention, 1989 (No. 169).

**95. *Social dialogue:*** A key focus is building the capacity of constituents to engage in social dialogue on policies and strategies for rural development and to improve the organization and representation of rural stakeholders to enable them to effectively participate in decision-making.

**96. *Gender equality and non-discrimination:*** Work will address discrimination faced by disadvantaged, marginalized and vulnerable groups, including indigenous and tribal peoples, in rural communities. Special attention will be paid to overcoming the obstacles faced by women workers in rural areas in accessing land, finance and other services.

## External partnerships

**97.** Given the magnitude of the challenges to realize decent work in the rural economy, it is vital to leverage ILO resources and align policy through partnerships with key international organizations with a clear focus on comparative advantage. The ILO will strengthen its partnerships with the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Bank Group and will explore new partnerships with regional banks to foster joint strategies towards integrating and mainstreaming decent work into rural development.

## Indicators

<b>Indicator 5.1: Member States that have taken concrete steps to integrate decent work into rural development policies and strategies</b>	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government integrates decent work into policies or strategies for rural development at the national, regional or sectoral level.</li> <li>2. Government develops or revises legislation to enhance decent work and productive employment in rural areas in line with relevant international labour standards.</li> </ol>	<b>Target</b> 3 member States (1 in Africa, 1 in the Americas, 1 in Asia–Pacific)
	<b>Means of verification</b> Ministry policies and reports; <i>Official Gazette</i> ; instruments of ratification; ILO and inter-agency reports.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 5.2: Member States in which constituents have set up targeted programmes that contribute to decent work and productive employment in rural areas</b>	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government institutions at the central or local level develop or implement programmes for the purpose of providing decent work and productive employment to target population groups in rural areas.</li> <li>2. Employers' and/or workers' organizations at the central or local level develop or implement programmes for the purpose of providing decent work and productive employment to target population groups in rural areas.</li> <li>3. Employers' and/or workers' organizations improve their outreach, representation or services to employers and workers in rural areas.</li> </ol>	<b>Target</b> 3 member States (1 in Africa, 1 in the Americas, 1 in Asia–Pacific)
	<b>Means of verification</b> Government documents; social partners' official documents and reports; ILO reports.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 5.3: Member States that have enhanced their knowledge base, analytical capacity and statistics on decent work in the rural economy</b>	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. National institutions take measures to improve the collection and dissemination of data or statistics on decent work in rural areas.</li> <li>2. National institutions develop and use knowledge on decent work and productive employment to inform policies, strategies or programmes targeting rural areas.</li> <li>3. Employers' and/or workers' organizations undertake evidence-based research of relevance to rural economies with a view to inform policy and practice.</li> </ol>	<b>Target</b> 6 member States (2 in Africa, 1 in the Americas, 1 in Arab States, 2 in Asia–Pacific)
	<b>Means of verification</b> Official documents and reports; labour force surveys; ILO statistical databases.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 5: Decent work in the rural economy</b>	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>33 852 230</b>	<b>15 580 000</b>

## Outcome 6: Formalization of the informal economy

*Outcome statement: Tripartite constituents are better equipped to facilitate the transition from the informal to the formal economy.*

### The problem to be addressed

**98.** The informal economy comprises around half of the workforce worldwide. This presents a major challenge to inclusive development and has a negative impact on sustainable enterprises, productive employment, the attainment of decent work, government revenue and fair competition in national and international markets.

### Expected changes

**99.** Key expected changes are:

- improved and comprehensive national legal and policy frameworks that facilitate the transition to formality, guided by the instrument on formalization to be examined by the International Labour Conference at its 104th Session (2015);
- strengthened awareness and capacity of constituents to facilitate the transition to formality, drawing on an expanded knowledge base;
- gender equality and the needs of vulnerable groups in the informal economy are addressed when facilitating the transition to formality.

### Key lessons from previous work

**100.** Key lessons are set out below:

- Economic growth alone is insufficient to reduce informality; public policies have a strong role to play.
- Strategies for formalization are more effective when they are tailored to the specific characteristics of informality, which vary across countries depending on institutional contexts and levels of development, and when they are embedded in an integrated policy framework conducive to formalization.
- From an operational perspective, measures for formalization need to address specific components of the informal economy and categories of workers, enterprises or sectors warranting priority action.

- Processes involving the transition to formality should preserve opportunities for income security, livelihoods and entrepreneurship.

### Means of action and support to constituents

**101.** Grounded in a rights-based approach, the ILO will encourage Members to formulate or review integrated strategies and plans with a view to facilitating the transition to formality across the economy. It will support advocacy efforts to make formalization a high priority in national policy agendas. It will enhance the capacity of constituents to undertake diagnoses of the informal economy, inform the design of relevant strategies and monitor progress towards formalization. Actions will include strengthening the capacity of national statistical offices to produce statistics on informality and supporting the identification of gaps in regulatory frameworks that generate informality.

**102.** The ILO will also support targeted actions by national authorities to facilitate the transition to formality of specific categories of workers, economic units or sectors, or to strengthen the role of particular policies that drive formalization. Assistance will include advisory services, the dissemination of policy resources packages and capacity-building interventions.

**103.** Depending on country needs, support will be provided to:

- extend the scope of and improve compliance with laws and regulations, including through measures such as simplifying registration procedures and the provision of incentives to comply;
- assess the enabling environment for sustainable enterprise to identify barriers to formalization and formulate policy recommendations to overcome them;
- revise national employment policy frameworks with a view to making the formalization of employment a central goal;
- extend social protection to categories of workers who are currently not covered.

**104.** Technical advice, training and knowledge-sharing initiatives will target employers' and workers' organizations to strengthen their capacity to support formalization initiatives, including

through the better representation of people working in the informal economy and through participation in consultations with governments on the design and implementation of regulations and policies for formalization.

**105.** The most significant outputs to be delivered by the Office in the biennium will include:

- awareness-raising materials on the costs of formalization and ways to address related problems, based on the outcome of the discussion on formalization at the 104th Session (2015) of the International Labour Conference;
- advisory services, training and knowledge development on the collection and analysis of statistics on informality and on the design and implementation of gender-responsive regulations and policies that facilitate the transition to formality;
- an academy on formalization of the informal economy, delivered at the Turin Centre;
- guidance and support with regard to assessments of enabling environments for the formalization of enterprises (linked to the ILO's Enabling Environment for Sustainable Enterprise methodology);
- policy resources packages on formal employment promotion; compliance strategies and formalization; the extension of social security; sector-based approaches to formalization; improving safety and health in the informal economy; and the particular challenges faced by indigenous peoples;
- new research on: policies that improve the cost-benefits of formalization; methods of collective bargaining to protect and advance the rights and interests of workers in the informal economy; different forms of self-employment; informal apprenticeship systems; and methodologies to assess the drivers and profile of informality at the national level.

## Cross-cutting issues

**106. International labour standards:** Many international labour standards are relevant to formalization, including the proposed instrument concerning the transition from the informal to the formal economy, and will provide guidance in specific policy areas.<sup>1</sup>

**107. Social dialogue:** Emphasis will be placed on strengthening the capacity of the social partners to participate in consultations with governments on the design and implementation of policies for the transition to formality.

**108. Gender equality and non-discrimination:** Interventions will strengthen the capacity of constituents to promote gender equality by applying a gender lens in policy formulation and adopting specific measures to facilitate access of vulnerable groups to formal employment.

## External partnerships

**109.** Advocacy work and joint initiatives will be undertaken with various international organizations, including the World Bank (on the production of statistical data on informality), the European Commission (on the prevention of unregistered employment in Europe) and the United Nations Development Programme (on support for countries' actions).

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<sup>1</sup> See ILO: *The transition from the informal to the formal economy*, Report V(1), International Labour Conference, 104th Session, Geneva, 2015.

## Indicators

<b>Indicator 6.1:</b> Member States that have updated their legal, policy or strategic frameworks to facilitate the transition to formality	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government, in consultation with social partners, develops or revises policies and programmes in the areas of employment, enterprises, social protection or labour compliance facilitating the transition to formality.</li> <li>2. Government, in consultation with social partners, develops or revises laws and regulations to extend legal coverage and protection to categories of workers and economic units previously uncovered.</li> <li>3. Government, in consultation with social partners, develops or revises national strategies or action plans facilitating the transition to formality across the economy.</li> </ol>	<b>Target</b> 10 member States (3 in Africa, 4 in the Americas, 1 in Arab States, 1 in Asia–Pacific, 1 in Europe–Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> ; annual reports of government bodies; intergovernmental official documents; tripartite agreements.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 6.2:</b> Member States in which constituents have increased awareness and the knowledge base on informality to promote and facilitate the transition to formality	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Constituents undertake information and awareness-raising campaigns supporting formalization.</li> <li>2. Government, in consultation with social partners, develops and draws on a diagnosis of informality at the national level to set priorities for action, including for addressing the needs of women and men and of vulnerable groups.</li> </ol>	<b>Target</b> 20 member States (2 in Africa, 6 in the Americas, 1 in Arab States, 6 in Asia–Pacific, 5 in Europe–Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> ; annual reports of government bodies; intergovernmental official documents; tripartite agreements; other published documents.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 6.3:</b> Member States in which at least one of the constituents has taken measures to promote gender equality or address the needs of vulnerable groups when facilitating the transition to formality	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Employers' and/or workers' organizations provide gender-responsive services to economic units and workers in the informal economy.</li> <li>2. Government takes measures to promote gender equality or non-discrimination within its actions to facilitate the transition to formality.</li> </ol>	<b>Target</b> 15 member States (2 in Africa, 7 in the Americas, 1 in Arab States, 4 in Asia–Pacific, 1 in Europe–Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> , annual reports of government bodies; reports of supervisory bodies; other published documents.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 6:</b> Formalization of the informal economy	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	51 490 417	8 200 000

## Outcome 7: Promoting workplace compliance through labour inspection

*Outcome statement: Labour inspection systems and employers' and workers' organizations are better equipped to achieve workplace compliance with national labour laws, applicable regulations, collective agreements and ratified international labour standards.*

### The problem to be addressed

**110.** Weak compliance with relevant laws and regulations erodes workers' rights and contributes to poor working conditions and unhealthy and unsafe workplaces. It also has an adverse impact on economic development and productivity and undermines compliant businesses by creating an uneven playing field.

### Expected changes

**111.** Key expected changes are:

- strengthened capacity of labour inspectorates, other national authorities and employers' and workers' organizations leading to measurable improvements in workplace compliance with national labour laws, applicable regulations, collective agreements and ratified international labour standards;
- improved national institutional, legal and policy frameworks for workplace compliance, with a focus on high-risk sectors and in line with relevant international labour standards;
- effective collaboration and partnerships between labour administrations, other public institutions and employers' and workers' organizations in order to achieve comprehensive responses for workplace compliance.

### Key lessons from previous work

**112.** Labour inspection is central to an overall strategy to achieve and sustain workplace compliance. Through their combined enforcement, consultation and education functions, labour inspectorates can create incentives for and remove obstacles to workplace compliance. Their impact is greater when they work in strategic collaboration with other government entities, employers' and workers' organizations and the wider public.

**113.** Legal frameworks are critical but alone not sufficient to achieve workplace compliance.

Effective implementation requires that enforcement institutions have sufficient capacity and resources, which poses a serious challenge in countries with a large informal economy. Compliance is also strengthened through having in place effective advocacy and preventive measures, in particular related to occupational safety and health.

**114.** ILO experience with programmes such as Better Work, the International Programme on the Elimination of Child Labour and Sustaining Competitive and Responsible Enterprises (SCORE) shows that carefully designed sectoral programmes that involve social partners and coordinate the efforts of private actors and facilitate their cooperation with public authorities can offer effective solutions to workplace compliance problems, by promoting adherence to national labour laws and core labour standards while enhancing the profitability and productivity of enterprises.

### Means of action and support to constituents

**115.** Technical assistance and expert advice will be provided to member States on the development of appropriate legal and policy frameworks. Special attention will be paid to enabling government institutions to develop and implement targeted and coordinated labour inspection strategies and capacity development initiatives tailored to the compliance needs, priorities and resources of member States.

**116.** Partnerships with administrative bodies, the judiciary and employers' and workers' organizations in value chains will be strengthened to design innovative approaches to workplace compliance at the national and sectoral levels. According to national needs and circumstances, programmes and tools combining prevention and enforcement actions will be adapted for large, small and medium-sized enterprises and the formal and informal economy.

**117.** Work to strengthen national capacity to collect and disseminate workplace compliance data will continue. The ILO will also provide support with regard to data analysis and the formulation of evidence-based policy responses.

**118.** The most significant outputs delivered by the Office in the biennium will include:

- country-level plans or strategies (national or sectoral) to improve workplace compliance,

including the creation of incentives for or the removal of impediments to workplace compliance and tools to measure the impact of such initiatives;

- guidance for conducting workplace compliance assessments and tools for improving workplace compliance in priority sectors;
- statistics and knowledge on workplace compliance policies and best practices and dissemination through reports, policy briefs and exchanges between national labour inspectorates, including with regard to SMEs and the informal economy;
- country or region-specific analyses of industries or sectors where compliance is problematic and of the factors that can lead to higher levels of workplace compliance;
- improved evidence and advocacy to support workplace compliance as a basis for social and economic development among governments, social partners, international institutions, donors and other actors;
- partnerships between labour administrations, social partners and other relevant actors that generate additional knowledge, capacity, resources and cooperation to improve workplace compliance; and
- networks of labour inspectorates among member States to share knowledge and develop effective strategies to tackle common workplace compliance challenges.

## Cross-cutting issues

**119. *International labour standards:*** The strategy is guided by the conclusions on labour administration and labour inspection adopted by the International Labour Conference at its 100th Session (2011). It will promote the ILO's fundamental Conventions, the Labour Inspection Convention, 1947 (No. 81), the Labour Inspection (Agriculture) Convention, 1969 (No. 129), the Labour Administration Convention, 1978 (No. 150), and relevant Conventions on occupational safety and health.

**120. *Social dialogue:*** A key focus will be better equipping the social partners to engage in workplace compliance actions and strengthening social dialogue institutions that can effectively support workplace compliance.

**121. *Gender equality and non-discrimination:*** Legal and policy analyses, policy development and capacity building for labour inspectors and other actors will pay special attention to discrimination at the workplace and measures to address it.

## External partnerships

**122.** The ILO will leverage partnerships with other UN agencies, funds and international organizations, such as the World Health Organization and the World Bank, regional organizations and multinational enterprises to address improved workplace compliance. Partnerships and collaboration with business and trade union research networks and national and regional research centres will be further strengthened.

## Indicators

<b>Indicator 7.1:</b> Member States that have improved legal frameworks, policies, plans or strategies to strengthen workplace compliance in line with international labour standards, national labour laws and collective agreements	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government drafts or revises national laws or regulations improving working conditions or occupational safety and health in accordance with international labour standards.</li> <li>2. Government develops a policy, plan or strategy at the national or sectoral level strengthening enforcement, preventive interventions and workplace compliance.</li> <li>3. Government takes specific measures towards the ratification or application of relevant Conventions.</li> </ol>	<b>Target</b> 19 member States (5 in Africa, 5 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 2 in Europe–Central Asia)
	<b>Means of verification</b> <i>Official Gazette</i> ; ministry reports; reports of the Committee of Experts on the Application of Conventions and Recommendations; reports on the implementation of the plan of action towards widespread ratification and effective implementation of the governance Conventions (2010–16) and the plan of action to achieve widespread ratification and effective implementation of the occupational safety and health instruments (Convention No. 155, its 2002 Protocol and Convention No. 187 (2010–16)).
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 7.2:</b> Member States that have improved their institutional capacity or strengthened collaboration with social partners and other institutions and partners to improve workplace compliance	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Labour administration institutions are established or take new initiatives to improve workplace compliance.</li> <li>2. National tripartite or bipartite social dialogue mechanisms take measures to improve workplace compliance.</li> <li>3. Government applies inter- or intra-institutional coordination mechanisms at the national or sectoral level to improve workplace compliance, including cooperation with private or non-profit compliance initiatives.</li> </ol>	<b>Target</b> 20 member States (6 in Africa, 5 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 2 in Europe–Central Asia)
	<b>Means of verification</b> Labour inspection reports; Ministry of Labour reports; project reports; impact assessment reports; reports from employers' and workers' organizations; reports of the Committee of Experts on the Application of Conventions and Recommendations.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 7.3:</b> Member States, social partners and other stakeholders that improve their knowledge and information systems to support workplace compliance	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Labour inspectorates and social partners take measures to improve workplace compliance in priority sectors using knowledge products or tools developed with ILO assistance.</li> <li>2. Labour administration and related authorities establish or expand databases and statistics to better plan, implement and monitor workplace compliance strategies.</li> </ol>	<b>Target</b> 10 member States (2 in Africa, 2 in the Americas, 1 in Arab States, 3 in Asia–Pacific, 2 in Europe–Central Asia)
	<b>Means of verification</b> Labour administration and labour inspection reports; labour force surveys; reports of the Committee of Experts on the Application of Conventions and Recommendations; reports on the implementation of the plan of action to achieve widespread ratification and effective implementation of the occupational safety and health instruments (Convention No. 155, its 2002 Protocol and Convention No. 187 (2010–16)).
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 7:</b> Promoting workplace compliance through labour inspection	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>68 492 323</b>	<b>53 300 000</b>

## Outcome 8: Protecting workers from unacceptable forms of work

*Outcome statement: Tripartite constituents are better equipped to protect women and men workers from unacceptable forms of work.*

### The problem to be addressed

**123.** Work situations that deny fundamental principles and rights at work or that put at risk the lives, health, freedom, human dignity or security of workers or subject households to conditions of poverty are unacceptable. They have high economic, social and political costs for society in any country. Across all regions, some categories of workers are more vulnerable to being trapped into taking on unacceptable forms of work than others.

### Expected changes

**124.** Key expected changes are:

- member States provide more effective protection for the most vulnerable workers through measures aimed at realizing fundamental rights at work, promoting health and safety at work and the provision of a minimum living wage;
- constituents are more effective in mobilizing action and exercising policy influence for the protection of workers from unacceptable forms of work through partnerships with national, regional and international institutions.

### Key lessons from previous work

**125.** Action to protect workers from unacceptable forms of work is more effective when it:

- involves a gender-differentiated comprehensive approach that: (i) focuses on specific categories of workers; (ii) involves four complementary levels of intervention: at the workplace, and at the sectoral, national and international levels; and (iii) promotes coordination among different stakeholders at these different levels;
- is complemented by initiatives addressing the root causes of vulnerability, such as discrimination, poverty, ill health, limited access to education and skills training, low productivity and income insecurity;
- goes hand in hand with the empowerment and organization of workers vulnerable to being

trapped into taking on unacceptable forms of work;

- is anchored on a clear understanding of what unacceptable forms of work are, what causes them, and how they manifest themselves in different economic contexts and regulatory environments;
- complements actions to prevent workers from being trapped into taking on unacceptable forms of work.

### Means of action and support to constituents

**126.** Work will focus on categories of workers for which protection needs are acute, in particular migrant, construction, agricultural and domestic workers.

**127.** The ILO will implement a four-year action plan as requested by the Governing Body in November 2014 to support the ratification and implementation of the Protocol of 2014 to the Forced Labour Convention, 1930.

**128.** Through dedicated advocacy campaigns and capacity building, awareness regarding unacceptable forms of work will be raised and action to close gaps in protection will be undertaken at the sectoral, national and regional levels. Up-to-date data and tools, such as practical guides and training manuals, anchored in empirical evidence and good practices, will be produced and disseminated in formats adapted to constituents' needs.

**129.** In the context of DWCPs, country interventions will promote integrated and gender-responsive strategies that, through legal and policy advice and institution building, will enable constituents to address gaps in the protection of these workers more effectively. This goal will also be pursued through the closer alignment and integration of interventions tackling different dimensions of unacceptable forms of work, especially child labour and forced labour, discrimination based on gender or other grounds, the absence of freedom of association and the denial of collective bargaining rights on wages and health and safety, in particular in sectors with high occupational safety and health risks.

**130.** The strategy contributes to the implementation of the end to poverty centenary initiative by addressing the denial of fundamental

principles and rights at work and serious work-related risks which are both a consequence and a cause of intergenerational poverty.

**131.** The most significant outputs to be delivered by the Office in the biennium will include:

- updated statistics on child labour and forced labour, in line with the standards of and the resolutions adopted by the International Conference of Labour Statisticians;
- a global strategy for the protection of workers, in particular migrant workers, from health and safety risks and other workplace risks, such as unduly low wages, wage arrears or excessively long hours, in at least one sector;
- country-level advice and support to protect particular vulnerable categories of workers from unacceptable forms of work, through integrated approaches that combine the realization of the fundamental principles and rights at work with improvements in occupational safety and health and other conditions of work;
- a diagnostic methodology to assess the extent and characteristics of unacceptable forms of work in particular sectors of the economy, and to identify the related causes and possible ways forward based on good practices;
- demonstration models of good practice in eliminating child labour and forced labour and in promoting equality for women and men, and for indigenous people, with specific emphasis on sectors harbouring a significant proportion of informal workers, such as migrant, construction, agricultural and domestic workers;
- training and knowledge development on: innovative employers' and workers' strategies to protect more-at-risk workers in selected high-risk sectors; plans for the cost-effective rescue and rehabilitation of workers in child and forced labour situations; and the extension

of minimum wage coverage to vulnerable groups.

## Cross-cutting issues

**132. *International labour standards:*** The strategy will be guided by the fundamental and governance Conventions, the Minimum Wage Fixing Convention, 1970 (No. 131), the Occupational Safety and Health Convention, 1981 (No. 155), the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), and other occupational safety and health-related instruments relating to hazardous sectors.

**133. *Social dialogue:*** Policies and strategies will be designed and implemented through social dialogue to ensure that they are well adapted to different economic, regulatory and cultural contexts.

**134. *Gender equality and non-discrimination:*** The global strategy, diagnostic methodology and demonstration models will be developed with a view to addressing the discrimination facing the groups most at risk of being trapped into taking on unacceptable forms of work, notably low-income women workers, migrant workers, workers with disabilities and those who face discrimination on grounds of race, ethnicity or HIV/AIDS status.

## External partnerships

**135.** Collaborative work with UN bodies, as well as with donors and international organizations with similar or complementary mandates, will focus on leveraging knowledge, expertise and resources to mobilize action and catalyse policy influence for the protection of workers from unacceptable forms of work. Broader partnerships and cooperation will be developed on fundamental principles and rights at work with organizations involved in the education and agriculture sectors and with those concerned with trafficking and migration.

## Indicators

<b>Indicator 8.1:</b> Member States that have revised laws, policies or strategies to protect workers, especially the most vulnerable, from unacceptable forms of work, in line with international labour standards and through tripartite dialogue	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government, in consultation with social partners, develops or revises strategies, policies or legislation to protect workers from unacceptable forms of work by realizing fundamental principles and rights at work and improving occupational safety and health and conditions of work, including wages.</li> <li>2. Government establishes or makes use of national tripartite mechanisms to apply measures to protect workers from unacceptable forms of work in line with international labour standards.</li> <li>3. Government takes specific measures towards the ratification of relevant international labour standards, in particular the fundamental labour Conventions.</li> </ol>	<b>Target</b> 36 member States (12 in Africa, 10 in the Americas, 3 in Arab States, 8 in Asia-Pacific, 3 in Europe-Central Asia)  <b>Means of verification</b> <i>Official Gazette</i> ; government reports; reports of tripartite bodies; reports of the International Labour Conference and supervisory bodies; ILO internal reports.  <b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 8.2:</b> Member States in which one or more constituents have strengthened their institutional capacity to protect workers, especially the most vulnerable, from unacceptable forms of work	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Employers' and/or workers' organizations provide improved services to their members to effectively address and prevent unacceptable forms of work.</li> <li>2. National or sectoral bodies take measures to improve coordination and monitor action to protect workers from unacceptable forms of work.</li> <li>3. Relevant national institutions collect and disseminate statistical data on one or more dimensions of unacceptable forms of work.</li> </ol>	<b>Target</b> 12 member States (4 in Africa, 3 in the Americas, 1 in Arab States, 3 in Asia-Pacific, 1 in Europe-Central Asia)  <b>Means of verification</b> Official reports and documentation, including reports of supervisory bodies and evaluation reports; ILO statistical database.  <b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 8.3:</b> Member States in which tripartite constituents have developed partnerships, including with other stakeholders, for the effective protection of workers, especially the most vulnerable, from unacceptable forms of work	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Constituents, in cooperation with civil society and non-governmental organizations and the media, promote awareness-raising initiatives addressing unacceptable forms of work in particular sectors.</li> <li>2. Policy debates and cooperation between constituents and multilateral organizations lead to measures promoting the ratification or application of relevant international labour standards to protect workers from unacceptable forms of work.</li> </ol>	<b>Target</b> 14 member States (5 in Africa, 4 in the Americas, 1 in Arab States, 3 in Asia-Pacific, 1 in Europe-Central Asia)  <b>Means of verification</b> ILO reports; reports by multilateral organizations; other published reports.  <b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 8:</b> Protecting workers from unacceptable forms of work	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>57 119 881</b>	<b>69 700 000</b>

## Outcome 9: Promoting fair and effective labour migration policies

*Outcome statement: Labour migration governance is strengthened to ensure decent work for migrant workers, meet labour market needs and foster inclusive economic growth and development.*

### The problem to be addressed

136. Labour migration can make an important contribution to well-functioning labour markets, growth and development. Yet the costs and benefits of migration are not equitably distributed. The abuse of migrant workers is all too commonplace and a lack of decent work opportunities can make migration more a necessity than a choice. Migration governance at the national, regional and multilateral levels does not yet effectively address the protection of migrant workers' rights and labour market needs, or sufficiently engage ILO constituents.

### Expected changes

137. Key expected changes are:

- strengthened capacity of ILO constituents to engage in evidence-based policy-making that results in the implementation of fair and rights-based labour migration policies for all workers;
- fair and well-governed labour mobility in regional integration processes and major migration corridors based on social dialogue and on collaboration with a wide range of partners.

### Key lessons from previous work

138. Key lessons are set out below:

- The intensification of intra-regional labour migration flows calls for greater policy coherence between global, regional and national frameworks. Evidence from ILO work in Africa and Latin America reveals the potential and need for expanding the ILO's rights-based approach grounded in social dialogue. Good practices are emerging from collaboration with regional or subregional integration institutions.
- Data gaps remain an important obstacle to the full understanding of labour migration characteristics and the impact of policies on migrant workers, and hinder evidence-based policy design.

- An assessment of the obstacles to and opportunities for the ratification and implementation of international labour standards specific to migrant workers is needed to support more targeted advisory services and the strategic advocacy of ILO standards, as is a strengthened capacity of employers' and workers' organizations to engage effectively on these matters.

### Means of action and support to constituents

139. ILO services to constituents will focus on:

- country-specific advisory services to design and promote fair and effective migration policies, guided by the ratification and application of migrant-related standards;
- technical assistance with regard to policies, institutions and mechanisms to protect migrant workers' rights, particularly in sectors with a high presence of migrant workers, with a view to making decent work a reality for these workers;
- support for the development of international concepts and standards on labour migration statistics to facilitate harmonized data collection;
- expanded partnerships with international agencies, including on the contribution of migrant workers to economic and social development and on reducing labour migration costs and enhancing benefits;
- capacity development and training activities at the national, subregional, regional and global levels, including through the Turin Centre's Academy on Labour Migration, on the ILO's agenda for fair migration, together with an expanded resource mobilization strategy.

140. The most significant outputs to be delivered by the Office in the biennium will include:

- a global strategy at the country and regional levels for the ratification and application of international labour standards specific to labour migration;
- global and regional estimates of the labour migrant population and its characteristics;
- policy briefs, good practices and evidence-based national and regional advisory services on: national, bilateral and multilateral

agreements on fair recruitment; migration corridors; labour migration policy dialogue; compliance mechanisms; access to justice, social protection and skills recognition for migrant workers; and on creating an enabling environment for diaspora and returning migrants' investment, financial inclusion, job creation, sustainable enterprises and cooperatives;

- practical guidance on policy coherence between employment, education/training and migration policies, including on the role of public and private employment services and labour inspectorates;
- tools to measure the contribution made by migrant workers to the economic and social development of countries of origin and destination;
- cooperative partnerships to advance gender-responsive fair migration frameworks consistent with the labour migration-related targets of the post-2015 development agenda.

## Cross-cutting issues

**141. International labour standards:** The strategy will be guided by the Migration for Employment Convention (Revised), 1949 (No. 97), the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), and other related instruments, the ILO Multilateral Framework on Labour Migration (2006), the conclusions of the Tripartite Technical

Meeting on Labour Migration (2013), the ILO agenda for fair migration (2014) and the results of the General Survey of 2016 (instruments concerning migrant workers).

**142. Social dialogue:** The ILO will actively support national, subregional and regional social dialogue processes related to migration, together with measures to enable constituents to engage effectively in labour migration policy and tripartite dialogue.

**143. Gender equality and non-discrimination:** In accordance with the ILO's universal values of equal treatment and non-discrimination, including with regard to gender, nationality and HIV/AIDS status, special attention will be paid to better equipping constituents to develop and implement gender-responsive labour migration interventions.

## External partnerships

**144.** The ILO will promote the labour dimensions of migration and the role of tripartite constituents in global, regional and national forums, including through the Global Migration Group and guidance on the United Nations Development Assistance Framework (UNDAF). It will also promote ILO approaches with other agencies, including the International Organization for Migration, and strengthen interregional dialogue on an agenda for fair migration.

## Indicators

<b>Indicator 9.1:</b> Member States or regional or subregional institutions that have developed or implemented policy, legislation, bilateral or multilateral agreements, or other governance frameworks in line with relevant international labour standards, the ILO Multilateral Framework on Labour Migration and through tripartite dialogue	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government or regional or subregional institution drafts or revises policy or legislation or agreements in line with international labour standards.</li> <li>2. Constituents in member States participate in the design or monitor the implementation of policies, legislation or agreements on labour migration.</li> <li>3. Government establishes or strengthens labour market institutions to support fair labour migration frameworks.</li> </ol>	<b>Target</b> 9 member States (4 in Africa, 1 in the Americas, 1 in Arab States, 2 in Asia–Pacific, 1 in Europe–Central Asia) and 2 regional/subregional institutions (in Africa)
	<b>Means of verification</b> Official documents, including administrative records; bilateral and multilateral agreements.
	<b>Baseline</b> 2 member States in Asia–Pacific based on 2010–15 performance.
<b>Indicator 9.2:</b> Member States or regional or subregional institutions that have established or strengthened institutional mechanisms and inclusive practices or services for the protection of migrant workers or for the promotion of productive employment and decent work for migrant workers	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government or regional or subregional institution establishes or strengthens institutional mechanisms and non-discriminatory practices or services on labour migration.</li> <li>2. Constituents establish or strengthen relevant national or subregional tripartite consultative mechanisms in the implementation, monitoring or evaluation of labour migration governance.</li> <li>3. Employers' and/or workers' organizations provide new services to their members for the protection and promotion of decent work for migrant workers.</li> </ol>	<b>Target</b> 10 member States (3 in Africa, 1 in the Americas, 1 in Arab States, 4 in Asia–Pacific, 1 in Europe–Central Asia) and 2 regional/subregional institutions (1 in Africa and 1 in Asia–Pacific).
	<b>Means of verification</b> Reports of tripartite consultative bodies; ILO reports.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 9.3:</b> Member States or regional or subregional institutions that have developed a knowledge base and statistics on labour migration to better inform policy and enhance synergies between labour migration, employment, training and development policies	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government or regional or subregional institution develops data collection methodologies and/or collects labour migration statistics in line with relevant ILO standards.</li> <li>2. Constituents take measures to advance fair labour migration through enhanced international cooperation for improved knowledge and evidence-based policy-making.</li> </ol>	<b>Target</b> 7 member States (3 in Africa, 2 in Arab States, 2 in Asia–Pacific) and 1 regional/subregional institution (in Africa)
	<b>Means of verification</b> ILO reports; statistical database on labour migration.
	<b>Baseline</b> 2 member States and Association of Southeast Asian Nations.

## Strategic budget

<b>Outcome 9:</b> Promoting fair and effective labour migration policies	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>34 428 384</b>	<b>29 920 000</b>

## Outcome 10: Strong and representative employers' and workers' organizations

**145.** Work under this outcome encompasses a number of outputs that go beyond the institutional capacity building of workers' and employers' organizations. These outputs concern knowledge and research on ILO employer and worker constituents and key developments in their organizations, and the role of the Bureau for Employers' Activities and the Bureau for Workers' Activities in providing both technical advisory

support to their respective representatives in ILO governance organs and meetings and technical input to all policy outcomes reflecting business and workers' perspectives. While all this work is not reflected in the indicators below, it is integral to the successful achievement not only of outcome 10, but also of the other ILO policy and enabling outcomes.

### Employers' organizations

*Outcome statement: Increased representativeness and organizational and analytical capacity of employers' and business organizations to influence national, regional and international policy-making.*

#### The problem to be addressed

**146.** For some employers' organizations, significant capacity challenges exist in relation to their representativeness, governance and management and their capacity to engage in policy-based advocacy. In the context of a changing external environment, many employers' organizations are evolving beyond the traditional role of being partners in industrial relations towards a more comprehensive role as the voice of business and the private sector, advocating policies across a range of areas and with a large number of different partners. Constant change and innovation are key for the organizations to remain relevant in addressing a constantly evolving policy environment. In line with the enterprises initiative, increased engagement with enterprises requires effective and consistent management and follow-up to bring employer constituents and their business members closer to the ILO.

#### Expected changes

**147.** Key expected changes in employers' and business representative organizations are:

- enhanced capacity of the governance bodies, membership management structures and leadership to adapt to a changing policy environment and fulfil their representative functions;

- improved and innovative service mix offered in order to retain and recruit members and to improve business performance;
- improved analytical capacity to engage in evidence-based policy advocacy on a broad range of policy issues affecting business.

#### Key lessons from previous work

**148.** Effective employers' organizations are adapting their structures and services to remain relevant to diverse membership needs. They are merging with other business organizations, expanding their mandate to cover wider business policy issues and reassessing their comparative advantage relative to other business service providers.

**149.** Experience from ILO work on developing the capacity of these organizations shows that:

- given the evolving external environment, capacity building is an ongoing need and support must be based on in-depth knowledge and understanding of the Organization in its operating environment, and in this sense the ILO's Enabling Environment for Sustainable Enterprise toolkit is making a significant contribution to improvements in business advocacy and public-private dialogue;
- interventions must be adapted to the country context and to identified needs in order to ensure ownership and commitment by the Organization and its Members;
- one-off, top-down interventions stand little chance of having an impact;
- assessing the impact of capacity building goes beyond a two-year measurement framework;

- creativity and innovation, strong organizational membership, representativeness and a solid financial base are key factors in sustaining the benefits of any capacity building beyond ILO support.

## Means of action and support to constituents

**150.** The ILO will carry out a needs analysis in order to identify capacity gaps, agree on priorities and define expected results with each employers' organization. Building on evaluation results, a renewed focus will be placed on enhancing representativeness and improving organizational leadership.

**151.** Work will centre on assessing the business environment and promoting policy discussions through the ILO's Enabling Environment for Sustainable Enterprise toolkit. A new focus will be on the impact assessment of these interventions. The organizational development audit tool contained in the toolkit will be used more effectively to monitor and evaluate capacity development and provide meaningful baselines for tracking progress.

**152.** Global training offers such as the "Effective Employers' Organization" training package will be updated and put online with an accompanying website to develop a community of practice of employers' organization leaders.

**153.** The membership database management tool produced in collaboration with the Turin Centre will be used to improve the marketing strategies of employers' organizations and the analysis of membership needs and to achieve higher retention and recruitment rates.

**154.** The ILO will build on streamlined procedures of engagement with private enterprises to expand and efficiently manage cooperation and collaboration arrangements between the Office and enterprises.

**155.** The most significant outputs to be delivered by the Office in the biennium include:

- new research with the academic partner network on the evolving nature of business representation and strategies in the light of the fundamental transformations taking place in business and its organizations, which will provide a basis for refining capacity building;
- building the institutional capacity of business and employer organizations to respond to the

needs of their member federations and enterprises and influence national, regional and international policy-making;

- technical support to employer constituents in the various governance and policy-making organs of the Organization, as well as in ILO technical meetings;
- guidance and policy advice to reflect the policy priorities of business and employer constituents in all areas of ILO work;
- technical advisory support and input on ILO enterprise engagement through the enterprise entry point and relationship management role to ensure consistent and effective engagement with enterprises.

## Cross-cutting issues

**156. International labour standards:** Further work will extend the existing online tool on relevant international labour Conventions. The aim of this tool and the accompanying training is to help business and employers' organizations better understand key ILO Conventions and participate in dialogue on their application at the national level.

**157. Social dialogue:** This outcome is a building block of effective social dialogue in that it strengthens the capacity of the representatives of the private sector to engage in bipartite and tripartite dialogues.

**158. Gender equality:** In line with the women at work centenary initiative, and building on previous work, advocacy with employer and business organizations will continue to make the business case for promoting gender equality and diversity in the workplace, increasing participation of women in governance structures and fostering women entrepreneurship through an adapted business environment.

## External partnerships

**159.** Partnerships with academic and training institutions will support knowledge- and capacity-building approaches, especially in leadership development. Business networks, such as networks of practitioners on corporate social responsibility and supply chains, and on industrial relations, will be used to leverage expertise and knowledge.

## Indicators

<b>Indicator 10.1:</b> Organizations that have successfully adjusted their organizational structures or governance or management practices to increase leadership capacity, effectiveness, relevance and representativeness	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. A strategic plan for the organization is endorsed and implemented.</li> <li>2. Membership is increased, including as a result of the extension of geographical or sectoral coverage, or the increase of the size of enterprise.</li> <li>3. Management and governance structures are adapted and improved or new or revised organizational structures are put in place for improved governance.</li> </ol>	<b>Target</b> 15 organizations (4 in Africa, 4 in the Americas, 1 in Arab States, 4 in Asia-Pacific, 2 in Europe-Central Asia)
	<b>Means of verification</b> Documented proceedings of the board or equivalent body; other official documents.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 10.2:</b> Organizations that have successfully created, strengthened and delivered sustainable services to respond to the needs of existing and potential members	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. New services are provided by the organization and a sustainability plan for the new service is adopted by the organization.</li> <li>2. Improved services are provided by the organization and a sustainability plan for the improved service is adopted by the organization.</li> </ol>	<b>Target</b> 27 organizations (7 in Africa, 9 in the Americas, 1 in Arab States, 8 in Asia-Pacific, 2 in Europe-Central Asia)
	<b>Means of verification</b> Service records; documented business plan for the sustainability of the service; other official documents.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.
<b>Indicator 10.3:</b> Organizations that have successfully enhanced their capacity to analyse the business environment and influence policy development	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. The organization formulates advocacy strategies or develops well-researched policy positions or advocacy materials based on membership needs.</li> <li>2. The organization engages in dialogue or partakes in consultations with government and other key actors, enters into partnerships with other institutions or launches advocacy campaigns to extend the outreach of its policy positions.</li> </ol>	<b>Target</b> 25 organizations (7 in Africa, 6 in the Americas, 2 in Arab States, 7 in Asia-Pacific, 3 in Europe-Central Asia).
	<b>Means of verification</b> Official reports and documentation, including strategic partnership agreements and examples of media coverage.
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Workers' organizations

*Outcome statement: Increased representativeness and organizational capacity of independent workers' organizations to improve respect for workers' rights, particularly freedom of association and collective bargaining.*

### The problem to be addressed

**160.** In a rapidly changing world of work, workers' organizations are critical to upholding workers'

rights and promoting social justice, decent workplaces and more inclusive societies. In many countries, actions by workers' organizations to exercise freedom of association, collective bargaining and policy advocacy are seriously hampered, including in export processing zones and global supply chains. The capacity of workers' organizations to effectively represent, defend the rights of and service the needs of their members must be strengthened.

## Expected changes

161. Key expected changes are:

- stronger capacity of workers' organizations to organize new members and to develop well-functioning organizations responsive to their members at all levels;
- improved representational and bargaining capacity of workers' organizations to influence policy agendas relevant to workers' rights and conditions at the national, regional and international levels (including at sectoral levels);
- effective use by workers' organizations of international labour standards at the national, regional and international levels to ensure decent work and decent living conditions for all.

## Key lessons from previous work

162. Key lessons are set out below:

- Bringing together workers' organizations at the regional, subregional and national levels facilitates the exchange of knowledge and experiences, shapes common national action platforms and increases effectiveness in cooperation with governments and employers and in promoting change. Pursuing these initiatives at the national level and in the context of growing regional integration is an ongoing necessity.
- Knowledge of international labour standards, the ILO's supervisory mechanism and relevant jurisprudence in national jurisdictions contributes significantly to the protection and promotion of workers' rights, to the reduction of inequalities and to improvements in employment and income security. International labour standards have helped workers' organizations to organize, engage in collective bargaining and campaign for the revision of labour laws.

## Means of action and support to constituents

163. As a priority, the ILO will work towards:

- continuing to support workers' organizations in identifying and addressing gaps in the ratification of Conventions and monitoring the application of ratified Conventions, including through a global programme on international labour standards involving the provision of advisory services and capacity building,

particularly in relation to promotional campaigns and organizing activities;

- policy advice and technical support to enhance collaborative action and policy influence through national, subregional and regional trade union platforms on issues of workers' concern, including labour migration, workers' rights in global supply chains and export processing zones and the effective transition to the formal economy;
- promoting strong social dialogue structures, including international framework agreements, regulatory frameworks and contractual arrangements based on collective agreements, backed up by cross-regional research, knowledge-sharing and training initiatives and relevant resource materials;
- using the social media, information technology (IT) and e-learning to help workers' organizations in their organizing efforts and institutional building activities, giving renewed attention to the improvement of working and living conditions through cooperatives and social economy organizations.

164. The most significant outputs to be delivered by the Office in the biennium will include:

- a global research programme to enhance knowledge and analytical capacities within workers' organizations;
- an updated global platform for disseminating recent research on labour and social policies (including the *International Journal of Labour Research* and the *Global Labour Column*);
- advisory services and capacity building to strengthen the organizational capacities of workers' organizations;
- support through national, regional and international cooperation to strengthen union policy platforms and networks;
- a global and regional programme on international labour standards with a special focus on freedom of association and collective bargaining (including the use of such standards in the context of labour law reform and before national tribunals) and on the ILO's standards supervisory mechanism;
- a global programme to support trade unions' organizing efforts and their representative strength.

## Cross-cutting issues

165. *International labour standards*: Special emphasis will be placed on the ratification and application of standards on freedom of association

and collective bargaining. The policy development agenda will be based on core labour standards and other instruments on social security, minimum wages, occupational safety and health, labour migration, the employment relationship and the termination of employment.

**166. Social dialogue:** A key focus will be establishing and strengthening social dialogue structures, at the bipartite and tripartite levels, in order to drive policy agendas at all levels. Exchanges of social dialogue experiences at the regional level will be promoted.

**167. Gender equality and non-discrimination:** Building on previous work in the context of organizational and representational activities related to workers in vulnerable situations, including migrants and workers in export processing zones and in global supply chains, the strategy specifically targets women. It will also support the empowerment of women's

representation and participation at all levels of workers' organizations.

## External partnerships

**168.** Greater coherence across the multilateral system will be promoted by ensuring respect for international labour standards, stronger governance and greater participation of workers' organizations in inter-agency initiatives, particularly in relation to the post-2015 development agenda and the just transition to a green economy. Cooperation with regional integration institutions will be strengthened with a view to better reflecting workers' views and concerns in regional integration processes. Partnerships for research will continue with academic institutions and specialized networks.

## Indicators

<b>Indicator 10.4:</b> National workers' organizations that increase their organizational strength at the national and regional levels	
<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. A strategic plan on organizing groups of workers in vulnerable situations and on expanding collective bargaining coverage is adopted.</li> <li>2. Three or more workers' organizations adopt a strategic plan to strengthen regional and subregional trade union organizations.</li> </ol>	<p><b>Target</b></p> <p>30 workers' organizations (8 in Africa, 8 in the Americas, 4 in Arab States, 6 in Asia-Pacific, 4 in Europe-Central Asia)</p>
	<p><b>Means of verification</b></p> <p>Annual reports of workers' organizations.</p>
	<p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>
<b>Indicator 10.5:</b> National workers' organizations that increase their representative strength to influence policy agendas at the national, regional and international levels	
<p><b>Results criteria</b></p> <p>Reportable results must meet one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>1. At the national level, social and economic policy proposals are presented and adopted, including in the context of labour law reforms.</li> <li>2. At the regional level, joint positions on issues of concern to workers are adopted.</li> <li>3. At the international level, workers' organizations submit policy proposals to influence multilateral frameworks and institutions.</li> </ol>	<p><b>Target</b></p> <p>19 workers' organizations (6 in Africa, 4 in the Americas, 4 in Arab States, 4 in Asia-Pacific, 1 in Europe-Central Asia)</p>
	<p><b>Means of verification</b></p> <p>Annual reports of workers' organizations.</p>
	<p><b>Baseline</b></p> <p>To be set at the end of the 2014–15 biennium.</p>

<b>Indicator 10.6:</b> National workers' organizations that use international labour standards to promote freedom of association, collective bargaining and social justice at the national, regional and international levels	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. At the national level, comments are submitted on ratified Conventions or on the filing of complaints and representations, or measures are taken to follow up on the observations and recommendations of the ILO supervisory bodies.</li> <li>2. At the regional level, joint trade union position papers and comments on labour clauses in trade agreements or negotiations are submitted.</li> <li>3. At the international level, national support is given to a global campaign for the ratification and implementation of international labour standards.</li> </ol>	<b>Target</b> 22 workers' organizations (6 in Africa, 8 in the Americas, 4 in Arab States, 4 in Asia-Pacific)
	<b>Means of verification</b> Annual reports of workers' organizations; comments and reports of the Committee of Experts on the Application of Conventions and Recommendations; reports issued by multilateral frameworks and institutions
	<b>Baseline</b> To be set at the end of the 2014–15 biennium.

## Strategic budget

<b>Outcome 10:</b> Strong and representative employers' and workers' organizations	Proposed regular budget 2016–17 (US\$)	Estimated extra-budgetary expenditure 2016–17 (US\$)
	<b>86 156 017</b>	<b>16 000 000</b>

## Cross-cutting policy drivers

**169.** Three cross-cutting policy drivers relevant to all the policy outcomes represent fundamental principles and are a means to achieve the ILO's constitutional objectives. International labour standards, social dialogue, and gender equality and non-discrimination in the world of work are therefore promoted and applied in actions under all the policy outcomes. Standards and women at work are in addition among the ILO's centenary initiatives; work on them will be stepped up in the biennium with a view to equipping the Organization to take up successfully the challenges of its mandate at the start of its second century. These cross-cutting policy drivers and how they will be pursued across the outcomes are briefly discussed below.

### International labour standards

**170.** International labour standards are both an outcome in their own right and a means of action to achieve all the policy outcomes. Work across all the policy outcomes is not only guided by international labour standards, but it also provides support to the ratification and effective implementation of those standards. International labour standards set the basic principles that frame ILO policy work and advice. This is further enriched by the outcomes of the ILO's supervisory system. The ratification and effective

implementation of international labour standards provide the essential legal framework that is the first step towards achieving progress in promoting rights at work, creating decent jobs, improving working conditions, extending social protection and supporting sustainable enterprises. In turn, ILO support to member States to effectively apply international labour standards gives rise to new policy issues that feed into discussions on standards-setting and on effective responses to the needs of an evolving world of work and of the ILO's tripartite constituents.

**171.** The standards centenary initiative underpins and drives the strategic direction of work in the biennium with a view to ensuring an authoritative supervisory system enjoying full tripartite support. Discussions already under way in the Governing Body and at the International Labour Conference will be of critical importance in this regard.

**172.** Standards-related services across all outcomes will focus on: (i) better equipping constituents to participate effectively in the preparation, adoption, ratification and implementation of relevant standards; (ii) increasing the ratification of standards relevant to the outcome; and (iii) improving the application of ratified Conventions and Recommendations at the national level.

## Social dialogue

**173.** Social dialogue and the practice of tripartism between governments and representatives of employers and workers are the ILO's governance paradigm for promoting social justice, fair workplace relations and decent work. At the heart of social dialogue lies freedom of association and collective bargaining.

**174.** The role of the social partners in sustainable economic and social development is frequently undervalued. The effective recognition and exercise of freedom of association and collective bargaining rights remains a challenge. Addressing these challenges requires mainstreaming social dialogue and tripartism into all policy outcomes. To do this, the ILO will strengthen the actors of social dialogue; enhance the role and impact of social dialogue institutions; promote the ratification and application of ILO Conventions relevant to social dialogue; and reinforce the role of tripartism and social dialogue as key methods for implementing the strategic objectives of the Organization.

**175.** ILO services across all outcomes will focus on: (i) building up the institutional and technical capacities of constituents, separately and jointly, to effectively fulfil their role in social dialogue; (ii) facilitating the effective participation of employers' and workers' organizations in ILO programmes; and (iii) strengthening social dialogue institutions and practices.

**176.** To deliver quality evidence-based policy advice to tripartite constituents, the ILO will scale up its research programme, including by expanding data collection and analysis on social dialogue and collective bargaining trends.

## Gender equality and non-discrimination

**177.** The ILO's fundamental Conventions and other ILO instruments on equality and non-

discrimination provide the overarching reference framework for this cross-cutting policy driver. ILO work in the biennium aims at supporting constituents in the realization of gender equality and the elimination of discrimination, including in the context of the post-2015 development agenda.

**178.** The women at work centenary initiative will include a set of specific outputs that cut across the policy outcomes, which will also contribute to the follow-up to the Beijing +20 review process. The initiative will involve a major stocktaking of the conditions of women in the world of work with a view to mapping out a renewed ILO strategy and to engaging tripartite constituents in action to achieve full, genuine and lasting equality and the elimination of discrimination.

**179.** Work will be undertaken to assess and address the discriminatory impact of seemingly neutral institutions, processes, laws and policies, including with respect to employment policies, skills programmes, enterprise development initiatives and the design of wage policies and other conditions of work. Services to constituents will include interventions to: (i) overcome the social, policy, legal and institutional obstacles facing groups of workers who are particularly vulnerable to discrimination, which could include, among others, women, persons with disabilities, members of indigenous communities or ethnic minorities, persons living with HIV/AIDS, and migrant workers; (ii) address the deficits in the representation of excluded and marginalized groups; and (iii) promote an enabling environment for gender equality and non-discrimination, including by extending equal pay for work of equal value, strengthening the role of collective bargaining, promoting women in business and leadership, ensuring adequate social protection coverage for disadvantaged groups, designing inclusive maternity, paternity and childcare policies, and promoting inclusion and diversity.

## An overview of regional contexts

**180.** The ILO's work in the regions will be framed by the ten policy outcomes set out in these programme and budget proposals; how the policy outcomes are prioritized and implemented in each region will be informed by country-level demands expressed through DWCPs, national development plans and UNDAFs, and by the conclusions of Regional Meetings.

**181.** Each of the five regions comprises great diversity in terms of the specific socio-economic and political circumstances of member States and the challenges they each face.

**182.** The promotion of strong and effective employers' and workers' organizations and national labour administrations and the ratification and application of international labour standards will be pursued across all regions. The following paragraphs present a brief overview of the other policy outcomes prioritized in each region. Specific country targets within each region are reflected in the tables under each outcome. A regional overview of selected variables related to decent work is presented in table 3.

**Table 3. Selected decent work indicators by region**

	Africa	Americas	Arab States	Asia-Pacific	Europe-Central Asia
Working poverty (\$2/day), % of total employment (2013 projections) <sup>1</sup>	55.4	6.6	8.4	33.2	3.6
Youth unemployment rate, % (2013 estimates)	13.7	13.9	27.6	10.9	20.4
Female employment-to-population ratio (adult), % of male rate (2013 estimates)	68.4	70.9	23.9	60.3	74.6
Informal employment, % of non-agricultural employment (latest year available) <sup>2</sup>	49.6	47.7	--	72.9	20.2
Old-age pension coverage (proportion of women and men, above statutory pensionable age, receiving an old-age pension, weighted by population, latest year available)	21.5	29.5	56.1	47	93.3
Ratification of eight fundamental Conventions, % of total potential by region <sup>3</sup>	97.7	94.3	79.5	71.3	99.8
Ratification of four Governance Conventions, % of total potential by region <sup>3</sup>	53.7	63.6	45.5	35.3	83.3

<sup>1</sup> North America and Western Europe are excluded from the data.

<sup>2</sup> Data apply to an average of 19 countries for Africa, 20 for Americas, 9 for Asia-Pacific and 13 for Europe-Central Asia.

<sup>3</sup> Status at the end of 2014.

Sources: Calculations based on the Key Indicators of the Labour Market and ILOSTAT; *World Social Protection Report 2014–15*; NORMLEX.

## Africa

**183.** Africa has recorded impressive and generally sustained economic growth rates over the past decade. However, this growth has not resulted in significant and transformative job creation, in particular for young women and men. In the face of insufficient productive employment and decent work opportunities, combined with widening socio-

economic inequalities, increased human insecurity and increased migration flows within the region and outwards, the following policy outcomes are of particular importance in the Africa region: more and better jobs for inclusive growth and improved youth employment prospects; creating and extending social protection floors; and promoting fair and effective labour migration policies.

**184.** For low-income countries in Africa, policy advisory services will be complemented by extra-budgetary technical cooperation projects for capacity building at different levels. A special productive employment promotion initiative for conflict prevention, reconstruction and recovery will be developed and implemented in several fragile States. Youth entrepreneurship will be an important area of work.

**185.** The focus in middle-income countries will largely be on evidence-based policy guidance, South–South networks and cross-learning, including interregional cooperation with the BRICS countries (Brazil, Russian Federation, India, China and South Africa). In addition, emphasis will be placed on the optimum use of local resources and knowledge, drawing on national funding and technical support and the leveraging of available national expertise. Labour migration initiatives will target the regional economic communities that have prioritized the issue. Further guidance on the ILO's work in Africa during the biennium will be provided by the 13th African Regional Meeting, which is scheduled for late 2015.

**186.** It is expected that about 16 countries will develop new DWCPs during the biennium.

## Latin America and the Caribbean

**187.** After a decade or more of significant economic growth and job creation in many Latin American and Caribbean countries, growth has slowed in recent years. The region faces persistently high levels of informality and inequality, in particular for young people, women and vulnerable groups. In line with the Lima Declaration adopted at the 18th American Regional Meeting (2014), the ILO's work in the region will focus on: more and better jobs for inclusive growth and improved youth employment prospects; the promotion of sustainable enterprises; and the formalization of the informal economy.

**188.** The overarching goal in the region will be the promotion of social inclusion and development through formalization. For this purpose, the ILO will implement an integrated approach encompassing all the policy outcomes, since the creation of more and better formal jobs requires the promotion of sustainable enterprises, social protection and effective labour inspection. A special focus on rural areas, labour migration and unacceptable forms of work is necessary to reach the most vulnerable workers in the region.

**189.** A strong emphasis will be placed on knowledge management and capacity building in collaboration with the Inter-American Centre for Knowledge Development in Vocational Training

(CINTERFOR). The ILO will build on regional integration mechanisms to push critical elements of the Decent Work Agenda forward and facilitate policy advice. It will adapt and streamline existing tools for technical assistance, especially on formalization, sustainable enterprises (with a focus on SMEs), freedom of association, collective bargaining and social dialogue. It will consolidate its Programme for the Promotion of Formalization in Latin America and the Caribbean (FORLAC) and will develop a similar initiative on labour migration. It will also support South–South cooperation, for example through the regional initiative for a Latin America and the Caribbean free of child labour and projects on forced labour, child labour, migration and green jobs.

**190.** It is expected that DWCPs will be renewed in up to ten countries during the biennium.

## Asia and the Pacific

**191.** Although economic performance in the region has stayed strong overall, it has slowed down in a number of countries previously characterized by high growth rates. High or increasing inequality, massive youth populations, insufficient social protection (particularly evident in the context of frequently occurring natural disasters) and migration remain major development challenges. Low rates of ratification of international labour standards, in particular core Conventions, remains a concern.

**192.** Given the diversity in the region, work will focus on: more and better jobs for inclusive growth and improved youth employment prospects; creating and extending social protection floors; promoting sustainable enterprises; promoting workplace compliance through labour inspection; protecting workers from unacceptable forms of work; and promoting fair and effective labour migration policies.

**193.** The ILO will focus on providing high-level policy advice for the growing number of middle-income countries and on continuing its technical cooperation support in least developed countries, fragile States and small island developing States. Targeted interventions will be provided for countries affected by natural disasters to improve sustainable livelihoods. Activities will be undertaken to improve on the low rate of ratification of international labour standards in the region. Close collaboration will be maintained with regional and subregional bodies, including the Association of Southeast Asian Nations. Further guidance on ILO work in the region is expected to be provided by the 16th Asia and the Pacific Regional Meeting, which is scheduled for 2016.

**194.** It is expected that new DWCPs will be developed in ten countries during the biennium.

## Arab States

**195.** In the Arab States, persistently high unemployment rates, particularly for young people, low labour force participation rates of women and widening inequalities are among the key socio-economic challenges faced by most countries. These challenges are compounded by overall volatility and protracted crises in a number of countries. The creation of decent jobs, the enhancement of social dialogue, the promotion of gender equality and the reduction of poverty are critical priorities. Work will focus as a priority on the need for more and better jobs for inclusive growth and improved youth employment prospects; creating and extending social protection floors; and promoting fair and effective labour migration policies.

**196.** The regional approach will be articulated through agile, specialized services based on expert networks in areas where the ILO has a strong comparative advantage. This will be particularly relevant for high-income countries of the Gulf Cooperation Council, in which peer-to-peer support and policy coherence will be systematically promoted, with strong elements of knowledge exchange built into all interventions. Renewed effort will be made to promote the ratification and application of international labour standards.

**197.** Crisis-affected countries, characterized by various degrees of fragility, exacerbated by weak institutional capacities and policy influence of ILO constituents, will remain a strong focus of ILO work in the region – notably the provision of integrated technical support to strengthen the resilience of labour markets and communities affected by the degradation of socio-economic conditions.

**198.** Up to five countries are expected to develop a new DWCP during the biennium.

## Europe and Central Asia

**199.** Countries in the Europe and Central Asia region are characterized by diverse socio-economic and political contexts and they face common and differentiated challenges. Some countries are recovering from the crisis with stable or improving labour markets. Others are struggling

with informality and are finding it difficult to ensure fundamental principles and rights at work and to create an enabling environment for sustainable enterprises. In significant parts of the region, the crisis has deepened, with countries still facing alarmingly high levels of unemployment, particularly for young women and men, increased job insecurity, weakening social protection and deteriorating investment. Several governments are putting in place painful reforms and struggle with debt and monetary turbulence. Sluggish economic growth, or recession, has exacerbated these challenges, often affecting the most vulnerable in society.

**200.** A particular challenge, as stated in the Oslo Declaration of the Ninth European Regional Meeting (2013), is to elaborate sustainable approaches in order to promote jobs, growth and social justice, so as to ensure that fiscal consolidation, structural reform and competitiveness, on the one hand, and stimulus packages, investment in the real economy, quality jobs, and credit for enterprises, on the other, are not competing paradigms.

**201.** In line with the Oslo Declaration, and subject to the outcome of the Tenth European Regional Meeting, scheduled to take place in 2017, work will cover in particular the following policy outcomes: more and better jobs for inclusive growth and improved youth employment prospects; creating and extending social protection floors; promoting sustainable enterprises; formalization of the informal economy; promoting workplace compliance through labour inspection; and promoting fair and effective labour migration policies.

**202.** There will be a stronger focus on providing policy advice to strengthen social dialogue and close existing legislative gaps in line with national policies and through technical assistance to address specific labour issues and develop the capacity of the social partners. The ILO will collaborate closely on policy matters with relevant European institutions and the European social partners and will facilitate the sharing of knowledge and experience within the region by conducting comparative studies and analyses, developing subregional networks and communities of practice among constituents and carrying out peer reviews.

**203.** DWCPs will be renewed or reviewed during the biennium in 14 countries.

## Research, knowledge, labour statistics and capacity development

### An agenda for research and knowledge

#### □ Overarching goals

**204.** Research in the ILO is undertaken to generate knowledge to inform on emerging patterns in the world of work, to guide the ILO's policy advice and technical assistance and for the purposes of advocacy.

**205.** The ILO must be in a position to generate, access and share empirical evidence and sound analysis to underpin its policy advice and capacity-building work under each of the policy outcomes and to enhance the advocacy of decent work. Lessons from ILO research suggest that governments and the social partners can benefit considerably by formulating policies based on solid analysis of what works and what does not work, and under what circumstances, depending on levels of development and country contexts.

**206.** To this end, the research function is being strengthened so that the ILO is recognized as being a principal source of expertise on key employment and social policy issues, both globally and nationally. It is crucial that ILO research findings be accessible to constituents and the general public, including through the ILO Knowledge Gateway.

**207.** The creation of the Research Department and the launch of an ILO-wide research agenda – offering new opportunities for interdepartmental cooperation – will contribute to ensuring that:

- the ILO becomes a more influential participant in the global policy debate on employment and social issues, notably as regards development, job-rich growth and income inequalities;
- constituents are provided with evidence-based advice on policies that are effective in tackling employment and social policy challenges, including at the national level;
- there is a better understanding of the trends shaping the world of work, a range of policy options to address these trends and an improved capacity of governments and employers' and workers' organizations to seize new opportunities.

**208.** The present section provides an overview of the main direction and components of the ILO research agenda as a whole. Greater detail on these research components is provided under each of the ten policy outcomes, including on how they contribute to the overall achievement of the

outcomes and complement other products and services.

#### □ Means of action

**209.** The goals of the research agenda will be achieved through two major research programmes. First, as part of the work on the seven centenary initiatives, major trends – including new technologies, demographic change, the changing gender composition of occupations and the depth and breadth of gender inequality, the evolving context in which enterprises find themselves, the scarcity of natural resources, the transition to greener economies, the evolving role of finance and emerging patterns in development and globalization – will be assessed in relation to their socio-economic impact. This will also provide important context and a substantive analytical contribution to the Director-General's future of work centenary initiative, and will shed light on the interlinkages between the seven centenary initiatives.

**210.** A dedicated research network to examine the various dimensions of the future of work initiative will be set up, with guidance from the Research Review Group (see paragraph 214 below).

**211.** As part of the green initiative, research will strengthen the global knowledge base and develop the capacity of constituents to ensure a just transition in the greening of economies, enterprises and jobs. It will also include an assessment of the labour market impact of green economy investments and strategies.

**212.** Second, an ILO-wide research programme will be launched on "what works" in connection with the ten policy outcomes and on the basis of well-planned interdepartmental cooperation, covering the following topics that are relevant to a range of policy outcomes:

- approaches that help create higher levels of better quality employment on a sustained basis;
- strategies that have proven successful in reducing income inequalities and gender gaps;
- policies and programmes to facilitate the establishment and sustainability of enterprises and to maximize their capacity to create decent work, with particular attention being paid to transitions from micro to small and medium-sized enterprises that produce gains for both entrepreneurs and workers;

- macroeconomic, green and trade policies and their interactions with employment and social goals;
- approaches that help eradicate poverty and promote development through decent-work friendly strategies;
- effective policies for boosting jobs and career opportunities for underemployed and vulnerable groups, notably young women and men;
- effective combinations of social protection, labour market participation and development policies;
- well-designed wage formation systems, labour taxation policies, employment regulations and arrangements to implement the right to collective bargaining, consistent with the relevant standards.

**213.** The launch of a single research flagship publication, namely the *World Employment and Social Outlook* report (merging the *Global Employment Trends* report and the *World of Work Report*), and the production of policy briefs will provide valuable tools for disseminating research findings and enabling the ILO to contribute meaningfully to relevant global forums such as the International Labour Conference, the G20 and others, as well as in national dialogues. It is envisaged that priority themes for the publication over coming years would be selected so as to reinforce and enhance the implementation of the centenary initiatives and other programme priorities. The two existing policy flagship reports, the *World Social Protection Report* and the *Global Wage Report*, will continue to be published in alternate years.

**214.** The establishment of a Research Review Group composed of internationally recognized scholars of diverse and complementary backgrounds will provide oversight and ensure that all research is evidence-based and conducted according to methodologies that do not prejudge findings.

**215.** Steps will be taken to foster the dissemination and application of research. Close collaboration with the Turin Centre will continue, notably with regard to capacity building for constituents. The Office will deepen its engagement with research networks, think tanks and institutions such as the World Bank, the IMF, the United Nations Department of Economic and Social Affairs, and regional development banks. The *International Labour Review* will continue to provide a crucial link with the academic community.

## Labour statistics

**216.** The goal is to consolidate the ILO's position as the world's reference on labour statistics, and as the main repository of timely data on decent work. A particular focus will be on harmonized criteria for international comparisons and better global and regional estimations.

**217.** Existing statistical databases will be consolidated into one single ILO database of all the main indicators of decent work. This will be an important pillar of the ILO Knowledge Gateway. A quality assurance framework will be put in place to achieve coherence across all the statistical work of the Office.

**218.** Services to constituents will continue to focus on technical assistance and capacity building to enable them to produce, compile and disseminate accurate data on employment and labour issues. Through the International Conference of Labour Statisticians, work will be pursued to set international standards on labour statistics.

**219.** A key focus will be monitoring and reporting on the indicators accompanying the post-2015 sustainable development goals. Partnerships with other international agencies will be strengthened to enhance policy coherence in labour statistics.

## Capacity development: Strengthened collaboration between the ILO and the Turin Centre

**220.** The strategic partnership between the ILO and the Turin Centre will be strengthened in three ways, as described below.

**221.** The Centre will adapt its training programmes for ILO constituents to the policy outcomes of the transitional strategic plan for 2016–17. For each outcome, the comparative advantage of the Centre as a global knowledge hub will be combined with regional and national expertise through learning partnerships with regional and national service providers. Services will be reoriented to reflect different categories of learning needs arising from different stages of social and economic development. This will require accelerating the roll-out of blended and IT-enhanced learning approaches, as well as increasing language capacity and thematic expertise at the Centre.

**222.** A learning task force, comprising representatives of the Centre and the ILO's Human Resources Development Department, will facilitate strategic and coherent planning and enhance complementarity in the area of ILO staff development. One of the key roles of this task

force will be to design multi-step learning paths for different categories of ILO staff, using a modular approach where staff can assemble their individual learning journeys by choosing from a suite of learning modules.

**223.** The learning services of the Centre and its wider outreach will be deployed to facilitate the

integration of ILO priorities into the emerging post-2015 development agenda. In this context, the Centre will accelerate the pace of networking with other training providers and academic institutions in the field.



## Enabling outcomes

**224.** This section presents each of the three enabling outcomes, with corresponding performance indicators and targets for the biennium.

**225.** The enabling outcomes are fundamental to the efficient functioning of the ILO in accordance with its Constitution, rules and procedures. These outcomes underpin the delivery of the ten policy outcomes by providing essential services (human resources, financial, IT, programming and facilities). A key objective of the reform has been and will continue to be to increase the efficiency with which these services are delivered in order to maximize value and reduce overall costs. Reform

in the duration and functioning of the ILO's governance organs has permitted the redeployment of scarce resources to technical capacity. The present programme and budget proposals further pursue the drive to shift resources from management and support services to technical capacity. A further thorough review of the operating modalities of these services could pave the way towards alternatives with further demonstrated gains in efficiency and effectiveness.

### Outcomes to be achieved in 2016–17

#### Outcome A: Effective advocacy for decent work

*Outcome statement: Constituents and partner institutions promote and apply policies for decent work.*

#### The issue to be addressed

**226.** ILO governance organs call on the Organization to promote sound employment, labour and social policies for decent work for working women and men. The ILO's responsibility is to compile data and evidence around the feasibility of such policies in diverse socio-economic contexts. This advocacy function is best performed when it combines robust principles found in international labour standards with equally robust empirical evidence and comparative analysis of good practices. A key underlying characteristic is effective coordination and mutual support between economic and employment and social policies. In order to spell out the benefits of a coordinated approach, the ILO engages increasingly with government officials from ministries of labour, finance and planning, among others, at the national level, as well as with a wide range of partners at the global and regional levels, including across the UN and the multilateral system.

#### Expected changes

**227.** Key expected changes are:

- member States make the goal of decent work increasingly central to their policies, including through UN country programmes (UNDAFs and other UN programming frameworks) that support decent work policies, in cooperation with the ILO and its tripartite constituents;
- effective policy and operational partnerships with the UN and its agencies, multilateral and regional institutions, donors and private enterprises on promoting and applying decent work policies, with particular reference to the ten policy outcomes;
- decent work as a key component in the work of regional and international (including UN and G20) policy-making organs;
- member States increase data collection and reporting on decent work indicators and the use of labour market data that are central to policy-making, contributing to making the ILO the world's reference on labour statistics.

#### Key lessons from previous work

**228.** The ILO's advocacy is more effective when it combines sustained engagement with decision-makers and opinion leaders with convincing policy analysis based on strong empirical evidence and data. This advocacy is further enhanced by influencing high-level agendas and by partnering

with constituents at the country, regional and global levels to help steer policies towards decent work approaches. Experience to date with the UN global policy discussions, the G20, international financial institutions, regional institutions and development banks has shown that being realistic about advocacy objectives, identifying and targeting key stakeholders and clearly articulating the specific changes being sought is fundamental to effective intervention. The One UN initiative has proved to be effective in stimulating the development of joint programmes between the ILO and other UN agencies, facilitating the mainstreaming of decent work.

## Means of action

**229.** ILO work will focus on:

- strategically engaging with major policy forums and institutions such as the UN, the wider UN system, the international financial institutions, the G20, regional institutions and other high-profile forums and institutions;
- drawing key policy messages (with a global, but also regional and country focus) from the ILO's evidence-based analysis, timely and up-to-date statistical data and analysis of recent world of work trends, around the ten policy outcomes;
- making the ILO the reference point on the world of work and optimizing its comparative advantage by enhancing constituents', decision-makers' and opinion leaders' access to relevant, up-to-date data and information on the work of the ILO;
- communicating persuasive, evidence-based and solution-oriented messages on world of work themes;
- strengthening the functional linkages between ILO offices in the regions and headquarters to enhance the quality, timeliness and relevance of ILO support to constituents;
- drawing on evaluation findings, including the 2014 review by the UN Joint Inspection Unit (JIU) of the system-wide implementation of full and productive employment and decent work for all, and applying the lessons learned to make advocacy more effective;
- supporting tripartite constituent engagement with decision-makers and opinion leaders by providing capacity building on effective advocacy (in collaboration with the Turin Centre), updated guidance and tools and

forums to influence the policy debate more effectively.

## Most significant outputs

**230.** The most significant outputs to be delivered by the Office in the biennium will include:

- proactive engagement and advocacy with major policy forums and institutions at the global, regional and national levels;
- strengthened technical capacity to produce authoritative global analytical reports on topical work relating to employment trends and policy issues drawing on comprehensive and up-to-date statistical information;
- guidelines and other resource material to facilitate the integration of decent work strategies into UNDAFs and other UN programming frameworks;
- high-quality, timely information and communication products that promote key ILO reports and messages in support of ILO advocacy, that are easily accessible through the ILO's website;
- tools for and manuals on the collection of statistics on work, employment and labour underutilization;
- the consolidation of existing statistical databases into ILOSTAT, the ILO's database on labour statistics.

## External partnerships

**231.** The ILO will strengthen partnerships with institutions and agencies with a strategic interest in policy formulation and implementation to advance the Decent Work Agenda with a view to:

- ensuring effective partnerships within the framework of the post-2015 sustainable development goals to promote decent work policies and programmes;
- working through UN regional commissions, regional coordination mechanisms and other regional multilateral bodies and financial institutions to promote decent work policies;
- engaging with the G20 and other global and regional policy institutions to incorporate decent work policies into these influential contexts;
- in consultation with tripartite constituents, selectively widening advocacy and cooperation with private enterprises and non-state actors.

## Indicators

<b>Indicator A.1:</b> Member States that have made the goal of decent work central to policy-making or make their policies compatible with decent work principles	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>Decent work policies are adopted as overarching policy goals in the member State's new or revised national development strategy or plan.</li> <li>UNDAs (or equivalent programming frameworks) incorporate at least two pillars of the Decent Work Agenda.</li> </ol>	<b>Target</b> 15 member States (4 in Africa, 4 in Americas, 4 in Asia-Pacific, 1 in Arab States; 2 in Europe-Central Asia).
	<b>Means of verification</b> <i>Official Gazette</i> ; annual reports of the Ministry of Labour; intergovernmental documents; UN reports to the Economic and Social Council or the UN General Assembly.
	<b>Baseline</b> 19 member States (based on 2010–13 performance).
<b>Indicator A.2:</b> International agencies, multilateral institutions and regional institutions that have actively engaged with the ILO to promote decent work policies	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>International, multilateral or regional institutions pursue decent work policies in cooperation with the ILO.</li> <li>ILO support to the UN's post-2015 sustainable development goals is duly recognized in annual progress reports.</li> </ol>	<b>Target</b> 5 international, multilateral or regional institutions.
	<b>Means of verification</b> UN reports to the Economic and Social Council or the UN General Assembly.
	<b>Baseline</b> 7 institutions (based on 2010–13 performance).
<b>Indicator A.3:</b> Member States that have strengthened labour market information systems and disseminated information on national labour market trends in line with the international standards on labour statistics	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>Constituents collect and disseminate new country-level data as per the resolution concerning statistics of work, employment and labour underutilization adopted by the 19th International Conference of Labour Statisticians.</li> <li>National labour market data are provided to the ILO and made available via ILOSTAT.</li> <li>Member State reports on the sustainable development goal indicators relating to full, productive and decent employment.</li> </ol>	<b>Target</b> 17 member States (6 in Africa, 2 in the Americas, 2 in Arab States, 4 in Asia-Pacific, and 3 in Eastern Europe and Central Asia).
	<b>Means of verification</b> ILOSTAT, sustainable development goals and related UN reports.
	<b>Baseline</b> 1. 10 member States 2. 60 member States 3. 0 member States

## Outcome B: Effective and efficient governance of the Organization

*Outcome statement: The effective and efficient governance of the ILO in compliance with its Constitution, rules and regulations, and with the decisions of the International Labour Conference and the Governing Body.*

### The issue to be addressed

**232.** This outcome aims to ensure the optimized functioning of the ILO's governing organs and governance functions, effective monitoring and oversight in the use of resources entrusted to the

Office and the full accountability of the Office with regard to the delivery of its programme and budget.

## Expected changes

**233.** The key actions and interventions to be implemented will contribute to:

- the wide and high-level participation of the tripartite constituents in the governance and decision-making of the Organization;
- the more efficient functioning of the International Labour Conference, Governing Body and Regional Meetings;
- the further enhancement of oversight, to support the accountable and transparent operation of the Organization with an effective risk management framework;
- the strengthened quality and use of evaluations to inform the Organization's governance and programme implementation.

## Key lessons from previous work

**234.** In recent years, the ILO has taken initiatives to strengthen its governance processes and enhance its institutional practices. Reforms of the functioning of the Governing Body have shown the importance of the adequate preparation and management of sessions to enable a sharp focus on governance functions, resulting in significant savings. These lessons will be further tested with the reform of the functioning of the International Labour Conference and of Regional Meetings. Encouraging progress in managing the number of documents and their length and print run suggests that further enhancements are possible. With the increasing volume of recommendations made by oversight bodies, follow-up capacity has emerged as a key consideration.

## Means of action

### Governance organs

**235.** The Office will continue to support the reform of the functioning of the International Labour Conference, the Governing Body and the

Regional Meetings, enhancing efficiencies and building on experience and feedback from constituents and the deliberations of the Working Party on the Functioning of the Governing Body and the International Labour Conference. Further efforts will be made to provide timely, concise and quality documents. Consideration will be given to improved methods of time management for official meetings as well as to the development of an efficient and accessible paper-smart model. The Office will continue to provide quality and timely legal services to facilitate the functioning of the governance organs, including by making any necessary amendments to the Standing Orders of the Conference.

### Oversight

**236.** Internal and external audits, independent evaluation, the work of the Independent Oversight Advisory Committee and the oversight role of the Office of the Treasurer and Financial Comptroller are critical governance functions which foster a culture of transparency, accountability and organizational learning. The Office will continue to give full attention to their recommendations with a view to their due implementation within available resources. Following the full implementation of the International Public Sector Accounting Standards (IPSAS) in previous years, focus will be placed on monitoring developments in that regard and adapting to new standards as they are promulgated in future years. The Office will implement a statement of internal control as a key accountability initiative.

**237.** The ILO's enterprise risk management capability has been strengthened by the appointment of an official dedicated to the development and implementation of enterprise risk management procedures, guidelines and training. Table 4 summarizes the risks assessed as being the most critical for the Organization in 2016–17, and the mitigation strategies to address them. Risk registers will be established for all ILO locations, with particular focus on highly exposed programmes, projects and activities. These will be reviewed as necessary by a risk management committee and the Senior Management Team, taking into account mitigation measures, the policy objectives of the Organization and risk assessments by other UN organizations.

Table 4. Risk register for 2016–17

Risk	Identified root cause(s)	Remedial action	Risk owner	
1	Constituents and donors reduce their commitment to the Decent Work Agenda and to programme and project funding.	The ILO fails to align its culture, competencies, processes and technology to strategic priorities. Advocacy is not structured in a manner conducive to promoting awareness of the relevance of the ILO's Decent Work Agenda. Progress in programme and project delivery is inadequately measured, reported and addressed, and its impact inadequately demonstrated.	Resources are focused on key projects and on robust and relevant policy-oriented programmes with appropriate critical mass to achieve high impact. Advocacy and communication emphasize policy outcomes and delivery of key programmes and projects. Procedures and guidelines relative to advocacy and external communication result in consistent reporting at a defined frequency.	Deputy Directors-General
2	The delivery of key programmes and projects is disrupted, jeopardizing the ILO's reputation and future funding.	Coordination between ILO headquarters and external offices at the time of programme or project appraisal is ineffective. Critical risks are not adequately identified and addressed in the design process. Programme or implementation is inadequate.	Programme and project appraisals ensure incorporation of detailed risk registers. Implementation monitoring routines are in place and hindrances to delivery are identified and addressed.	Department and field office directors
3	A crisis event has a negative impact on the running of key activities or on business continuity generally.	The effects of a natural disaster, civil or political unrest, a terrorist attack or a major health- or safety-related event are not addressed in business continuity plans at ILO headquarters and in external offices. Crisis management is ineffective.	ILO headquarters and external offices prepare and maintain business continuity plans. Crisis management teams are established at headquarters and in regional offices and crisis simulations ensure that crisis playbooks are kept up to date.	Regional directors and Senior Risk Officer
4	The financial obligations of one or more member States are not met. As a result, the ILO experiences a shortfall in funding.	Member States' own budgetary constraints lead to delays in paying assessed contributions. Decline in member States' commitment to the ILO's Decent Work Agenda.	The ILO temporarily draws on the Working Capital Fund. Non-priority programmes, projects and activities are identified and deferred or cancelled.	Treasurer and Financial Comptroller and Senior Management Team
5	A main banking partner of the ILO goes into receivership. As a result, the ILO experiences financial loss, operational disruption and reputational weakening.	The ILO's system of internal control aimed at monitoring banking partners' solvency or vulnerability to fraud is not aligned to the full spectrum of the bank's exposures.	Strict bank selection protocols are in place and take into account credit ratings, debt swap arrangements, the diversification of counterparties and the duration of investments. Independent industry professionals review and endorse investment strategies and counterparty selection.	Financial Management Department
6	Unforeseen economic factors decrease the capacity of the ILO's regular budget. As a result, resources are insufficient to ensure the full delivery of the ILO's budgeted programme of work.	The ILO is affected by global financial turbulence, characterized by exchange rate fluctuations and unforeseen inflation.	US dollar requirements for the biennium provide the basis for forward purchase contracts that ensure that Swiss francs are converted to US dollars at the budgeted exchange rate. Currency held by the ILO is monitored to limit exposure to exchange risk. Inflation forecasts from independent reputable sources are incorporated in the programme and budget process.	Financial Management Department
7	A conflict of interest or an act of fraud results in significant financial loss to the ILO and damage to the ILO's reputation.	Due diligence policies and practices aimed at averting conflicts of interest and limiting opportunity to commit fraud, as well as systems of internal control aimed at detecting fraud, are not sufficiently robust.	Ethics and zero-tolerance policies and practices are in place and emphasized. Managers are trained in due diligence and prevention. Whistle-blower protection is ensured. Internal control mechanisms ensure segregation of duties. Financial monitoring of implementing agents is strengthened. A dedicated investigation unit exists within the Internal Audit and Oversight Office.	Treasurer and Financial Comptroller

Risk	Identified root cause(s)	Remedial action	Risk owner	
8	Damage to the ILO Data Centre or to other IT infrastructure, or power failure, results in a loss of critical information and access to essential applications.	Safety and security measures do not effectively protect the ILO Data Centre against over-heating and fire, flood, power interruption, motion and collapse or intrusion. Critical cabling is damaged during maintenance or renovation work.	Off-site live data replication and critical application hosting is implemented and disaster recovery procedures are in place. Data Centre structure and perimeter are reinforced, air conditioning is upgraded and alarm and detection systems and a redundant power system are installed. Data Centre access is restricted and controlled. The risk register for the headquarters building renovation project addresses the risk of damage to critical cabling.	Deputy Director-General for Management and Reform
9	Human resource capacity is insufficient to fulfil the core mandate of the ILO and to meet specific objectives set by its constituents. As a result, the ILO's reputation is weakened and programme and project funding jeopardized.	Policies and practices in respect of workforce planning, recruitment and selection, performance management and staff development are inadequate.	The Employee Profile tool is implemented. Workforce planning is improved and systematic. Recruitment and selection procedures are adjusted. Revised contracts and staff mobility policies are implemented. Staff development is focused on core competency requirements and is promoted. Compliance with performance management procedures is strengthened.	Human Resources Development Department
10	Delays and disruption in the headquarters building renovation project results in cost overruns, operational disruption and reputational damage to the ILO.	The scope and complexity of the renovation work is not fully represented to contractors or in contracts. Contractors default on contractual obligations relative to work or deadlines. A safety- or security-related event prevents access to the headquarters building. Weather-related events prevent execution of work. Project management is disrupted by key position vacancy or long-term absence.	A comprehensive risk register is maintained and risk management is monitored. Requests for proposals and contract wordings undergo external expert review for accuracy and completeness, and incorporate penalty provisions. Contractors are allowed on-site visits for diagnosis purposes. An occupational safety and health officer is recruited. A renovation-specific safety and security risk register is prepared and mitigation strategies are implemented. Weather conditions are taken into consideration in planning work. A business continuity plan is in place. The ILO's crisis management preparedness incorporates crisis management related to the renovation project.	Deputy Director-General for Management and Reform

**238.** The 2011–15 results-based evaluation strategy will be extended, with milestones and targets for 2016–17. The role and functioning of the Evaluation Advisory Committee will be strengthened to enhance the use of evaluation results, as will impact assessment of selected ILO programmes. An independent external evaluation of the evaluation function will be conducted.

**239.** The Office will review the functioning of internal advisory committees to ensure that they remain fit for purpose.

### Most significant outputs

**240.** The most significant outputs to be delivered by the Office in the biennium will include:

- an agreed follow-up strategy for the implementation of the conclusions to be adopted by the International Labour

Conference at its 105th Session (2016) on the evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization;

- any required amendments to the Standing Orders of the International Labour Conference;
- an efficient and accessible paper-smart model for official documents;
- a Statement of Internal Control and an unmodified external audit opinion;
- two annual evaluation reports and one independent and external evaluation of the evaluation functions in the ILO;
- an updated inventory of ILO advisory and governance committees.

## External partnerships

241. Close relations and good coordination with UN institutional bodies will be maintained and strengthened. These include the JIU, the International Civil Service Commission (ICSC),

the CEB and, in particular, its High-level Committee on Programmes and High-level Committee on Management, to ensure that the Office adheres to the highest possible international standards and benefits from sharing good governance practices.

## Indicators

<b>Indicator B.1: Effectiveness of governance and policy-setting functions of the ILO organs</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Implementation of agreed reform measures.	Full implementation of appropriate procedures and rules resulting from the review of trials.	Pre-reform rules and the regulations of the governing organs.
Level of participation and consensus building by the constituents.	<ul style="list-style-type: none"> <li>▪ Consensus reached on the next steps on governance reform, including with regard to the functioning of the Regional Meetings.</li> <li>▪ Wide and substantive participation of all stakeholders in agenda-setting and decision-making through an agreed set of procedures and mechanisms.</li> <li>▪ An effective evaluation by the Conference of the impact of the ILO Declaration on Social Justice for a Fair Globalization, and an agreed follow-up strategy for its implementation.</li> </ul>	Pre-reform agenda-setting processes for the governing organs.
<b>Indicator B.2: Efficiency of the planning, preparation and management of sessions of the International Labour Conference and Governing Body and of Regional Meetings</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Timely provision of concise official documents in electronic form.	<ul style="list-style-type: none"> <li>▪ 100% of official documents published electronically and on time.</li> <li>▪ 60% of official documents published only electronically.</li> <li>▪ 10% decrease in the number of words processed.</li> <li>▪ 20% of official communications sent exclusively in electronic form.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 95% of official documents published electronically and on time.</li> <li>▪ 0% of official documents published only electronically.</li> <li>▪ 20 million words processed in 2014–15 for official documents (translation and revision).</li> <li>▪ Number of official communications sent in paper format in 2014–15.</li> </ul>
Effective time management of official meetings.	Official meetings complete full agenda within planned schedule.	Pre-reform average number of sittings held every year for each official meeting.

<b>Indicator B.3: Quality of the fulfilment of oversight, accountability and risk management functions</b>		
<b>Results criteria</b> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
The External Auditor's level of satisfaction with the consolidated financial statements.	<ul style="list-style-type: none"> <li>▪ Unmodified external audit opinion and full compliance with IPSAS maintained.</li> <li>▪ Implementation of a Statement of Internal Control as part of the annual financial reporting.</li> </ul>	Unmodified external audit opinion and full compliance with IPSAS in 2012–13.
Time required for the effective implementation of audit recommendations.	<ul style="list-style-type: none"> <li>▪ The units responsible for implementing oversight recommendations provide their action plans within three months of the audit report being issued.</li> <li>▪ Audit recommendations accepted by management are implemented within six months of the report's date.</li> </ul>	Results from the implementation of the 2012–13 internal audit reports.
Level of implementation of the Organization-wide risk management system.	All elements of the risk management system in place, maintained and expanded.	Risk management system operational in 2012–13.
<b>Indicator B.4: Adequacy of the use of findings and recommendations from independent evaluations in decision-making by ILO management and the Governing Body</b>		
<b>Results criteria</b> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
Use of evaluation findings by constituents and management for governance purposes is improved.	<ul style="list-style-type: none"> <li>▪ The Evaluation Advisory Committee meets at least four times per year and provides substantial input into follow-up to the recommendations ensuing from high-level evaluations.</li> <li>▪ Follow-up to project evaluation recommendations is at least 75%.</li> <li>▪ Recommendations by the Evaluation Office endorsed by the Governing Body are reflected in the strategic plan for 2018–21.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Comparative review of the Evaluation Advisory Committee's decisions and results reported in the annual evaluation report for 2015.</li> <li>▪ The average follow-up to recommendations for 2013 and 2014 ranged from 60% to 72%.</li> <li>▪ Review of annual evaluation reports with new strategic plan.</li> </ul>
Quality of high-level and project evaluations undertaken in the ILO are in line with good practices as defined by the OECD and United Nations Evaluation Group standards.	<ul style="list-style-type: none"> <li>▪ External assessments confirm that 85% of project evaluations meet the OECD and United Nations Evaluation Group standards.</li> <li>▪ The report of the independent external evaluation of the ILO's evaluation function, 2016, confirms acceptable quality of high-level evaluation.</li> <li>▪ Improved use of impact evaluation methodology by technical departments in conformity with the guidance of the Evaluation Office.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Currently annual external assessments show that about 70% of project evaluations meet the quality standard.</li> <li>▪ Findings of the independent external evaluation of the ILO's evaluation function, 2010.</li> <li>▪ Evaluation Office's stocktaking report of impact evaluation in the ILO, 2014.</li> </ul>
Evaluation capacity and practice among ILO staff and constituents is improved.	At least 75 constituents have undergone evaluation training and 50 ILO staff members are certified as evaluation managers.	Constituents trained and ILO staff certified as reported in the annual evaluation report for 2015.

## Outcome C: Efficient support services and effective use of ILO resources

*Outcome statement: The Office is supported by efficient administrative processes and makes effective and efficient use of all resources entrusted to the Organization.*

### The issue to be addressed

**242.** To enable the Office to deliver its programme in an effective, efficient and responsive manner, there is a need to strengthen and streamline support services at headquarters and in the regions. These services involve the management of human, financial, technological and physical resources and support the ILO's results-based management approach.

### Expected changes

**243.** The expected changes ensuing from the planned interventions are:

- a strengthened programming framework based on the application of results-based management;
- a focused, resourced and effective development cooperation programme;
- better value for money from support services through more efficient managerial and administrative systems, practices and teamwork across the Office;
- enhanced talent and leadership development;
- more efficient facilities management;
- the resultant redeployment of resources from administrative support to policy, technical and delivery functions.

### Key lessons from previous work

**244.** The redesign of clearly defined business operations and IT solutions should lead to efficiency gains. These gains are reliant on the introduction of new levels of teamwork, involving the regions and headquarters as well as investments in process re-engineering and IT. The experience gained and lessons learned from the implementation of reforms, including of field operations, structure and technical cooperation, from previous and current change management projects, and from the areas of critical importance introduced in 2014–15, will further enhance management and support services.

### Means of action

#### □ Results-based management and programming

**245.** The Office will further deepen the application of results-based management to its programming instruments and procedures. The design and implementation of DWCPs will be improved, in particular as regards measurement indicators. The reduced number of policy outcomes, with a new set of performance indicators, will strengthen the programming and tracking of outputs and expected results. Extra-budgetary technical cooperation resources, including from the RBSA, will be better integrated into the ILO's programming and implementation framework.

**246.** Collaboration with UN country teams will continue to expand, leading to greater ILO participation and policy influence in UNDAFs.

#### □ Effective resource mobilization for development cooperation

**247.** The Office will pursue increased levels of voluntary contributions directly linked to and in support of the policy outcomes and country priorities. A key objective is to diversify development partners in the ILO programme, including in the private sector. The Office will be guided by the Governing Body discussions in November 2014 and in 2015 on the ILO's technical cooperation strategy.

#### □ Administrative processes

**248.** Administrative processes will be reviewed to identify opportunities to further improve service levels, the speed of decision-making and efficiency gains, consistent with effective risk management. Where appropriate and feasible, benchmarking will be undertaken and key performance indicators will be developed.

**249.** Building on previous initiatives, further business process reviews will be conducted to determine the optimal means of delivering services in the Organization. This work will include reviewing the feasibility, costs and benefits and other implications of:

- further decentralizing certain functions to regional or country offices, ensuring that work is performed closer to where service delivery takes place;

- centralizing certain functions to obtain economies of scale and processing efficiency through the Integrated Resource Information System (IRIS) and other IT applications;
- expanding collaboration on service delivery with UN bodies;
- leveraging further benefits from the use of IT.

**250.** These changes will enable the ILO to further redeploy resources from administrative support to policy, technical and analytical work, thereby enhancing the quality and quantity of services to constituents. A simplified results framework with clarified roles and responsibilities will enable the ILO to strengthen teamwork in fewer but larger programmes and thus achieve value for money.

#### □ **Enhanced talent and leadership**

**251.** The Office will foster improved performance management and the enhanced functional and geographical mobility of staff. The benefits of the reform plan of action in the area of human resources management approved by the Governing Body in March 2014 will be fully harnessed in 2016–17. Training will further enhance managerial capacities and strengthen the skills required for effective teamwork. Global technical teams will ease the flow of technical knowledge and enhance cooperation between ILO specialists in support of larger programmes. A robust induction programme for all new staff will be put in place.

#### □ **Improved maintenance and utilization of ILO facilities**

**252.** The Office will renovate the headquarters building within the established schedule and the resources available for this purpose. Building maintenance plans for all ILO-owned premises will be updated in order to reduce the Office's

environmental impact. In collaboration with other UN-system agencies, the Office will pilot new waste management procedures in field offices. The Office will continue to monitor compliance with the minimum operating security standards in all offices. Cost-effective and feasible opportunities to green the ILO's work practices and buildings will be pursued.

### **Most significant outputs**

**253.** The most significant outputs to be delivered by the Office in the biennium will include:

- revised Office-wide guidance on DWCPs and on the application of results-based management in the ILO;
- an effective and coherent resource mobilization strategy;
- improved managerial and administrative processes, supported by appropriate IT systems;
- an internal governance manual and a catalogue of available internal governance training and learning activities;
- renovated office space in Geneva and updated building maintenance plans for ILO-owned field offices.

### **External partnerships**

**254.** Collaboration with UN system agencies in delivering common services in the regions and at headquarters will be pursued. The ILO contribution to the funding of the UN Resident Coordinators will allow greater participation and leverage in UN country teams. Strategic partnerships with development partners will be consolidated and expanded.

## Indicators

<b>Indicator C.1: Effectiveness of the updated programming methodology at the country level</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Percentage of DWCPs that meet quality criteria in line with the revised methodology and guidance.	75%	To be established.
<b>Indicator C.2: Effectiveness of the mobilization and management of voluntary contributions from a diversified donor base</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Share of voluntary contributions (extra-budgetary technical cooperation and RBSA) expenditure as a percentage of total expenditure.	45%	34.8% (2012–13)
Percentage of voluntary contributions managed by field offices.	80%	69% (2012–13)
<b>Indicator C.3: Effectiveness of ILO support services</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Percentage of users who report being “satisfied” or “very satisfied” with the effectiveness of ILO support services.	10% increase	Results of September 2015 survey.
<b>Indicator C.4: Effectiveness of talent and leadership development</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Increase in the number of staff who change duty station for one year or more.	25%	2014–15 performance.
Percentage of managers who engage in leadership development activities after receiving a performance rating of “Not fully met” on the managerial output in their end-of-cycle performance appraisal.	75%	2014–15 performance.
Percentage of staff who have an Employee Profile in ILO People.	75%	2014–15 performance.
Percentage of new staff who complete the Internal Governance e-Learning Programme within their first six months of employment.	80%	2014–15 performance.
<b>Indicator C.5: Effectiveness of facilities management</b>		
<b>Results criteria</b>	<b>Target</b>	<b>Baseline</b>
Reportable results must meet the following:		
Headerquarters building renovation project work for the biennium progresses as scheduled or earlier and within budget.	100%	Project schedule and budget approved by the Governing Body.
Effective waste management procedures in place in pilot field offices.	5 field offices	0



## Draft budget of expenditure and income for 2016–17

**255.** The Programme and Budget proposals for 2016–17, after providing for movements in costs, valued at the 2014–15 budget rate of exchange of 0.95 Swiss francs (CHF) to the US dollar, amount to \$797,388,828. At this level, the proposed budget for 2016–17 remains the same in real terms as the previous biennium.

**256.** Following a detailed analysis of cost factors, both at headquarters and at field locations, cost adjustments have been reflected at an overall rate of -0.5 per cent for the biennium. Full information on movements in cost factors is provided in Information Annex 2.

**257.** The budget rate of exchange for the biennium 2016–17 will be set at the market rate at the time the budget is reviewed by the Finance Committee of Government Representatives at the 104th Session (June 2015) of the Conference. These proposals have accordingly been valued at the same budget rate of exchange (CHF0.95 to the US dollar) as the Programme and Budget for 2014–15, both to facilitate comparison and because the cost of the proposals in both

US dollar and Swiss franc terms will continue to evolve with the exchange rate changes until the budget is finalized.

**258.** As an indication, however, the market rate of exchange at the time of preparation of these proposals in early 2015 was 1.01 Swiss francs to the dollar. Should this rate remain valid in June 2015, the proposed budget level in dollar terms would be some \$770.5 million with resulting assessments on member States of some CHF778.2 million.

**259.** The contributions payable by member States in 2016–17 will thus depend on the overall budget level, on the budget rate of exchange which is finally set, and on the scale of contributions approved by the Conference.

**260.** The draft expenditure and income budget in the form required for adoption by the Conference, with the corresponding figures for 2014–15, is shown below.

### Draft budget

Expenditure	2014–15		2016–17		Income				
	Budget	Estimates	Budget	Estimates	2014–15		2016–17		
	US\$	US\$	US\$	US\$	US\$	CHF	US\$	CHF	
<b>Part I</b>									
Ordinary budget	796 958 598	793 059 963			Contributions from member States	801 260 000	761 197 000	797 388 828	757 519 387
<b>Part II</b>									
Unforeseen expenditure	875 000	875 000							
<b>Part III</b>									
Working Capital Fund	–	–							
<b>Part IV</b>									
Institutional investments and extraordinary items	3 426 402	3 453 865							
<b>Total budget</b>	<b>801 260 000</b>	<b>797 388 828</b>				<b>801 260 000</b>	<b>761 197 000</b>	<b>797 388 828</b>	<b>757 519 387</b>

**261.** After completing its examination of the draft estimates submitted in this document, the Governing Body will wish to submit to the International Labour Conference a draft resolution

for the adoption of the programme and budget for the 75th financial period (2016–17) and for the allocation of expenses between member States

for 2016–17. The proposed text of this draft resolution is as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 75th financial period, ending 31 December 2017, the budget of expenditure of the International Labour Organization amounting to

US\$ ... and the budget of income amounting to US\$ ... which, at the budget rate of exchange of ... Swiss francs to the US dollar, amounts to ... Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

## **Information annexes**

- 1. Operational budget**
- 2. Details of cost increases**
- 3. Proposed operational budget by item and object of expenditure**
- 4. Summary of regular budget technical cooperation resources**



## Operational budget

**262.** This Information Annex provides additional information on the operational budget of the ILO and is composed of the following four parts: Part I “Ordinary budget” on major functions and resources of ILO programmes and on other budgetary provisions; Part II “Unforeseen expenditure”; Part III “Working Capital Fund”; and

Part IV “Institutional investments and extraordinary items”.

**263.** As described in the executive overview, the proposed allocations reflect a significant shift of resources from administration and support to technical work (in lower and middle professional grades) and from headquarters to the regions.

### Part I: Ordinary budget

#### Governance organs

**264.** International Labour Conference, Governing Body and Regional Meetings resources show the direct costs (such as interpretation, preparation and printing of reports, rental of facilities, Governing Body members’ travel and some staff costs) of holding two sessions of the Conference and six sessions of the Governing Body, as well as two Regional Meetings in the biennium: the 16th Asia and the Pacific Regional Meeting and the Tenth European Regional Meeting. Certain direct costs identifiable from the Official Meetings, Documentation and Relations Department and the Internal Services and Administration Department related to the support of these governance organs

have also been shown under this item to provide a more complete cost estimate for these meetings.

**265.** Savings resulting from reforms introduced to the functioning of the International Labour Conference and the Governing Body are an integral part of these proposals.

**266.** The Office of the Legal Adviser carries out work pertaining to the Constitution and governance organs. It participates in the preparation and examination of international labour Conventions, Recommendations and other instruments. It also provides legal expertise on personnel matters, commercial or technical issues and contracts.

## Operational budget for 2016–17

	Professional	General service	Staff costs	Non-staff costs	Total resources
	(work-years/months)				
<b>Part I</b>					
<b>Governance organs</b>					
International Labour Conference	29 / 4	38 / 6	23 396 183	5 105 041	28 501 224
Governing Body	26 / 2	37 / 4	15 263 453	4 485 792	19 749 245
Major Regional Meetings	2 / 9	4 / 0	1 748 164	679 352	2 427 516
Office of the Legal Adviser	11 / 11	3 / 8	3 701 230	61 881	3 763 111
	<b>70 / 2</b>	<b>83 / 6</b>	<b>44 109 030</b>	<b>10 332 066</b>	<b>54 441 096</b>
<b>Policy</b>					
International Labour Standards	83 / 3	27 / 7	23 657 156	2 063 883	25 721 039
Employment Policy	65 / 3	22 / 0	19 141 907	3 026 617	22 168 524
Enterprises	48 / 0	15 / 0	13 726 080	3 194 476	16 920 556
Sectoral Policies	34 / 0	11 / 0	9 579 960	3 386 196	12 966 156
Governance and Tripartism	86 / 0	27 / 7	25 421 952	3 931 436	29 353 388
Conditions of Work and Equality	70 / 11	22 / 1	20 457 470	2 322 219	22 779 689
Social Protection	40 / 1	9 / 0	10 858 362	302 736	11 161 098
Research and Knowledge	66 / 10	19 / 0	18 325 309	1 497 367	19 822 676
Statistics	38 / 1	19 / 11	11 988 702	1 448 912	13 437 614
Technical Meetings Reserve	0 / 0	0 / 0	0	398 642	398 642
Deputy Director-General's Office	7 / 11	4 / 0	3 205 839	285 413	3 491 252
Regular Budget Technical Cooperation	0 / 0	0 / 0	0	6 424 768	6 424 768
	<b>540 / 4</b>	<b>177 / 2</b>	<b>156 362 737</b>	<b>28 282 665</b>	<b>184 645 402</b>
<b>Field Operations and Partnerships</b>					
Multilateral Cooperation	20 / 5	10 / 0	6 553 592	1 681 076	8 234 668
Partnerships and Field Support	16 / 0	6 / 11	5 291 611	411 084	5 702 695
Programmes in Africa	226 / 10	269 / 1	51 877 359	27 586 907	79 464 266
Programmes in the Americas	183 / 0	147 / 2	46 919 579	19 456 500	66 376 079
Programmes in Arab States	48 / 0	37 / 3	13 161 264	5 359 032	18 520 296
Programmes in Asia and the Pacific	223 / 1	240 / 1	52 370 683	19 468 921	71 839 604
Programmes in Europe and Central Asia	89 / 11	68 / 2	21 076 053	5 064 922	26 140 975
International Training Centre of the ILO, Turin	0 / 0	0 / 0	0	8 240 286	8 240 286
South–South and triangular cooperation	0 / 0	0 / 0	0	1 766 300	1 766 300
Deputy Director-General's Office	4 / 10	3 / 5	2 048 340	162 084	2 210 424
	<b>812 / 1</b>	<b>782 / 1</b>	<b>199 298 481</b>	<b>89 197 112</b>	<b>288 495 593</b>
<b>Employers' and workers' organizations</b>					
Employers' Activities	22 / 0	7 / 1	6 657 150	2 775 555	9 432 705
Workers' Activities	44 / 0	16 / 0	13 555 420	8 026 668	21 582 088
	<b>66 / 0</b>	<b>23 / 1</b>	<b>20 212 570</b>	<b>10 802 223</b>	<b>31 014 793</b>

	Professional	General service	Staff costs	Non-staff costs	Total resources
	(work-years/months)				
<b>Management and Reform</b>					
<b>Support services</b>					
Internal Services and Administration	33 / 8	143 / 7	27 833 093	22 559 580	50 392 673
Information and Technology Management	85 / 1	64 / 5	28 315 450	19 578 508	47 893 958
Official Meetings, Documentation and Relations	41 / 2	49 / 0	18 150 884	1 234 618	19 385 502
Communications and Public Information	45 / 0	22 / 10	14 110 358	1 743 577	15 853 935
Procurement	10 / 3	3 / 4	2 728 920	123 497	2 852 417
	<b>215 / 2</b>	<b>283 / 2</b>	<b>91 138 705</b>	<b>45 239 780</b>	<b>136 378 485</b>
<b>Management services</b>					
Human Resources Development	44 / 4	55 / 0	19 399 733	4 965 146	24 364 879
Financial Management	41 / 1	42 / 6	15 514 686	511 719	16 026 405
Strategic Programming and Management	15 / 6	6 / 0	4 738 417	179 370	4 917 787
Deputy Director-General's Office	6 / 0	2 / 0	2 187 102	291 328	2 478 430
	<b>106 / 11</b>	<b>105 / 6</b>	<b>41 839 938</b>	<b>5 947 563</b>	<b>47 787 501</b>
<b>Office of the Director-General</b>	10 / 0	16 / 0	5 915 239	1 249 033	7 164 272
<b>Oversight and evaluation</b>					
Internal Audit and Oversight	8 / 3	3 / 0	2 555 140	251 238	2 806 378
Independent Oversight Advisory Committee	1 / 0	0 / 2	354 525	163 428	517 953
External audit costs	0 / 0	0 / 0	0	1 385 000	1 385 000
Ethics function	0 / 6	0 / 3	163 980	62 040	226 020
Evaluation	8 / 0	2 / 0	2 332 320	765 153	3 097 473
	<b>17 / 9</b>	<b>5 / 5</b>	<b>5 405 965</b>	<b>2 626 859</b>	<b>8 032 824</b>
<b>Other budgetary provisions</b>	9 / 0	10 / 3	3 935 987	41 658 090	45 594 077
<b>Adjustment for staff turnover</b>	0 / 0	0 / 0	-6 595 445	0	-6 595 445
<b>TOTAL PART I</b>	<b>1 847 / 5</b>	<b>1 486 / 2</b>	<b>561 623 207</b>	<b>235 335 391</b>	<b>796 958 598</b>
<b>PART II. UNFORESEEN EXPENDITURE</b>	<b>0 / 0</b>	<b>0 / 0</b>	<b>0</b>	<b>875 000</b>	<b>875 000</b>
<b>PART III. WORKING CAPITAL FUND</b>	<b>0 / 0</b>	<b>0 / 0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS</b>	<b>0 / 0</b>	<b>0 / 0</b>	<b>0</b>	<b>3 426 402</b>	<b>3 426 402</b>
<b>TOTAL (PARTS I-IV)</b>	<b>1 847 / 5</b>	<b>1 486 / 2</b>	<b>561 623 207</b>	<b>239 636 793</b>	<b>801 260 000</b>

## Policy

**267.** The resources for policy will consolidate the ILO's ability to develop and deliver high-quality, relevant and useful policy advice, advocacy, and technical cooperation. The proposed allocations reflect the deployment of 22 new technical positions. The main functions of the departmental structure are:

**268. International labour standards:** Standard-setting and supervisory functions and review of standards policy.

**269. Employment policy:** Integrated employment, development and skills policies that maximize the employment impact of economic growth and investment to promote inclusive and sustainable development.

**270. Enterprises:** Policies and programmes to promote sustainable enterprises, including cooperatives and multinational enterprises.

**271. Sectoral policies:** Analysis of emerging employment and labour trends in a range of economic sectors and dialogues at the national

and global levels on sectoral guidelines, policies and strategies.

**272. Governance and tripartism:** Policy advice on labour law, as well as technical support and capacity building to labour ministries and labour inspectorates, including on occupational safety and health and on the realization of fundamental labour rights.

**273. Conditions of work and equality:** Analysis and policy advice on wages, working time, collective bargaining, job security, working conditions and equality and diversity, as well as on labour migration, HIV/AIDS and discrimination, including disability and indigenous peoples.

**274. Social protection:** Analysis and policy advice on building and expanding social protection floors and social protection policies.

**275. Research:** Development of an ILO research programme with a critical mass of resources to address large and complex questions on which the Organization must have credible, authoritative evidence-based positions.

**276. Statistics:** Central management and coordination of the compilation, quality control and dissemination of ILO statistical information on decent work.

**277.** The **technical meetings reserve** will finance the second meeting of the Special Tripartite Committee established for the Maritime Labour Convention, 2006.

## Field operations and partnerships

**278.** The resources for field operations and partnerships will enhance the efficiency, effectiveness and impact of ILO activities in the regions, develop and support external partnerships and manage relations with the United Nations and the multilateral system. The main functions are:

**279. Multilateral cooperation:** Promotion and coordination of the ILO's cooperation with the United Nations, international finance institutions and other multilateral organizations.

**280. Partnerships and field support:** Development of strategic partnerships for the ILO's technical cooperation programme including public–private partnership initiatives and South–South and triangular cooperation.

**281.** Proposed allocations for the **regional programmes** reflect the deployment of 17 new technical positions for the regions.

**282.** The **International Training Centre of the ILO** (Turin Centre) develops and delivers training

programmes responding to ILO and constituent priorities. Programmes are delivered at the Centre, in the regions and through distance learning. A close alignment is maintained between ILO programmes and training programmes delivered through the Centre. The proposed allocation represents a direct contribution towards the operational costs of the Centre.

**283.** South–South and triangular cooperation is a dimension of the ILO's technical cooperation strategy.

## Employers' and workers' organizations

**284.** The Bureau for Employers' Activities and the Bureau for Workers' Activities are responsible for the coordination of all the Office's relationships with employers' and workers' organizations, respectively, both at headquarters and in the field. They are also responsible for promoting the participation of employers' and workers' organizations in ILO activities, for ensuring that ILO strategies and programmes address the concerns and priorities of those organizations and their members and for mainstreaming tripartism and social dialogue into the technical work of the Organization.

## Management and reform

**285.** The resources will consolidate the effective and efficient delivery of ILO support services, with a particular emphasis on managerial and administrative practices. The main functions of the departmental structure are:

**286. Internal services and administration:** General management of facilities, property and inventory; safety and security; printing, publishing and distribution; diplomatic privileges; travel and transport; the use of public spaces; and general internal services.

**287. Information and technology management:** All IT and information management and the development and implementation of an information management strategy.

**288. Official meetings, documentation and relations:** Support to the governance organs, official relations (including with international non-governmental organizations and intergovernmental organizations in the context of official meetings), official documentation (translation, revision, editing and formatting services) and official meetings (including interpretation services, planning, programming and technology support services).

**289. Communications and public information:** The ILO's communication through relations with the media, public information initiatives and the management of the ILO's public and internal websites.

**290. Human resources development:** Human resource policy and operations, staff development and the administration of health insurance, as well as leading relations with staff representatives.

**291. Financial management:** Financial governance and ensuring that financial duties and obligations are carried out effectively and efficiently and are consistent with the Financial Regulations and Rules.

**292. Procurement:** The administration of procurement procedures, the procurement of equipment and services, and subcontracting.

**293. Strategic programming and management:** Providing the Governing Body and the International Labour Conference with the analysis and proposals necessary to define the ILO's programme of work and to report on its implementation.

## Oversight and evaluation

**294.** The resources will further enhance effective monitoring and oversight in the use of resources entrusted to the ILO and full accountability of the Office with regard to the delivery of its programme. Proposed allocations reflect an increase for oversight purposes. The main functions are:

**295. Internal Audit and Oversight:** Responsible for the internal audit function in accordance with Chapter XIV of the Financial Rules of the Office. It reports directly to the Director-General.

**296. The Independent Oversight Advisory Committee:** Provides advice to the Governing Body and the Director-General on the effectiveness of internal control, financial management and reporting, risk management and internal and external audit outputs.

**297. External audit:** Provision for the cost of the audit of all the funds for which the Director-General has custody (regular budget, United Nations Development Programme projects (UNDP), trust funds, extra-budgetary accounts and all other accounts). Also included are costs related to independent evaluations of land and buildings and after-service health insurance liabilities required to ensure compliance with IPSAS.

**298. The ethics function:** Ensures support and compliance with ethical standards of conduct and

that integrity is observed by all in the Organization.

**299. Evaluation:** Responsible for providing independent, high-quality evaluation services to the ILO. It reports directly to the Director-General.

## Other budgetary provisions

**300.** This programme includes the budgetary provisions for contributions to various ILO funds and United Nations common system and inter-agency bodies, as well as provisions that do not appropriately fall elsewhere in the programme and budget.

**301. *Loan annuities in the ILO building:*** Provision is made for the payment of two annuities of CHF3,702,300 in 2016 and 2017 (equivalent of some \$7,794,000 for the biennium) for the loan from the Swiss Property Foundation for the International Organizations (FIPOI) in connection with the ILO headquarters building. The loan will be fully repaid by the year 2025.

**302. *ILO Staff Pensions Fund:*** The provision remains at the same level in real terms (some \$320,000) to cover the cost of the remaining beneficiary of this Fund.

**303. *Special Payments Fund:*** The purpose of this Fund is to make periodic ex gratia payments to former officials or their spouses in accordance with criteria approved by the Governing Body. The regular budget contribution to the Fund of CHF232,000 (some \$244,000) is maintained at the same level in real terms as in the previous biennium.

**304. *Staff Health Insurance Fund:*** Contribution for the insurance of retired officials: This provision, which amounts to some \$29.9 million, covers the ILO's contribution to the Staff Health Insurance Fund (SHIF) in respect of the insurance of retired officials, invalidity pensioners, surviving spouses and orphans. The amount proposed for 2016–17 for the retired officials in real terms is at the same level as in the previous biennium. Cost increases have been proposed to cover the increased number of retirees and the associated costs.

**305. *Contribution to the Building and Accommodation Fund:*** The regular budget provision under this heading is some CHF390,000 per biennium (some \$411,000). Under Part IV of these proposals, Institutional Investments, a provision of some \$3.43 million has been made towards the financing of the Fund for future periodic refurbishment and renovation of ILO buildings.

**306. *Contribution to various UN common system bodies and inter-agency committees:*** The total provision of some \$1.6 million is the same level in

real terms as the previous biennium. It covers ILO contributions to various UN common system entities including the Joint Inspection Unit, the United Nations System Chief Executives Board for Coordination, the Common Procurement Activities Group, the International Civil Service Commission, the United Nations System Staff College and salary survey activities.

**307. Health Services Unit:** The ILO operates an Occupational Safety and Health Unit as an integral part of the Office to provide a range of medical services and advice. The same amount in real terms (some \$2.1 million) has been provided for as in the previous biennium.

**308. External audit costs:** The provision under this heading amounting to \$1,385,000 includes the cost of the audit of all the funds for which the Director-General has custody (regular budget, United Nations Development Programme projects, trust funds, extra-budgetary accounts and all other special accounts) and is the same in constant dollars as for the previous biennium. On the basis of bids received from candidates to replace the existing external auditor, no cost increases have been provided for this item of expenditure.

**309. Administrative Tribunal:** The resources under this heading provide for the Registrar of the Administrative Tribunal, part-time secretarial support, and a share of other operating costs. Other operating costs consist of the costs of the Assistant Registrar, clerical assistance, mission credits, translation work, the maintenance of computer database of the Tribunal's case law,

and the judges' fees and travel expenses, which are apportioned on the basis of the proportion of ILO staff to the total number of staff of organizations that have accepted the jurisdiction of the Tribunal, and the number of cases involving the ILO to the total number of cases brought before the Tribunal during the biennium. The amount provided (some \$1.3 million) remains the same in real terms as in the previous biennium.

**310. Staff representation:** In accordance with article 10.1 of the Staff Regulations, members of the Staff Union Committee are allowed time off for the purpose of representing the staff of the Office on questions of conditions of work and terms of employment. As in previous biennia, a provision of 4/00 Professional and 1/00 General Service work-years is proposed to partially finance replacements in those units in which members of the Staff Union Committee normally work. A further 2/00 General Service work-years provides for a secretary for the Staff Union. The total provision for staff representation amounts to some \$1.4 million.

**311. Childcare facilities:** The total provision amounts to some CHF564,200 (some \$594,000) and remains the same in real terms as in the previous biennium.

**312. Unpaid liabilities:** The amount of \$2,000 provides for the payment in 2016–17 of such transactions in respect of previous years as would not be appropriate to pay from any other item of the budget. This provision is required by article 17 of the Financial Regulations.

## Part II: Unforeseen expenditure

**313.** Provision is made under this item for unforeseen and extraordinary expenses, i.e. those which may arise when, as a result of Governing Body decisions taken after the adoption of the budget, or for any other reason, an approved budget credit is no longer sufficient for the purpose envisaged; or when the Governing Body approves an item of work or an activity for which no provision has been made in the budget.

**314.** In accordance with article 15 of the Financial Regulations, no part of the resources provided under this item may be used for any other purpose without the specific prior authorization of the Governing Body.

**315.** The total supplementary expenditure authorizations approved by the Governing Body in respect of recent financial periods have been as follows:

Financial period	US dollars
2004–05	1 473 500
2006–07	1 013 700
2008–09	1 244 900
2010–11	808 930
2012–13	1 796 400

**316.** Normally, these authorizations have included a provision that in the first instance they be financed to the extent possible out of budgetary savings; failing this, out of the credit under this item; and after exhaustion of this credit, by a withdrawal from the Working Capital Fund.

### Part III: Working Capital Fund

**317.** The Working Capital Fund is established for the following purposes, as defined in article 19(1) of the Financial Regulations:

- (a) to finance budgetary expenditure pending receipt of contributions or other income; and
- (b) in exceptional circumstances and subject to prior authorization of the Governing Body, to provide advances to meet contingencies and emergencies.

**318. *Level of the Working Capital Fund:*** The level of the Working Capital Fund was set at CHF35 million on 1 January 1993 by the International Labour Conference at its 80th Session (June 1993).

**319. *Refund of withdrawals:*** Under the provisions of article 21.2 of the Financial Regulations, any withdrawals from the Working Capital Fund to finance budgetary expenditure pending the receipt of contributions shall be reimbursed from arrears of contributions received. However, where the withdrawal was used to finance expenditure incurred in respect of contingencies or emergencies under prior authorization of the Governing Body, it shall be reimbursed from an additional assessment on member States. It is expected that no provision will be necessary under this part of the budget in 2016–17.

### Part IV: Institutional investments and extraordinary items

**320.** Provision is made under this item to cover institutional investments for which resources are not provided under Part I of the budget.

**321.** In accordance with the long-term strategy for the financing of future periodic refurbishment and renovation of ILO buildings approved by the

Governing Body at its 310th Session (March 2011), a provision of some \$3.43 million has been made towards the financing of the Building and Accommodation Fund for future periodic refurbishment and renovation of ILO buildings.



## Details of cost increases

	2014–15	2016–17 estimates in constant 2014–15 US dollars	Programme increases (decreases)		Cost increases (decreases)		2016–17	% of total budget
	\$	\$	\$	%	\$	%	\$	%
<b>PART I. ORDINARY BUDGET</b>								
<b>Governance organs</b>								
International Labour Conference	30 118 000	28 501 224	-1 616 776	-5.4%	215 169	0.8%	28 716 393	3.6%
Governing Body	20 607 499	19 749 245	-858 254	-4.2%	133 516	0.7%	19 882 761	2.5%
Major Regional Meetings	1 917 986	2 427 516	509 530	26.6%	-18 943	-0.8%	2 408 573	0.3%
Office of the Legal Adviser	3 769 760	3 763 111	-6 649	-0.2%	-42 870	-1.1%	3 720 241	0.5%
	<b>56 413 245</b>	<b>54 441 096</b>	<b>-1 972 149</b>	<b>-3.5%</b>	<b>286 872</b>	<b>0.5%</b>	<b>54 727 968</b>	<b>6.8%</b>
<b>Policy</b>								
International Labour Standards	25 824 454	25 721 039	-103 415	-0.4%	-114 801	-0.4%	25 606 238	3.2%
Employment Policy	22 326 500	22 168 524	-157 976	-0.7%	-122 079	-0.6%	22 046 445	2.8%
Enterprises	16 546 277	16 920 556	374 279	2.3%	-62 087	-0.4%	16 858 469	2.1%
Sectoral Policies	13 085 149	12 966 156	-118 993	-0.9%	-41 601	-0.3%	12 924 555	1.6%
Governance and Tripartism	29 125 714	29 353 388	227 674	0.8%	-141 146	-0.5%	29 212 242	3.7%
Conditions of Work and Equality	22 444 435	22 779 689	335 254	1.5%	-126 094	-0.6%	22 653 595	2.8%
Social Protection	10 363 023	11 161 098	798 075	7.7%	-101 543	-0.9%	11 059 555	1.4%
Research and Knowledge	19 872 213	19 822 676	-49 537	-0.2%	-90 234	-0.5%	19 732 442	2.5%
Statistics	12 663 013	13 437 614	774 601	6.1%	-106 092	-0.8%	13 331 522	1.7%
Technical Meetings Reserve	398 642	398 642	0	0.0%	0	0.0%	398 642	0.0%
Deputy Director-General's Office	4 523 742	3 491 252	-1 032 490	-22.8%	15 336	0.4%	3 506 588	0.4%
Regular Budget Technical Cooperation	6 424 768	6 424 768	0	0.0%	19 968	0.3%	6 444 736	0.8%
	<b>183 597 930</b>	<b>184 645 402</b>	<b>1 047 472</b>	<b>0.6%</b>	<b>-870 373</b>	<b>-0.5%</b>	<b>183 775 029</b>	<b>23.0%</b>

	2014–15	2016–17 estimates in constant 2014–15 US dollars	Programme increases (decreases)		Cost increases (decreases)		2016–17	% of total budget
	\$	\$	\$	%	\$	%	\$	%
<b>Field Operations and Partnerships</b>								
Multilateral Cooperation	8 943 293	8 234 668	-708 625	-7.9%	-50 617	-0.6%	8 184 051	1.0%
Partnerships and Field Support	5 983 222	5 702 695	-280 527	-4.7%	-45 282	-0.8%	5 657 413	0.7%
Programmes in Africa	77 902 078	79 464 266	1 562 188	2.0%	768 541	1.0%	80 232 807	9.9%
Programmes in the Americas	65 267 091	66 376 079	1 108 988	1.7%	-1 552 662	-2.3%	64 823 417	8.3%
Programmes in Arab States	16 904 673	18 520 296	1 615 623	9.6%	40 498	0.2%	18 560 794	2.3%
Programmes in Asia and the Pacific	70 443 648	71 839 604	1 395 956	2.0%	-1 021 752	-1.4%	70 817 852	9.0%
Programmes in Europe and Central Asia	24 358 485	26 140 975	1 782 490	7.3%	-1 127 740	-4.3%	25 013 235	3.3%
International Training Centre of the ILO, Turin	8 240 286	8 240 286	0	0.0%	0	0.0%	8 240 286	1.0%
South-South and Triangular Cooperation	1 766 300	1 766 300	0	0.0%	5 490	0.3%	1 771 790	0.2%
Deputy Director-General's Office	2 687 278	2 210 424	-476 854	-17.7%	16 024	0.7%	2 226 448	0.3%
	<b>282 496 354</b>	<b>288 495 593</b>	<b>5 999 239</b>	<b>2.1%</b>	<b>-2 967 500</b>	<b>-1.0%</b>	<b>285 528 093</b>	<b>36.0%</b>
<b>Employers' and workers' organizations</b>								
Employers' Activities	9 432 705	9 432 705	0	0.0%	-62 441	-0.7%	9 370 264	1.2%
Workers' Activities	21 582 088	21 582 088	0	0.0%	-89 171	-0.4%	21 492 917	2.7%
	<b>31 014 793</b>	<b>31 014 793</b>	<b>0</b>	<b>0.0%</b>	<b>-151 612</b>	<b>-0.5%</b>	<b>30 863 181</b>	<b>3.9%</b>
<b>Management and Reform</b>								
<b>Support services</b>								
Internal Services and Administration	51 610 722	50 392 673	-1 218 049	-2.4%	-472 786	-0.9%	49 919 887	6.3%
Information and Technology Management	49 753 487	47 893 958	-1 859 529	-3.7%	10 548	0.0%	47 904 506	6.0%
Official Meetings, Documentation and Relations	20 094 540	19 385 502	-709 038	-3.5%	-451 876	-2.3%	18 933 626	2.4%
Communications and Public Information	16 256 955	15 853 935	-403 020	-2.5%	-45 896	-0.3%	15 808 039	2.0%
Procurement	2 857 346	2 852 417	-4 929	-0.2%	-20 207	-0.7%	2 832 210	0.4%
	<b>140 573 050</b>	<b>136 378 485</b>	<b>-4 194 565</b>	<b>-3.0%</b>	<b>-980 217</b>	<b>-0.7%</b>	<b>135 398 268</b>	<b>17.0%</b>

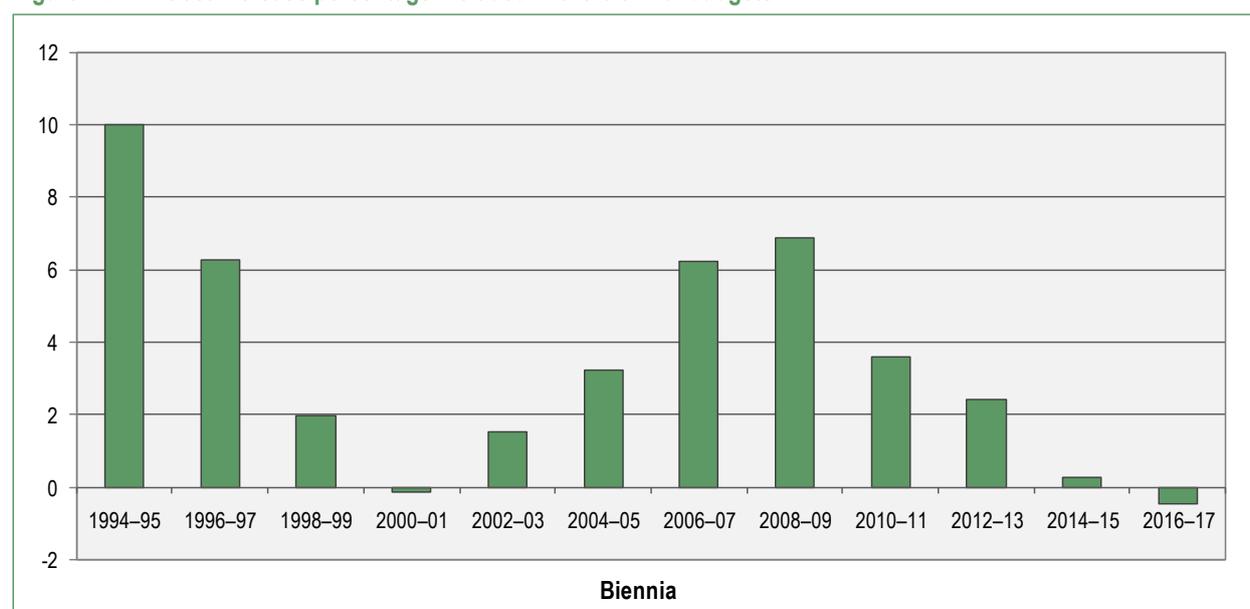
	2014–15	2016–17 estimates in constant 2014–15 US dollars	Programme increases (decreases)		Cost increases (decreases)		2016–17	% of total budget
	\$	\$	\$	%	\$	%	\$	%
<b>Management services</b>								
Human Resources Development	24 361 033	24 364 879	3 846	0.0%	-96 409	-0.4%	24 268 470	3.0%
Financial Management	16 444 172	16 026 405	-417 767	-2.5%	-88 964	-0.6%	15 937 441	2.0%
Strategic Programming and Management	4 925 245	4 917 787	-7 458	-0.2%	-27 404	-0.6%	4 890 383	0.6%
Deputy Director-General's Office	2 526 918	2 478 430	-48 488	-1.9%	15 091	0.6%	2 493 521	0.3%
	<b>48 257 368</b>	<b>47 787 501</b>	<b>-469 867</b>	<b>-1.0%</b>	<b>-197 686</b>	<b>-0.4%</b>	<b>47 589 815</b>	<b>6.0%</b>
<b>Office of the Director-General</b>	7 901 191	7 164 272	-736 919	-9.3%	-37 379	-0.5%	7 126 893	0.9%
<b>Oversight and evaluation</b>								
Internal Audit and Oversight	2 710 375	2 806 378	96 003	3.5%	-22 263	-0.8%	2 784 115	0.4%
Independent Oversight Advisory Committee	383 304	517 953	134 649	35.1%	-3 245	-0.6%	514 708	0.1%
External Audit Costs	1 385 000	1 385 000	0	0.0%	0	0.0%	1 385 000	0.2%
Ethics function	225 992	226 020	28	0.0%	-1 052	-0.5%	224 968	0.0%
Evaluation	3 001 364	3 097 473	96 109	3.2%	-9 361	-0.3%	3 088 112	0.4%
	<b>7 706 035</b>	<b>8 032 824</b>	<b>326 789</b>	<b>4.2%</b>	<b>-35 921</b>	<b>-0.4%</b>	<b>7 996 903</b>	<b>1.0%</b>
<b>Other budgetary provisions</b>	<b>45 594 077</b>	<b>45 594 077</b>	<b>0</b>	<b>0.0%</b>	<b>981 671</b>	<b>2.2%</b>	<b>46 575 748</b>	<b>5.7%</b>
<b>Adjustment for staff turnover</b>	<b>-6 595 445</b>	<b>-6 595 445</b>	<b>0</b>	<b>0.0%</b>	<b>73 510</b>	<b>-1.1%</b>	<b>-6 521 935</b>	<b>-0.8%</b>
<b>TOTAL PART I.</b>	<b>796 958 598</b>	<b>796 958 598</b>	<b>0</b>	<b>0.0%</b>	<b>-3 898 635</b>	<b>-0.5%</b>	<b>793 059 963</b>	<b>99.5%</b>

	2014–15	2016–17 estimates in constant 2014–15 US dollars	Programme increases (decreases)		Cost increases (decreases)		2016–17	% of total budget
	\$	\$	\$	%	\$	%	\$	%
<b>PART II. UNFORESEEN EXPENDITURE</b>								
Unforeseen expenditure	875 000	875 000	0	0.0%	0	0.0%	875 000	0.1%
<b>PART III. WORKING CAPITAL FUND</b>								
Working Capital Fund	0	0	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL (PARTS I–III)</b>	<b>797 833 598</b>	<b>797 833 598</b>	<b>0</b>	<b>0.0%</b>	<b>-3 898 635</b>	<b>-0.5%</b>	<b>793 934 963</b>	<b>99.6%</b>
<b>PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS</b>								
Accommodation	3 426 402	3 426 402	0	0.0%	27 463	0.8%	3 453 865	0.4%
<b>TOTAL PART IV</b>	<b>3 426 402</b>	<b>3 426 402</b>	<b>0</b>	<b>0.0%</b>	<b>27 463</b>	<b>0.8%</b>	<b>3 453 865</b>	<b>0.4%</b>
<b>TOTAL (PARTS I–IV)</b>	<b>801 260 000</b>	<b>801 260 000</b>	<b>0</b>	<b>0.0%</b>	<b>-3 871 172</b>	<b>-0.5%</b>	<b>797 388 828</b>	<b>100.0%</b>

**322.** This Information Annex provides details on the methodology used for calculating the cost increases for 2016–17. In approving successive programme and budgets, the International Labour Conference has recognized the need to incorporate adjustments (both increases and

decreases) to the constant dollar budget to ensure that sufficient funding is available to maintain the desired level of service to constituents. Figure A2-1 provides a summary of approved cost increase percentages for recent biennia.

**Figure A2-1. Cost increase percentage included in the biennial budgets**



## Basis for calculation of cost increases

**323.** The ILO uses a zero budget basis in each budget cycle for determining a baseline of all operational costs anticipated in the future biennium. The strategic and operational budget proposals are initially developed at constant cost rates to allow comparability of the approved 2014–15 budget with the budget proposed for 2016–17.

**324.** An analysis is undertaken by cost component of the expenditures incurred during the current biennium, including a review of previously forecasted cost increases, of cost structures and of any anticipated changes in cost drivers. In conjunction with this, an analysis is undertaken of the geographic distribution of both current expenditure and of expected future expenditure as inflation varies significantly between and within regions where the ILO operates. The projected percentage increases are applied to the 2016–17 budget for each corresponding object of expenditure and geographical location.

**325.** The budget projections make extensive use of verifiable and independent forecast data on consumer price indices and published data of authoritative bodies such as the ICSC, the IMF and central banks. Where the available inflation forecasts do not cover the full period of the budget, these forecasts are extrapolated for the 2016–17 biennium based on the latest available data and predicted trends made available by economic institutions. A review is also undertaken to determine the dollar equivalent of cost and price movements in local currencies since the last budget was adopted.

**326.** For Swiss-based expenditure items, the ILO has used average annual inflation forecasts issued by the Swiss National Bank for 2015, 2016 and 2017, which respectively are -0.1 per cent, 0.3 per cent and 1.0 per cent. Unless otherwise disclosed, average annual inflation rates have been used to calculate cost increases for 2015–17.

**327.** The principal source of inflation estimates for field locations is IMF data. For these locations, the latest 2014 costs are adjusted for estimated inflation in 2015, 2016, and 2017 and take account of changes in the rate of exchange

between the local currency and the US dollar. The annual rates of cost increase vary considerably between and within regions. Table A2-1 shows the projected average annual rate for each region, in dollar terms.

**Table A2-1. 2016–17 projected average annual inflation rates by region**

Region	% increase
Africa	3.4
Americas	1.0
Arab States	3.3
Asia and the Pacific	4.3
Europe	1.7

**328.** The zero-based budgeting methodology to cost increases compares previously predicted cost increase movements with actual expenditure to realign the budget for each location and expenditure type. In general, it has been possible to offset much of the forecasted inflation for 2015, 2016 and 2017 as a result of the lower than anticipated rates of inflation included in the Programme and Budget for 2014–15, notably with staff costs.

**329.** Table A2–2 summarizes the proposed cost adjustments for 2016–17 by object of expenditure across the Office. The adjustments amount to a net reduction of some \$3.9 million, equivalent to an average rate of -0.5 per cent for the 2016–17 biennium.

**Table A2-2. 2016–17 cost adjustments by object of expenditure (US dollars)**

Object of expenditure	Budget proposals (in constant US dollars)	Cost adjustments	Biennial % adjustment
Staff costs	561 623 207	-5 975 323	-1.1
Travel on official business	16 082 066	-4 329	-0.1
Contractual services	29 021 503	416 514	1.44
General operating expenses	68 243 975	119 857	0.2
Supplies and materials	3 053 205	87 426	2.9
Furniture and equipment	6 334 657	8 508	0.1
Loan amortization for HQ building	7 794 316	0	0.0
Fellowships, grants and RBTC	71 758 969	280 596	0.4
Other costs	37 348 102	1 195 579	3.2
<b>Total</b>	<b>801 260 000</b>	<b>-3 871 172</b>	<b>-0.5</b>

## Staff costs

**330.** Staff costs account for some 70 per cent of the overall expenditure budget and the cost decrease of US\$5.9 million (-1.1 per cent) constitutes the largest change in absolute terms. The staff cost decreases for 2016–17 reflect the rebasing of staff costs to current levels.

**331.** Staff costs comprise:

- all officials who are budgeted at differentiated standard costs, described more fully below; and
- interpreters, committee secretaries and short-term Conference staff, where the proposed provision for cost increase is in line with that provided for Professional and General Service staff at headquarters and

agreements with the International Association of Conference Interpreters.

## Staff calculated at standard costs

**332.** In 2014–15 the ILO introduced a system of differentiated standard costs, to improve the management, budgeting and accounting for staff costs across the existing grade structure of the Office. Changes in the elements of the standard costs are based on the latest salary-related policies and decisions approved by the UN General Assembly under the recommendation of the ICSC for general application throughout the UN common system. As the ILO participates in the UN common system of salaries and allowances, the Office has an obligation to apply any such statutory increases.

**333.** The 2016–17 standard costs are based on the actual costs incurred in 2014 by each grade, with appropriate allowances for expected trends of inflation, changes in staff entitlements, and the movement and overall composition of staff. Decreases in the standard costs for Professional staff and for General Service staff at headquarters, averaging 1.31 per cent and 0.60 per cent respectively, have been forecasted for 2016–17.

**334. Professional category:** No real increase in salaries for Professional staff has been foreseen in the budget. Changes in the post-adjustment indices arise from exchange rate fluctuations and movements in the cost of living as determined by the ICSC. As the budget is set at a fixed Swiss franc–US dollar budget rate of exchange, and the current proposals are established at the existing budget rate of exchange, there are no changes in Geneva post adjustment arising from this factor. Provision has been made for increases in post adjustment at the general rate of inflation for Geneva-based staff. Post adjustment rates in field locations are also determined by the ICSC and reflect relevant cost-of-living adjustments and the relationship between the local currency and the US dollar.

**335.** The Pension Board has not recommended any change to the total rate of contribution to the UN Joint Staff Pension Fund or to the share financed by member organizations. It is assumed that the status quo with regard to the rate would continue throughout the 2016–17 biennium. Contributions made to the Fund are based upon the level of pensionable remuneration for each grade. Annual increments linked to forecasted New York inflation have been provided for in the 2016–17 estimates.

**336. General Service category:** Estimates for Geneva inflation as indicated in paragraph 326 have been included in the salary projection for General Service staff. The continuing trend to reduce the number of non-locally recruited officials has resulted in a lower provision to cover expatriate benefits, such as home leave.

**337.** For staff in the General Service category, pensionable remuneration remains the dollar equivalent of the sum of the local gross salary, plus any language allowance and any non-resident's allowance payable. Any changes in the US dollar–Swiss franc rates of exchange would impact the dollar costs of organizations' contributions.

**338.** For field-based General Service staff the most recent salary scales at each location have been used, with provisions and adjustments made to allow for estimated inflation in US dollar terms.

**339.** Although these standard cost rates have been reflected in the provision for cost increases, the standard costs used in the estimates in the budget tables in Information Annexes 1 and 3 are those for 2014–15, as the proposals are presented in 2014–15 constant dollars. When the budget is adopted by the Conference in June 2015, the budget tables will be restated to reflect staff costs including the estimated cost increases and the impact of the new budget rate of exchange for the 2016–17 biennium.

## Non-staff costs

### Travel on official business

**340.** No provision for increases in airline ticket costs has been made. Adjustments have been provided for subsistence allowances to reflect changes in ICSC-promulgated daily subsistence allowance (DSA) rates in the different locations in which the ILO operates. A net reduction in DSA rates in dollar terms has been applied against base travel costs in constant dollars including a reduction for Governing Body and Committee members and meeting delegates travel following the revision to the travel rules in June 2014.

### General operating expenses

**341. Utilities:** Although fuel prices remain volatile and uncertain, a decrease of some 12 per cent has been incorporated into budgetary estimates for 2016–17. In Geneva, the rates as obtained from the local supplier have been used to allow for an increase of 0.8 per cent for water, while a decrease of some 19 per cent has been incorporated in the estimates to reflect the results of a joint-UN competitive bidding process for electricity supply. For field locations, it is assumed that water and electricity rates will increase at the local rate of inflation as per the IMF forecast.

**342. Rent:** Provisions have been made to cover contractual increases for rent and increased costs following relocations for security or other reasons.

### Supplies and materials

**343.** The cost of research materials and resources, in particular periodicals and online subscriptions, continues to increase at rates significantly higher than general inflation. Books, periodicals and other subscriptions have increased in cost by an annual average of 4.1 per cent.

## Fellowships, grants and regular budget technical cooperation

**344.** Regular budget technical cooperation (RBTC) has both field and headquarters components. Forecasted cost increases have been based on location inflation rates resulting in an average increase of 0.3 per cent. The provision for the non-staff components of the contribution to the Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) has been decreased by 7.4 per cent per annum to reflect local inflation forecasts in dollar terms in Uruguay. Given the lower than expected inflation in dollar terms in Italy over the past two years, no cost increases have been required for the biennial contribution to the Turin Centre.

## Other non-staff costs

**345.** All other non-staff costs have been adjusted in line with the average annual inflation rates applying to the relevant geographical area.

## Other budgetary items

**346.** The most significant cost increase element comes from the increasing number of retirees and the Organization's share of their after-service health insurance. This cost category has been estimated to increase by \$1 million for 2016–17.

**347.** The costs for external audit have not been increased, on the basis of the bids received from candidates for this role in 2016–17.

**348.** Other budgetary items include contributions to joint administrative activities within the UN system (for example, the ICSC, the High-Level Committee on Management, the United Nations System Chief Executives Board for Coordination, the UN Joint Inspection Unit and the UN Resident Coordinator system). The budget estimates for these bodies have been used as a basis where available, with cost increases being based on the general rate of assumed inflation in the location of the various bodies with minor modifications that have occurred in the apportionment of the costs between participating agencies.

## Proposed operational budget by item and object of expenditure

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>PART I. ORDINARY BUDGET</b>											
<b>Governance organs</b>											
International Labour Conference	2014-15	24 447 128	57 292	1 838 988	3 622 065	79 164	63 078	-	10 285	-	30 118 000
	2016-17	23 396 183	57 292	1 316 805	3 583 877	74 764	62 019	-	10 284	-	28 501 224
Governing Body	2014-15	15 652 440	3 104 573	371 022	1 387 461	30 807	61 196	-	-	-	20 607 499
	2016-17	15 263 453	2 734 573	312 853	1 351 660	26 538	60 168	-	-	-	19 749 245
Major Regional Meetings	2014-15	1 564 630	48 831	136 019	158 711	3 280	6 515	-	-	-	1 917 986
	2016-17	1 748 164	215 845	198 200	256 074	2 826	6 407	-	-	-	2 427 516
Office of the Legal Adviser	2014-15	3 702 170	10 214	8 141	-	-	-	-	49 235	-	3 769 760
	2016-17	3 701 230	11 154	1 815	-	-	-	-	48 912	-	3 763 111
<b>Total Governance organs</b>	<b>2014-15</b>	<b>45 366 368</b>	<b>3 220 910</b>	<b>2 354 170</b>	<b>5 168 237</b>	<b>113 251</b>	<b>130 789</b>	<b>-</b>	<b>59 520</b>	<b>-</b>	<b>56 413 245</b>
	<b>2016-17</b>	<b>44 109 030</b>	<b>3 018 864</b>	<b>1 829 673</b>	<b>5 191 611</b>	<b>104 128</b>	<b>128 594</b>	<b>-</b>	<b>59 196</b>	<b>-</b>	<b>54 441 096</b>
<b>Policy</b>											
International Labour Standards	2014-15	23 664 516	722 815	1 069 450	3 740	-	22 348	-	341 585	-	25 824 454
	2016-17	23 657 156	665 815	1 023 164	3 740	-	22 348	-	348 816	-	25 721 039
Employment Policy	2014-15	19 173 957	515 750	2 095 919	9 213	17 348	128 517	-	385 796	-	22 326 500
	2016-17	19 141 907	565 750	1 913 585	43 332	17 348	62 317	-	424 285	-	22 168 524
Enterprises	2014-15	13 247 960	545 652	2 562 113	-	-	1 074	-	189 478	-	16 546 277
	2016-17	13 726 080	545 652	2 449 506	-	-	1 074	-	198 244	-	16 920 556
Sectoral Policies	2014-15	9 631 680	152 385	506 266	2 654 887	-	-	-	139 931	-	13 085 149
	2016-17	9 579 960	152 385	437 553	2 654 654	-	-	-	141 604	-	12 966 156
Governance and Tripartism	2014-15	24 993 496	687 941	2 281 690	47 304	32 828	80 530	-	1 001 925	-	29 125 714
	2016-17	25 421 952	841 101	1 877 710	61 810	39 038	72 495	-	1 039 282	-	29 353 388

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Conditions of Work and Equality	2014–15	19 956 565	476 343	1 453 051	25 194	14 362	15 185		503 735	-	22 444 435
	2016–17	20 457 470	431 342	1 200 658	26 581	14 505	16 416	-	632 717	-	22 779 689
Social Protection	2014–15	10 016 958	40 554	144 037	-	-	-		161 474	-	10 363 023
	2016–17	10 858 362	41 790	81 788	-	-	-		179 158	-	11 161 098
Research and Knowledge	2014–15	18 237 549	183 155	717 560	198 350	121 859	64 776		348 964	-	19 872 213
	2016–17	18 325 309	266 049	639 078	29 091	121 859	64 776	-	376 514	-	19 822 676
Statistics	2014–15	10 927 772	508 883	642 655	16 677		85 887		481 139	-	12 663 013
	2016–17	11 988 702	508 883	442 617	16 677	7 280	30 000	-	443 455	-	13 437 614
Technical Meetings Reserve	2014–15	-	394 769	3 873	-	-	-		-	-	398 642
	2016–17	-	394 769	3 873	-	-	-		-	-	398 642
Deputy Director-General's Office	2014–15	4 152 637	110 164	52 832	7 655	10 811	66 147		123 496	-	4 523 742
	2016–17	3 205 839	110 164	39 832	1 415	5 811	34 460	-	93 731	-	3 491 252
Regular Budget Technical Cooperation	2014–15	-	-	-	-	-	-		6 424 768	-	6 424 768
	2016–17	-	-	-	-	-	-		6 424 768	-	6 424 768
<b>Total Policy</b>	<b>2014–15</b>	<b>154 003 090</b>	<b>4 338 411</b>	<b>11 529 446</b>	<b>2 963 020</b>	<b>197 208</b>	<b>464 464</b>	<b>-</b>	<b>10 102 291</b>	<b>-</b>	<b>183 597 930</b>
	<b>2016–17</b>	<b>156 362 737</b>	<b>4 523 700</b>	<b>10 109 364</b>	<b>2 837 300</b>	<b>205 841</b>	<b>303 886</b>	<b>-</b>	<b>10 302 574</b>	<b>-</b>	<b>184 645 402</b>
<b>Field Operations and Partnerships</b>											
Multilateral Cooperation	2014–15	7 240 032	195 577	333 404	857 651	15 068	14 129	-	287 432	-	8 943 293
	2016–17	6 553 592	195 577	333 404	846 774	15 068	14 129	-	276 124	-	8 234 668
Partnerships and Field Support	2014–15	5 560 061	116 598	164 721	23 536	-	5 647	-	112 659	-	5 983 222
	2016–17	5 291 611	116 598	164 721	15 012	-	5 647	-	109 106	-	5 702 695
Programmes in Africa	2014–15	50 039 914	1 187 635	3 020 849	13 094 704	386 831	623 072	-	9 479 171	69 902	77 902 078
	2016–17	51 877 359	1 584 138	1 543 541	12 047 842	364 402	566 218	-	9 981 302	1 499 464	79 464 266
Programmes in the Americas	2014–15	47 309 372	1 634 555	1 062 950	6 741 473	210 356	211 722	-	8 096 663	-	65 267 091
	2016–17	46 919 579	1 864 587	944 494	6 832 211	195 269	188 004	-	8 723 440	708 495	66 376 079

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Programmes in Arab States	2014–15	12 199 032	543 048	563 401	1 217 444	164 117	54 374	-	2 163 257	-	16 904 673
	2016–17	13 161 264	455 970	374 088	1 293 443	178 655	71 326	-	2 713 052	272 498	18 520 296
Programmes in Asia and the Pacific	2014–15	50 078 280	1 086 002	3 529 126	7 479 391	557 880	578 704	-	7 134 265	-	70 443 648
	2016–17	52 370 683	1 064 436	1 877 261	7 027 211	555 128	613 663	-	7 649 977	681 245	71 839 604
Programmes in Europe and Central Asia	2014–15	20 470 862	307 535	269 209	1 529 412	46 991	54 891	-	1 679 585	-	24 358 485
	2016–17	21 076 053	332 200	312 257	1 386 613	-	25 460	-	2 299 897	708 495	26 140 975
International Training Centre of the ILO, Turin	2014–15	-	-	-	-	-	-	-	8 240 286	-	8 240 286
	2016–17	-	-	-	-	-	-	-	8 240 286	-	8 240 286
South–South and Triangular Cooperation	2014–15	-	-	-	-	-	-	-	1 766 300	-	1 766 300
	2016–17	-	-	-	-	-	-	-	1 766 300	-	1 766 300
Deputy Director-General's Office	2014–15	2 553 586	101 991	5 321	-	-	-	-	26 380	-	2 687 278
	2016–17	2 048 340	97 698	15 000	13 425	3 000	7 000	-	25 961	-	2 210 424
<b>Total Field Operations and Partnerships</b>	<b>2014–15</b>	<b>195 451 139</b>	<b>5 172 941</b>	<b>8 948 981</b>	<b>30 943 611</b>	<b>1 381 243</b>	<b>1 542 539</b>	<b>-</b>	<b>38 985 998</b>	<b>69 902</b>	<b>282 496 354</b>
	<b>2016–17</b>	<b>199 298 481</b>	<b>5 711 204</b>	<b>5 564 766</b>	<b>29 462 531</b>	<b>1 311 522</b>	<b>1 491 447</b>	<b>-</b>	<b>41 785 445</b>	<b>3 870 197</b>	<b>288 495 593</b>
<b>Employers' and workers' organizations</b>											
Employers' Activities	2014–15	6 650 492	315 285	93 801	-	-	11 106	-	2 362 021	-	9 432 705
	2016–17	6 657 150	308 627	93 801	-	-	11 106	-	2 362 021	-	9 432 705
Workers' Activities	2014–15	13 492 950	747 662	628 682	-	-	4 251	-	6 708 543	-	21 582 088
	2016–17	13 555 420	747 662	566 212	-	-	4 251	-	6 708 543	-	21 582 088
<b>Total Employers' and Workers' Organizations</b>	<b>2014–15</b>	<b>20 143 442</b>	<b>1 062 947</b>	<b>722 483</b>	<b>-</b>	<b>-</b>	<b>15 357</b>	<b>-</b>	<b>9 070 564</b>	<b>-</b>	<b>31 014 793</b>
	<b>2016–17</b>	<b>20 212 570</b>	<b>1 056 289</b>	<b>660 013</b>	<b>-</b>	<b>-</b>	<b>15 357</b>	<b>-</b>	<b>9 070 564</b>	<b>-</b>	<b>31 014 793</b>

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Management and Reform</b>											
<b>Support Services</b>											
Internal Services and Administration	2014-15	27 848 973	215 250	1 299 879	20 820 632	400 827	154 320	-	870 841	-	51 610 722
	2016-17	27 833 093	192 250	805 090	20 247 738	341 625	127 809	-	845 068	-	50 392 673
Information and Technology Management	2014-15	28 710 074	158 548	6 332 276	10 929 440	1 079 325	2 014 575	-	529 249	-	49 753 487
	2016-17	28 315 450	280 000	5 161 297	8 682 012	877 000	4 057 760	-	520 439	-	47 893 958
Official Meetings, Documentation and Relations	2014-15	18 777 288	19 352	479 243	7 745	10 155	85 127	-	715 630	-	20 094 540
	2016-17	18 150 884	19 352	433 855	7 748	9 140	86 175	-	678 348	-	19 385 502
Communications and Public Information	2014-15	13 077 149	219 072	2 294 198	103 369	297 943	64 727	-	200 497	-	16 256 955
	2016-17	14 110 358	219 072	1 061 189	69 231	114 743	57 727	-	221 615	-	15 853 935
Procurement	2014-15	2 740 671	23 895	-	14 118	-	3 626	-	75 036	-	2 857 346
	2016-17	2 728 920	23 895	-	14 408	-	3 626	-	81 568	-	2 852 417
<b>Total Support Services</b>	<b>2014-15</b>	<b>91 154 155</b>	<b>636 117</b>	<b>10 405 596</b>	<b>31 875 304</b>	<b>1 788 250</b>	<b>2 322 375</b>	<b>-</b>	<b>2 391 253</b>	<b>-</b>	<b>140 573 050</b>
	<b>2016-17</b>	<b>91 138 705</b>	<b>734 569</b>	<b>7 461 431</b>	<b>29 021 137</b>	<b>1 342 508</b>	<b>4 333 097</b>	<b>-</b>	<b>2 347 038</b>	<b>-</b>	<b>136 378 485</b>
<b>Management Services</b>											
Human Resources Development	2014-15	20 153 049	162 656	648 518	173 809	7 527	8 767	-	3 206 707	-	24 361 033
	2016-17	19 399 733	162 656	640 544	950 181	7 527	8 767	-	3 195 471	-	24 364 879
Financial Management	2014-15	15 948 535	33 170	133 337	62 105	380	-	-	266 645	-	16 444 172
	2016-17	15 514 686	74 955	133 337	40 241	380	-	-	262 806	-	16 026 405
Strategic Programming and Management	2014-15	4 738 417	46 744	26 126	19 198	-	27 904	-	66 856	-	4 925 245
	2016-17	4 738 417	46 744	26 126	10 941	-	27 904	-	67 655	-	4 917 787
Deputy Director-General's Office	2014-15	2 229 582	117 203	105 395	2 392	-	-	-	72 346	-	2 526 918
	2016-17	2 187 102	117 203	138 147	10 804	-	-	-	25 174	-	2 478 430
<b>Total Management Services</b>	<b>2014-15</b>	<b>43 069 583</b>	<b>359 773</b>	<b>913 376</b>	<b>257 504</b>	<b>7 907</b>	<b>36 671</b>	<b>-</b>	<b>3 612 554</b>	<b>-</b>	<b>48 257 368</b>
	<b>2016-17</b>	<b>41 839 938</b>	<b>401 558</b>	<b>938 154</b>	<b>1 012 167</b>	<b>7 907</b>	<b>36 671</b>	<b>-</b>	<b>3 551 106</b>	<b>-</b>	<b>47 787 501</b>

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Office of the Director-General</b>	2014–15	6 763 999	246 905	63 868	698 315	17 636	17 181	-	93 287	-	7 901 191
	2016–17	5 915 239	375 545	63 868	692 988	17 636	17 181	-	81 815	-	7 164 272
<b>Oversight and evaluation</b>											
Internal audit and oversight	2014–15	2 555 140	33 169	52 286	26 244	-	8 424	-	35 112	-	2 710 375
	2016–17	2 555 140	33 169	152 286	21 827	-	8 424	-	35 532	-	2 806 378
Independent Oversight Advisory Committee	2014–15	221 547	129 030	32 727	-	-	-	-	-	-	383 304
	2016–17	354 525	147 064	16 364	-	-	-	-	-	-	517 953
External Audit	2014–15	-	-	1 385 000	-	-	-	-	-	-	1 385 000
	2016–17	-	-	1 385 000	-	-	-	-	-	-	1 385 000
Ethics function	2014–15	163 980	-	59 680	-	-	-	-	2 332	-	225 992
	2016–17	163 980	-	59 680	-	-	-	-	2 360	-	226 020
Evaluation	2014–15	2 332 320	59 885	578 063	-	-	-	-	31 096	-	3 001 364
	2016–17	2 332 320	75 000	658 686	-	-	-	-	31 467	-	3 097 473
<b>Total Oversight and evaluation</b>	<b>2014–15</b>	<b>5 272 987</b>	<b>222 084</b>	<b>2 107 756</b>	<b>26 244</b>	<b>-</b>	<b>8 424</b>	<b>-</b>	<b>68 540</b>	<b>-</b>	<b>7 706 035</b>
	<b>2016–17</b>	<b>5 405 965</b>	<b>255 233</b>	<b>2 272 016</b>	<b>21 827</b>	<b>-</b>	<b>8 424</b>	<b>-</b>	<b>69 359</b>	<b>-</b>	<b>8 032 824</b>
<b>Other budgetary provisions</b>	2014–15	3 935 987	5 104	122 218	4 414	63 663	-	7 794 316	1 065 470	32 602 905	45 594 077
	2016–17	3 935 987	5 104	122 218	4 414	63 663	-	7 794 316	1 065 470	32 602 905	45 594 077
<b>Adjustment for staff turnover</b>	2014–15	-6 595 445	-	-	-	-	-	-	-	-	-6 595 445
	2016–17	-6 595 445	-	-	-	-	-	-	-	-	-6 595 445
<b>TOTAL PART I</b>	<b>2014–15</b>	<b>558 565 305</b>	<b>15 265 192</b>	<b>37 167 894</b>	<b>71 936 649</b>	<b>3 569 158</b>	<b>4 537 800</b>	<b>7 794 316</b>	<b>65 449 477</b>	<b>32 672 807</b>	<b>796 958 598</b>
	<b>2016–17</b>	<b>561 623 207</b>	<b>16 082 066</b>	<b>29 021 503</b>	<b>68 243 975</b>	<b>3 053 205</b>	<b>6 334 657</b>	<b>7 794 316</b>	<b>68 332 567</b>	<b>36 473 102</b>	<b>796 958 598</b>

		1	2	3	4	5	6	7	8	9	Total
		Staff costs	Travel on official business	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Loan amortization for HQ building	Fellowships, grants and RBTC	Other budgetary items	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>PART II. UNFORESEEN EXPENDITURE</b>											
Unforeseen expenditure	2014-15	-	-	-	-	-	-	-	-	875 000	875 000
	2016-17	-	-	-	-	-	-	-	-	875 000	875 000
<b>Part III. WORKING CAPITAL FUND</b>											
Working Capital Fund	2014-15	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PARTS I-III</b>	<b>2014-15</b>	<b>558 565 305</b>	<b>15 265 192</b>	<b>37 167 894</b>	<b>71 936 649</b>	<b>3 569 158</b>	<b>4 537 800</b>	<b>7 794 316</b>	<b>65 449 477</b>	<b>33 547 807</b>	<b>797 833 598</b>
	<b>2016-17</b>	<b>561 623 207</b>	<b>16 082 066</b>	<b>29 021 503</b>	<b>68 243 975</b>	<b>3 053 205</b>	<b>6 334 657</b>	<b>7 794 316</b>	<b>68 332 567</b>	<b>37 348 102</b>	<b>797 833 598</b>
<b>PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS</b>											
Accommodation	2014-15	-	-	-	-	-	-	-	3 426 402	-	3 426 402
	2016-17	-	-	-	-	-	-	-	3 426 402	-	3 426 402
<b>TOTAL PART IV</b>	<b>2014-15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 426 402</b>	<b>-</b>	<b>3 426 402</b>
	<b>2016-17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 426 402</b>	<b>-</b>	<b>3 426 402</b>
<b>TOTAL (PARTS I-IV)</b>	<b>2014-15</b>	<b>558 565 305</b>	<b>15 265 192</b>	<b>37 167 894</b>	<b>71 936 649</b>	<b>3 569 158</b>	<b>4 537 800</b>	<b>7 794 316</b>	<b>68 875 879</b>	<b>33 547 807</b>	<b>801 260 000</b>
	<b>2016-17</b>	<b>561 623 207</b>	<b>16 082 066</b>	<b>29 021 503</b>	<b>68 243 975</b>	<b>3 053 205</b>	<b>6 334 657</b>	<b>7 794 316</b>	<b>71 758 969</b>	<b>37 348 102</b>	<b>801 260 000</b>
	<b>Recosted</b>	<b>555 721 394</b>	<b>16 077 737</b>	<b>29 438 017</b>	<b>68 363 832</b>	<b>3 140 631</b>	<b>6 343 165</b>	<b>7 794 316</b>	<b>72 039 565</b>	<b>38 470 171</b>	<b>797 388 828</b>

## Summary of regular budget technical cooperation resources

	2016–17	2016–17
	(in constant 2014–15 US\$)	(recosted (US\$))
Policy	6 424 768	6 444 736
Programmes in Africa	8 859 372	8 886 907
Programmes in the Americas	5 237 125	5 253 402
Programmes in Arab States	2 420 845	2 428 369
Programmes in Asia and the Pacific	6 342 897	6 362 611
Programmes in Europe and Central Asia	1 640 056	1 645 153
South–South and Triangular Cooperation	1 766 300	1 771 790
Employers' activities	2 270 289	2 277 345
Workers' activities	5 721 598	5 739 381
	<b>40 683 250</b>	<b>40 809 694</b>